SPRINGFIELD-CLARK CAREER TECHNOLOGY CENTER
CLARK COUNTY

SINGLE AUDIT

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

SPRINGFIELD-CLARK CAREER TECHNOLOGY CENTER
CLARK COUNTY

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CLARK COUNTY

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INDEPENDENT AUDITOR'S REPORT

Springfield-Clark Career Technology Center
Clark County
1901 Selma Road
Springfield, Ohio 45505

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Springfield-Clark Career Technology Center, Clark County, Ohio (the Center), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Center's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Center's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Center's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Springfield-Clark Career Technology Center, Clark County, Ohio, as of June 30, 2015, and the respective changes in financial position thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Notes 22 and 23 to the financial statements, during the year ended June 30, 2015, the Center adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and also GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, *Required budgetary comparison schedule,* and schedules of net pension liabilities and pension contributions listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on the Center's basic financial statements taken as a whole.

The Schedule of Federal Awards Receipts and Expenditures presents additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and is not a required part of the financial statements.

The schedule is management's responsibility, and derives from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling the schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 1, 2016, on our consideration of the Center's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Center's internal control over financial reporting and compliance.

Dave Yost
Auditor of State
Columbus, Ohio

April 1, 2016

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The discussion and analysis of Springfield-Clark Career Technology Center's (the Center) financial performance provides an overall review of the Center's financial activities for the fiscal year ended June 30, 2015. The intent of this discussion and analysis is to look at the Center's financial performance as a whole; readers should also review the notes to the basic financial statements and the basic financial statements to enhance their understanding of the Center's performance.

Financial Highlights

Key financial highlights for 2015 are as follows:

- Net position of governmental activities increased $14,185 which represents a .3% increase from 2014.

- General revenues accounted for $10,545,664 in revenue or 91% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for $1,022,173 or 9% of total revenues of $11,567,837.

- The Center had $11,553,652 in expenses related to governmental activities; $1,022,173 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of $10,545,664 were also used to provide for these programs.

Overview of the Financial Statements

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Center as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The *Statement of Net Position* and *Statement of Activities* provide information about the activities of the whole Center, presenting both an aggregate view of the Center's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the Center's most significant funds with all other nonmajor funds presented in total in one column. The General Fund is the major fund of the Center.

Government-wide Financial Statements

While this document contains the large number of funds used by the Center to provide programs and activities, the view of the Center as a whole looks at all financial transactions and asks the question, "How did we do financially during 2015?" The Government-wide Financial Statements answers this question. These statements include *all assets, deferred outflows of resources, liabilities, and deferred inflows of resources* using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the Center's net position and changes in position. This change in net position is important because it tells the reader that, for the Center as a whole, the financial position has improved or diminished. The causes of this change may be the result of many factors, both financial and non-financial. Non-financial factors include the Center's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

In the Government-wide Financial Statements, the overall financial position of the Center is presented in the following manner:

- Governmental Activities – Most of the Center's programs and services are reported here including instruction, support services, operation of non-instructional services, extracurricular activities, intergovernmental and interest and fiscal charges.

Fund Financial Statements

The analysis of the Center's major fund begins on the balance sheet. Fund financial reports provide detailed information about the Center's major funds. The Center uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the Center's most significant funds.

Governmental Funds Most of the Center's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial assets* that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the Center's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental *activities* (reported in the Statement of Net Position and the Statement of Activities) and governmental *funds* is reconciled in the financial statements.

Fiduciary Funds Fiduciary Funds are used to account for resources held for the benefits of parties outside the government. Fiduciary Funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Center's own programs.

The Center as a Whole

As stated previously, the Statement of Net Position looks at the Center as a whole. Table 1 provides a summary of the Center's net position for fiscal year 2015 compared to fiscal year 2014:

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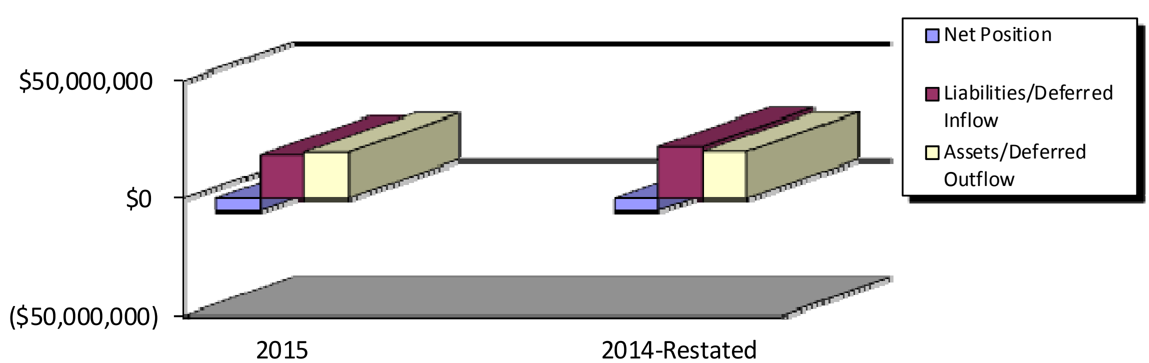
Table 1
Net Position

	Governmental Activities	
	2015	2014-Restated
Assets:		
Current and Other Assets	$14,583,712	$14,947,232
Capital Assets	5,024,720	4,985,309
Total Assets	19,608,432	19,932,541
Deferred Outflows of Resources:		
Pension	1,100,831	892,122
Total Deferred Outflows of Resources	1,100,831	892,122
Liabilities:		
Other Liabilities	1,070,317	1,243,813
Long-Term Liabilities	17,301,355	20,713,182
Total Liabilities	18,371,672	21,956,995
Deferred Inflows of Resources:		
Property Taxes	5,023,818	4,175,870
Pension	2,607,790	0
Total Deferred Inflows of Resources	7,631,608	4,175,870
Net Position:		
Net Investment in Capital Assets	2,856,307	2,205,883
Restricted	137,603	98,441
Unrestricted	(8,287,927)	(7,612,526)
Total Net Position	($5,294,017)	($5,308,202)



During 2015, the Center adopted GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27," which significantly revises accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the Center's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability*. GASB 68 takes an earnings approach to pension accounting; however, the nature of Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

Under the new standards required by GASB 68, the net pension liability equals the Center's proportionate share of each plan's collective:

1. Present value of estimated future pension benefits attributable to active and inactive employees' past service
2 Minus plan assets available to pay these benefits

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the Center is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system *as against the public employer.* State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability. As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68, the Center's statements prepared on an accrual basis of accounting include an annual pension expense for their proportionate share of each plan's *change* in net pension liability not accounted for as deferred inflows/outflows.

As a result of implementing GASB 68, the Center is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting. This implementation also had the effect of restating net position at June 30, 2014, from $10,628,295 to $(5,308,202).

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2015, the Center's liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by $5,294,017.

At year-end, capital assets represented 26% of total assets. Capital assets include land, buildings and improvements, and equipment. Capital assets, net of related debt issued to acquire the assets was $2,856,307 at June 30, 2015. These capital assets are used to provide services to the students and are not available for future spending. Although the Center's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the Center's net position, $137,603 represents resources that are subject to external restriction on how they must be used. The external restriction will not affect the availability of fund resources for future use.

Current Assets decreased mainly due to a decrease in cash and investments. Long-Term Liabilities decreased mainly due to the decrease in the Net Pension Liability.

Table 2 shows the changes in net position for fiscal years 2015 and 2014.

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Table 2
Changes in Net Position

	Governmental Activities	
	2015	2014-Restated
Revenues:		
Program Revenues		
Charges for Services	$310,053	$284,205
Operating Grants, Contributions	712,120	801,707
General Revenues:		
Property Taxes	4,089,626	4,943,263
Grants and Entitlements	6,188,862	6,243,523
Other	267,176	103,684
Total Revenues	11,567,837	12,376,382
Program Expenses:		
Instruction	6,971,587	6,982,718
Support Services:		
Pupil and Instructional Staff	1,294,315	1,430,867
School Administrative, General Administration, Fiscal and Business	1,525,167	1,613,173
Operations and Maintenance	1,234,724	1,195,683
Pupil Transportation	54,499	28,723
Central	58,433	48,204
Operation of Non-Instructional Services	294,255	262,772
Extracurricular Activities	28,590	60,398
Intergovernmental	0	138,496
Interest and Fiscal Charges	92,082	106,559
Total Program Expenses	11,553,652	11,867,593
Change in Net Position	14,185	508,789
Net Position - Beginning of Year, Restated	(5,308,202)	N/A
Net Position - End of Year	($5,294,017)	($5,308,202)

The information necessary to restate the 2014 beginning balances and the 2014 pension expense amounts for the effects of the initial implementation of GASB 68 is not available. Therefore, 2014 expenses still include pension expense of $892,122 computed under GASB 27. GASB 27 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 68, pension expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of pension expense. Under GASB 68, the 2015 statements report pension expenses of $691,320. Consequently, in order to compare 2015 total expenses to 2014, the following adjustments are needed:

Total 2015 program expenses under GASB 68	$11,553,652
Program expenses under GASB 68	(691,320)
2015 contractually required contributions	964,985
Adjusted 2015 program expenses	11,827,317
Total 2014 program expenses under GASB 27	11,867,593
Decrease in program expenses not related to pension	($40,276)

The Center's revenues are mainly from two sources. Property taxes levied for general purposes and grants and entitlements comprised 89% of the Center's revenues for governmental activities.

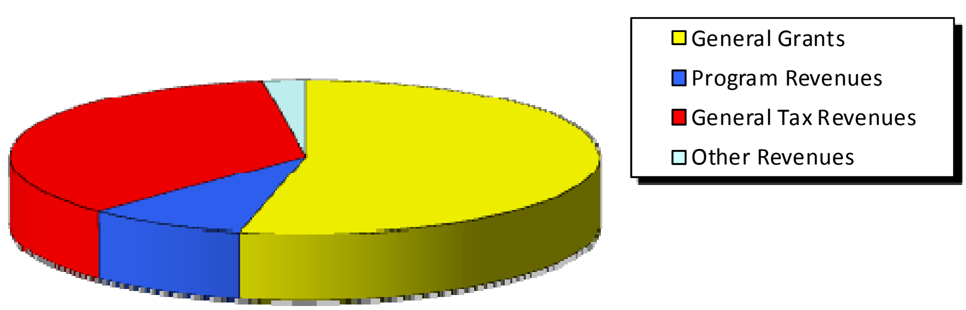
The Center depends greatly on property taxes as a revenue source. The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenues generated by a levy will not increase solely as a result of inflation. As an example, a homeowner with a home valued at $100,000 and taxed at 1.0 mill would pay $35.00 annually in taxes. If three years later the home were reappraised and increased to $200,000 (and this inflationary increase in value is comparable to other property owners) the effective tax rate would become .5 mills and the owner would still pay $35.00.

Thus Ohio Schools do not receive additional property tax revenue from an increase in appraisal values and must regularly return to the voters to maintain a constant level of service.

Property taxes made up 35% of revenues for governmental activities for the Center in fiscal year 2015. The Center's reliance upon tax revenues is demonstrated by the following graph:

Governmental Activities
Revenue Sources

	2015	Percentage
General Grants	$6,188,862	53.50%
Program Revenues	1,022,173	8.80%
General Tax Revenues	4,089,626	35.40%
Other Revenues	267,176	2.30%
Total Revenue Sources	$11,567,837	100.00%



Instruction comprises 60% of governmental program expenses. Support services expenses were 36% of governmental program expenses. All other expenses were 4%.

Operating grants decreased mainly due to a decrease in grant monies received. Total expenses decreased mainly due to the Center continuing to spend conservatively.

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for government activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2015	2014 Restated	2015	2014 Restated
Instruction	$6,971,587	$6,982,718	($6,323,978)	($6,401,202)
Support Services:				
Pupil and Instructional Staff	1,294,315	1,430,867	(1,254,168)	(1,374,748)
School Administrative, General Administration, Fiscal and Business	1,525,167	1,613,173	(1,518,082)	(1,599,085)
Operations and Maintenance	1,234,724	1,195,683	(1,234,724)	(1,067,536)
Pupil Transportation	54,499	28,723	(54,499)	(28,655)
Central	58,433	48,204	(58,433)	(48,204)
Operation of Non-Instructional Services	294,255	262,772	32,879	11,474
Extracurricular Activities	28,590	60,398	(28,392)	(28,670)
Intergovernmental	0	138,496	0	(138,496)
Interest and Fiscal Charges	92,082	106,559	(92,082)	(106,559)
Total Expenses	$11,553,652	$11,867,593	($10,531,479)	($10,781,681)

The Center's Funds

The Center has one major governmental fund: the General Fund. Assets of the general fund comprised $14,091,445 (95%) of the total $14,906,699 governmental funds' assets.

General Fund: Fund balance at June 30, 2015 was $7,462,549, a decrease in fund balance of $1,156,148 from 2014. The fund balance decreased mostly due to a decrease in property tax revenue from 2015 to 2014.

General Fund Budgeting Highlights

The Center's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

During the course of fiscal year 2015, the Center amended its General fund budgets; however none were significant. The Center uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management. During the course of the year, the Center revised the Budgets in an attempt to deal with unexpected changes in revenues and expenditures.

For the General Fund, final budget basis revenue was $11,603,492, compared to original budget estimates of $11,421,373. Of the $182,119 difference, most was due to an underestimation of taxes revenue and intergovernmental revenue in the original budget.

The Center's ending unobligated cash balance for the General Fund was $7,680,474.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2015, the Center had $5,024,720 invested in land, construction in progress, land improvements, buildings and improvements, furniture, fixtures, and equipment and infrastructure. Table 4 shows fiscal year 2015 balances compared to fiscal year 2014:

Table 4
Capital Assets at Year End
(Net of Depreciation)

	Governmental Activities	
	2015	2014
Land	$647,488	$647,488
Construction in Progress	0	704,320
Land Improvements	15,367	19,291
Buildings and Improvements	3,235,322	2,473,288
Furniture, Fixtures and Equipment	1,024,122	1,017,895
Infrastructure	102,421	123,027
Total Net Capital Assets	$5,024,720	$4,985,309

The increase in capital assets is due to the depreciation expense being less than current year additions.

See Note 7 to the basic financial statements for further details on the Center's capital assets.

Debt

At June 30, 2015, the Center had $2,168,413 in bonds and leases outstanding, $517,993 due within one year. Table 5 summarizes debt outstanding:

Table 5
Outstanding Debt, at Year End

	Governmental Activities	
	2015	2014
General Obligation School Improvement Bonds	$0	$305,000
HB264 Bonds	840,000	897,070
Capital Leases	1,328,413	1,770,406
	$2,168,413	$2,972,476

See Note 12 and 13 in the notes to the basic financial statements for further details on the Center's outstanding debt.

For the Future

Springfield-Clark Career Technology Center continues to be flat-lined by the State of Ohio in terms of revenue. The Center is on the guarantee, which means they are not generating any more revenue for additional students. It is up in the air as to how long the Ohio Department of Education will keep the Center on this guarantee past fiscal year 2015. Clark County experienced a re-appraisal in 2013. There were parts of the county that saw an increase, while other parts saw a decrease. Because of that, the Center has also flat-lined the Res/Ag tax revenue for the near future. The Center is not expecting to see any additional revenue to help offset the increasing expenses.

The Center is constantly looking at ways to live within the budget. The Center is always looking at ways to do the things more efficiently and cheaper. As a vocational school, the Center is required to spend 75% of the weighted funds on vocational programs. This includes items such as; textbooks, workbooks, supplies, technology, equipment, etc.

The Springfield-Clark Career Technology Center is committed to providing the students of Clark County the best vocational education resources to enhance their learning capabilities. In order to do this, the Center must find ways to be innovative in the delivery methods, which includes using the most recent technology that industries are using. The Center can achieve this by living within their means and spending weighted and grant funds wisely.

Contacting the Center's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the Center's finances and to show the Center's accountability for the money it receives. If you have questions about this report or need additional financial information contact the Treasurer's Office at Springfield-Clark Career Technology Center, 1901 Selma Road, Springfield, Ohio 45505 or call (937) 325-7368.

Springfield-Clark Career Technology Center, Clark County, Ohio
Statement of Net Position
June 30, 2015

	Governmental Activities
Assets:	
Equity in Pooled Cash and Investments	$8,475,082
Receivables (Net):	
Taxes	5,844,694
Accounts	900
Interest	7,005
Intergovernmental	253,763
Inventory	2,268
Nondepreciable Capital Assets	647,488
Depreciable Capital Assets, Net	4,377,232
Total Assets	19,608,432
Deferred Outflows of Resources:	
Pension	1,100,831
Total Deferred Outflows of Resources	1,100,831
Liabilities:	
Accounts Payable	81,919
Accrued Wages and Benefits	982,214
Accrued Interest Payable	6,184
Long-Term Liabilities:	
Due Within One Year	636,392
Due In More Than One Year	
Net Pension Liability	14,365,106
Other Amounts	2,299,857
Total Liabilities	18,371,672
Deferred Inflows of Resources:	
Property Taxes	5,023,818
Pension	2,607,790
Total Deferred Inflows of Resources	7,631,608
Net Position:	
Net Investment in Capital Assets	2,856,307
Restricted for:	
Local / State Grants	58,709
Federal Grants	54,760
Other Purposes	24,134
Unrestricted	(8,287,927)
Total Net Position	($5,294,017)

See accompanying notes to the basic financial statements.

Springfield-Clark Career Technology Center, Clark County, Ohio
Statement of Activities
For the Fiscal Year Ended June 30, 2015

		Program Revenues		Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities:				
Instruction:				
Special	$542,427	$0	$0	($542,427)
Vocational	6,318,735	184,964	462,645	(5,671,126)
Other	110,425	0	0	(110,425)
Support Services:				
Pupil	600,516	508	34,201	(565,807)
Instructional Staff	693,799	3,638	1,800	(688,361)
General Administration	40,107	0	0	(40,107)
School Administration	907,734	0	7,085	(900,649)
Fiscal	533,514	0	0	(533,514)
Business	43,812	0	0	(43,812)
Operations and Maintenance	1,234,724	0	0	(1,234,724)
Pupil Transportation	54,499	0	0	(54,499)
Central	58,433	0	0	(58,433)
Operation of Non-Instructional Services	294,255	120,745	206,389	32,879
Extracurricular Activities	28,590	198	0	(28,392)
Interest and Fiscal Charges	92,082	0	0	(92,082)
Total Governmental Activities	$11,553,652	$310,053	$712,120	(10,531,479)

General Revenues:	
Property Taxes Levied for:	
General Purposes	4,089,626
Grants and Entitlements, Not Restricted	6,188,862
Investment Earnings	28,447
Other Revenues	238,729
Total General Revenues	10,545,664
Change in Net Position	14,185
Net Position - Beginning of Year, Restated	(5,308,202)
Net Position - End of Year	($5,294,017)

See accompanying notes to the basic financial statements.

Springfield-Clark Career Technology Center, Clark County, Ohio
Balance Sheet
Governmental Funds
June 30, 2015

	General	Other Governmental Funds	Total Governmental Funds
Assets:			
Equity in Pooled Cash and Investments	$7,915,859	$559,223	$8,475,082
Receivables (Net):			
Taxes	5,844,694	0	5,844,694
Accounts	900	0	900
Interest	7,005	0	7,005
Intergovernmental	0	253,763	253,763
Interfund	322,987	0	322,987
Inventory	0	2,268	2,268
Total Assets	14,091,445	815,254	14,906,699
Liabilities:			
Accounts Payable	6,273	75,646	81,919
Accrued Wages and Benefits	926,317	55,897	982,214
Compensated Absences	59,528	0	59,528
Interfund Payable	0	322,987	322,987
Total Liabilities	992,118	454,530	1,446,648
Deferred Inflows of Resources:			
Property Taxes	5,631,928	0	5,631,928
Grants and Other Taxes	0	49,918	49,918
Investment Earnings	4,850	0	4,850
Total Deferred Inflows of Resources	5,636,778	49,918	5,686,696
Fund Balances:			
Restricted	0	100,931	100,931
Assigned	1,100,214	212,112	1,312,326
Unassigned	6,362,335	(2,237)	6,360,098
Total Fund Balances	7,462,549	310,806	7,773,355
Total Liabilities, Deferred Inflows and Fund Balances	$14,091,445	$815,254	$14,906,699

See accompanying notes to the basic financial statements.

Springfield-Clark Career Technology Center, Clark County, Ohio
Reconciliation of Total Governmental Fund Balance to
Net Position of Governmental Activities
June 30, 2015

Total Governmental Fund Balance		$7,773,355
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets used in the operation of Governmental Funds		5,024,720
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		
Delinquent Property Taxes	$608,110	
Interest	4,850	
Intergovernmental	49,918	
		662,878
In the statement of net position interest payable is accrued when incurred; whereas, in the governmental funds interest is reported as a liability only when it will require the use of current financial resources.		(6,184)
Some liabilities reported in the statement of net position do not require the use of current financial resources and, therefore, are not reported as liabilities in governmental funds.		
Compensated Absences		(708,308)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions	$1,100,831	
Deferred inflows of resources related to pensions	(2,607,790)	
		(1,506,959)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Net Pension Liability	($14,365,106)	
Other Amounts	(2,168,413)	
		(16,533,519)
Net Position of Governmental Activities		($5,294,017)

See accompanying notes to the basic financial statements.

Springfield-Clark Career Technology Center, Clark County, Ohio
Statement of Revenues, Expenditures
and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended June 30, 2015

	General	Other Governmental Funds	Total Governmental Funds
Revenues:			
Property and Other Taxes	$4,099,490	$0	$4,099,490
Tuition and Fees	136,611	0	136,611
Investment Earnings	23,597	0	23,597
Intergovernmental	6,261,475	702,856	6,964,331
Charges for Services	49,039	125,245	174,284
Other Revenues	185,235	49,376	234,611
Total Revenues	10,755,447	877,477	11,632,924
Expenditures:			
Current:			
Instruction:			
Special	554,247	0	554,247
Vocational	5,809,895	336,777	6,146,672
Other	113,225	0	113,225
Support Services:			
Pupil	582,483	27,913	610,396
Instructional Staff	665,922	34,245	700,167
General Administration	40,768	0	40,768
School Administration	931,491	6,900	938,391
Fiscal	538,828	0	538,828
Business	45,691	0	45,691
Operations and Maintenance	1,217,857	19,874	1,237,731
Pupil Transportation	54,499	0	54,499
Central	16,455	744	17,199
Operation of Non-Instructional Services	0	291,188	291,188
Extracurricular Activities	25,106	4,247	29,353
Capital Outlay	193,000	192,361	385,361
Debt Service:			
Principal Retirement	804,013	0	804,013
Interest and Fiscal Charges	95,031	0	95,031
Total Expenditures	11,688,511	914,249	12,602,760
Excess of Revenues Over (Under) Expenditures	(933,064)	(36,772)	(969,836)
Other Financing Sources (Uses):			
Proceeds from Sale of Assets	3,275	0	3,275
Transfers In	0	226,359	226,359
Transfers (Out)	(226,359)	0	(226,359)
Total Other Financing Sources (Uses)	(223,084)	226,359	3,275
Net Change in Fund Balance	(1,156,148)	189,587	(966,561)
Fund Balance - Beginning of Year	8,618,697	121,219	8,739,916
Fund Balance - End of Year	$7,462,549	$310,806	$7,773,355

See accompanying notes to the basic financial statements.

Springfield-Clark Career Technology Center, Clark County, Ohio
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2015

Net Change in Fund Balance - Total Governmental Funds		($966,561)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital asset additions as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of the difference between capital asset additions and depreciation in the current period.		
Capital assets used in governmental activities	$384,439	
Depreciation Expense	(345,028)	
		39,411
Governmental funds report pension contributions as expenditures. However in the Statement of Activites, the cost of pension benefits earned net of employee contributions is reported as pension expense.		
Pension contributions	$964,985	
Cost of benefits earned net of employee contrbutions	(691,320)	
		273,665
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Delinquent Property Taxes	($9,864)	
Interest	4,850	
Intergovernmental	(63,348)	
		(68,362)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		804,013
In the statement of activities interest expense is accrued when incurred; whereas, in governmental funds an interest expenditure is reported when due.		2,949
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Compensated Absences		(70,930)
Change in Net Position of Governmental Activities		$14,185

See accompanying notes to the basic financial statements.

Springfield-Clark Career Technology Center, Clark County, Ohio
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2015

	Private Purpose Trust	Agency
Assets:		
Equity in Pooled Cash and Investments	$193,159	$36,896
Total Assets	193,159	36,896
Liabilities:		
Other Liabilities	0	36,896
Total Liabilities	0	$36,896
Net Position:		
Held in Trust	193,159	
Total Net Position	$193,159	

See accompanying notes to the basic financial statements.

Springfield-Clark Career Technology Center, Clark County, Ohio
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Fiscal Year Ended June 30, 2015

	Private Purpose Trust
Additions:	
Investment Earnings	$1,462
Total Additions	1,462
Deductions:	
Scholarships	500
Total Deductions	500
Change in Net Position	962
Net Position - Beginning of Year	192,197
Net Position - End of Year	$193,159

See accompanying notes to the basic financial statements.

Note 1 – Description of the Center and Reporting Entity

The Springfield-Clark Career Technology Center (the "Center") is a joint vocational school district as defined by Section 3322.28 of the Ohio Revised Code. The Center is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The Springfield-Clark County "JVS Plan" was approved by the State Department of Education on April 13, 1964. On May 18, 1964, the Springfield-Clark County Joint Vocational School Board of Education was organized. The Board is comprised of two (2) members of the Springfield City Board of Education and one (1) from the Clark County Educational Service Center. The number of representatives from the City and the Educational Service Center was based on the student population at the time. The City and the Educational Service center each selected who will also serve as members of the board of the Center. In 1998, the Board of Education passed a resolution to expand from the five (5) board members to a nine (9) member Board of Education with local, ESC, and City school district representatives. Each district including: Clark-Shawnee Local, Greenon Local, Northeastern Local, Northwestern Local, Southeastern Local, and Tecumseh Local would have one (1) seat. The ESC would have one (1) seat and Springfield City would have two (2) seats. The Center is staffed by 28 classified employees, 68 certified teaching personnel, and 6 administrative employees who provide services to 754 students and other community members. The Center currently operates six (6) instructional buildings and an administrative building. During 2008, our name was changed from Joint Vocational School to Career Technology Center.

The school systems participating in the Center include: Springfield City, Northeastern Local, Southeastern Local, Clark-Shawnee Local, Greenon Local, Tecumseh Local and Northwestern Local. Each of these districts may send students to the Center, which offers students job training leading to employment upon graduation from high school. Each of the participating districts appoints a member from its Board to the Springfield-Clark Career Technology Center Board.

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the Center. For the Center, this includes general operations, food service, preschool and student related activities of the Center.

Component units are legally separate organizations for which the Center is financially accountable. The Center is financially accountable for an organization if the Center appoints a voting majority of the organization's governing board and (1) the Center is able to significantly influence the programs or services performed or provided by the organization; or (2) the Center is legally entitled to or can otherwise access the organization's resources; or (3) the Center is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the Center is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Center in that the Center approves the budget, the issuance of debt, or the levying of taxes. The Center has no component units.

The following entity which performs activities within the Center boundaries for the benefit of its residents is excluded from the accompanying financial statements because the Center is not financially accountable for this entity nor is it fiscally dependent on the Center.

City of Springfield – The city government of Springfield is a separate body politic and corporate. The council is elected independent of any Center relationships and administers the provision of traditional city services. Council acts as the taxing and budgeting authority for these city services.

The Center is associated with one joint venture, three jointly governed organizations and one insurance purchasing pool. These organizations are discussed in Notes 15, 16 and 17 to the basic financial statements. These organizations are:

Joint Venture:
Early Childhood Education Center (the Center)

Jointly Governed Organizations:
Miami Valley Educational Computer Association (MVECA), Southwestern Ohio Educational Purchasing Council (SOEPC), Southwestern Ohio Instructional Technology Association (SOITA)

Insurance Purchasing Pool:
Ohio School Board Association Workers' Compensation Group Rating Plan

Note 2 – Summary of Significant Accounting Policies

The financial statements of the Springfield-Clark Career Technology Center have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Center's accounting policies are described below.

Basis of Presentation

The Center's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the Center as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

The statement of net position presents the financial condition of the governmental activities of the Center at year-end. The government-wide statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Center's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues of the Center, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the Center.

Fund Financial Statements

During the year, the Center segregates transactions related to certain Center functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Center at this more detailed level. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. The major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type on a separate financial statement.

Fund Accounting

The Center uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Center functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The various funds of the Center are grouped into the categories governmental and fiduciary.

Governmental Funds

Governmental funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets, deferred outflows of resources, liabilities, and deferred inflows of resources is reported as fund balance. The General Fund is the major fund of the Center.

> General Fund – The General Fund is used to account for all financial resources, except those required to be accounted for in another fund. The general fund is available to the Center for any purpose provided it is expended or transferred according to the general laws of Ohio.

The other governmental funds of the Center account for grants and other resources and capital projects of the Center whose uses are restricted or assigned to a particular purpose.

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Trust funds are used to account for assets held by the Center under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the Center's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Center has various funds established to provide scholarships to its students that are classified as private-purpose trust funds. Funds used to account for the activity of the numerous student-managed activities within the Center are classified as agency funds.

Measurement Focus

Government-Wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the Center are included on the Statement of Net position.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds. Fiduciary funds are reported using the accrual basis of accounting; however, since the agency funds only report assets and liabilities they have no measurement focus whereas the private purpose trust fund uses the economic resource measurement focus.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows/outflows of resources and in the presentation of expenses versus expenditures.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current fiscal year or soon enough thereafter to be used to pay liabilities of the current fiscal year. For the Center, available means expected to be received within sixty days of fiscal year end.

Nonexchange transactions, in which the Center receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the Center must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the Center on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year end: property taxes available as an advance, grants, investment earnings, and student fees.

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the Center, deferred inflows of resources include property taxes, pension, and grants and other taxes. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2015, but which were levied to finance year 2016 operations. These amounts have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

Equity in Pooled Cash and Investments

To improve cash management, cash received by the Center is pooled. Monies for all funds, including fiduciary funds, are maintained in this pool. Individual fund integrity is maintained through the Center's records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Investments" on the statement of net position and governmental balance sheet.

During fiscal year 2015, investments included were limited to non-negotiable certificates of deposits, Federal Home Loan Bank Notes, Federal Home Loan Mortgage Corporation Notes, Commercial Paper, money market accounts, Federal National Mortgage Association Notes and US Treasury Notes.

The Center allocates interest according to State statutes. Interest revenue credited to the General Fund during fiscal year was $23,597.

Inventory

On the government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used.

On the fund financial statements, inventories of governmental funds are stated at cost. For all funds, cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items is recorded as an expenditure in the governmental funds when purchased. Reported material and supplies inventory is also reported as restricted fund balance.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Capital Assets and Depreciation

Capital assets, which include land, land improvements, buildings and improvements, furniture, fixtures, equipment and vehicles, are reported in the government-wide financial statements. All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements throughout the year. Donated capital assets are recorded at their fair market values as of the date received. The Center maintains a capitalization threshold of $2,500. The Center does not possess any infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of capital assets is also not capitalized.

All reported capital assets except for land are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives.

Description	Estimated Lives
Land Improvements	15 - 30 years
Buildings and Improvements	20 - 40 years
Furniture, Fixtures and Equipment	5 - 20 years
Vehicles	5 years

Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables". These amounts are eliminated in the governmental activities column on the Statement of Net Position.

As a general rule, the effect of interfund (internal) activity has been eliminated from the government-wide statement of activities. The interfund services provided and used are not eliminated in the process of consolidation.

Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the Center will compensate the employees for the benefits through paid time off or some other means. The Center records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the Center has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year end, taking into consideration any limits specified in the Center's termination policy. The Center records a liability for accumulated unused sick leave for all employees after ten years of service with the Center.

For governmental funds, the current portion of unpaid compensated absences is the amount normally due for payment during the current year. These amounts are reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The entire liability is reported on the government-wide statement of net position.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Long-term general obligation bonds and capital leases are recognized as a liability on the governmental fund financial statements when due.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

Net Position

Net position represents the difference between assets plus deferred outflows and liabilities plus deferred inflows. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the Center or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The Center applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available. None of the Center's net position is restricted by enabling legislation.

Fund Balance

In accordance with Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions,* the Center classifies its fund balance based on the purpose for which the resources were received and the level of constraint placed on the resources. The following categories are used:

> Nonspendable – resources that are not in spendable form or have legal or contractual requirements to maintain the balance intact.
>
> Restricted – resources that have external purpose restraints imposed on them by providers, such as creditors, grantors, or other regulators.
>
> Committed – resources that can be used only for the specific purposes imposed by a formal action (board resolution) of the Center's Board of Education. The Board of Education is the highest level of decision making authority for the Center. Those committed resources cannot be used for any other purpose unless the Center's Board of Education removes or changes the specified use by taking the same type of action (board resolution) it employed to previously commit those resources.
>
> Assigned – resources that are intended to be used for specific purposes as approved through the Center's formal purchasing procedure by the Treasurer. In the general fund, assigned amounts represent intended uses established by policies of the Center's Board of Education. The adoption of the board appropriation resolution is the established policy, which gives the authorization to assign resources for a specific purpose.
>
> Unassigned – residual fund balance within the General Fund that is not restricted, committed, or assigned. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from incurred expenses for specific purposes exceeding amounts which had been restricted, committed or assigned for said purposes.

The Center applies restricted resources first when an expense is incurred for purposes which both restricted and unrestricted fund balance is available. The Center considers committed, assigned, and unassigned fund balances, respectively, to be spent when expenditures are incurred for purposes for which any of the unrestricted fund balance classifications could be used.

Note 3 – Accountability

The following funds had deficit fund balances/net position at June 30, 2015:

Fund	Deficit
Miscellaneous Federal Grants	$2,237

The deficits were created by application of generally accepted accounting principles. The general fund provides cash to these funds; however, that does not happen until needed.

Note 4 – Equity in Pooled Cash and Investments

State statutes classify monies held by the Center into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the Center Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits the Board of Education has identified as not required for use within the current five-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies, which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit, or by savings or deposit accounts, including passbook accounts.

Protection of the Center's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Treasurer by the financial institution, or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Interim monies may be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;

2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

3. Written repurchase agreements in the securities listed above provided that the market value of

the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;

4. Bonds and other obligations of the State of Ohio;

5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;

6. The State Treasurer's investment pool (STAR Ohio);

7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred and eighty days in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time, and;

8. Under limited circumstances, debt interest rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Center, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payments for investments may be made only upon delivery of the securities representing the investments to the Treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Deposits: Custodial credit risk is the risk that in the event of a bank failure, the Center's deposits may not be returned to it. According to state law, public depositories must give security for all public funds on deposit in excess of those funds that are insured by the Federal Deposit Insurance Corporation (FDIC) or by any other agency or instrumentality of the federal government. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by the FDIC, or may pledge a pool of government securities valued at least 105% of the total value of public monies on deposit at the institution. The Center's policy is to deposit money with financial institutions that are able to abide by the laws governing insurance and collateral of public funds.

As of June 30, 2015, $3,669,929 of the Center's bank balance of $5,620,271 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Center's name.

Investments: The Center's investments are categorized to give an indication of the level of risk assumed by the Center at fiscal year end. Category 1 includes investments that are insured or registered for which the Center or its agent in the Center's name holds the securities. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the Center's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department or agent but not in the Center's name. STAR Ohio is an unclassified investment since it is not evidenced by securities that exist in physical or book entry form.

Investment Type	Fair Value	Weighted Average Maturity (Years)	% of Total
Federal Home Loan Bank	$730,644	1.72	17%
Federal National Mortgage Association	1,784,266	2.54	42%
Federal Home Loan Mortgage Association	1,481,648	2.22	34%
Commercial Paper	169,951	0.15	4%
US Treasury Note	105,049	0.34	2%
Money Market Fund	9,879	0.00	1%
Total Fair Value	$4,281,437		100%
Portfolio Weighted Average Maturity		2.14	

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with the investment policy, the Center manages its exposure to decline in fair values by limiting the weighted average maturity of its investment portfolio.

Credit Risk: The Center's investments, except for the Commercial Paper, and Money Market Funds were rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively. Commercial Paper was rated P-1 by Moody's Investor Services and A-1 by Standard & Poor's. The Money Market Funds are not rated. The Center's investment policy does not specifically address credit risk beyond requiring the Center to only invest in securities authorized by State statute. Ohio Revised Code 135.14(B)(7)(a) limits commercial paper purchases to those assigned the highest credit rating by two nationally recognized rating services.

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single user. The Center's investment policy allows investments in Federal Agencies or Instrumentalities.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Center will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The federal agency securities and U.S. Treasury notes are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent but not in the Center's name. The Center has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

Note 5 – Property Taxes

Property taxes are levied and assessed on a calendar year basis. Second half distributions occur in a new fiscal year. Property taxes include amounts levied against all real and public utility property located in the Center. Real property taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. Public utility property taxes attached as a lien on December 31 of the prior year, were levied April 1 and are collected with real property taxes. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. All property is required to be revalued every six years. Public utility property taxes are assessed on real property at 35 percent of true value.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. The Center receives property taxes from Clark, Miami, Champaign, and Greene Counties. The County Auditor periodically advances to the Center its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2015, are available to finance fiscal year 2016 operations. The amount available for advance can vary based on the date the tax bills are sent.

Accrued property taxes receivable represent delinquent taxes outstanding and real property, personal property and public utility taxes which became measurable at June 30, 2015. Delinquent property taxes collected within 60 days are included as a receivable and tax revenue as of June 30, 2015 on the fund statements. The entire amount of delinquent taxes receivable is recognized as revenue on the government-wide financial statements. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is available to finance current year operations. The receivable is, therefore, offset by a credit to deferred inflows of resources for that portion not intended to finance current year operations. The amount available as an advance at June 30, 2015, was $212,766 for General Fund and is recognized as revenue.

The assessed value, by property classification, upon which taxes collected in 2015 were based as follows:

	Current Year Amount	Prior Year Amount
Agricultural/Residental and Other Real Estate	$2,187,044,713	$2,183,950,790
Public Utility	98,299,510	93,761,020
Total	$2,285,344,223	$2,277,711,810

Note 6 – Receivables

Receivables at June 30, 2015, consisted of current and delinquent property taxes, accounts (rent and student fees), intergovernmental grants, interest and interfund transactions. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds.

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Note 7 – Capital Assets

Capital asset activity for the fiscal year ended June 30, 2015, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities:				
Capital Assets, not being depreciated:				
Land	$647,488	$0	$0	$647,488
Construction in Progress	704,320	192,700	897,020	0
Total capital assets, not being depreciated	1,351,808	192,700	897,020	647,488
Capital Assets, being depreciated:				
Land Improvements	364,938	0	0	364,938
Building and Improvements	7,641,288	897,020	0	8,538,308
Furniture, Fixtures and Equipment	2,904,060	191,739	0	3,095,799
Vehicles	386,340	0	0	386,340
Total capital assets being depreciated	11,296,626	1,088,759	0	12,385,385
Totals at Historical Cost	12,648,434	1,281,459	897,020	13,032,873
Less Accumulated Depreciation For:				
Land Improvements	345,647	3,924	0	349,571
Building and Improvements	5,168,000	134,986	0	5,302,986
Furniture, Fixtures and Equipment	1,886,165	185,512	0	2,071,677
Vehicles	263,313	20,606	0	283,919
Total Accumulated Depreciation	7,663,125	345,028	0	8,008,153
Total capital assets, net	$4,985,309	$936,431	$897,020	$5,024,720

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Vocational	$259,635
Support Services:	
Instructional Staff	9,622
School Administration	1,838
Operations and Maintenance	22,732
Operation of Non-Instructional Services	9,967
Central	41,234
Total Depreciation Expense	$345,028

Note 8 – Risk Management

Property and Liability

The Center is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2015, the Center contracted with Selective Insurance Company and Travelers Insurance Company for the coverages identified below.

Building and Contents-replacement cost (no deductible)	$350,000,000
Automobile Liability (no deductible)	5,000,000
General Liability:	
Per occurrence	5,000,000
Total per year	5,000,000

Settled claims have not exceeded this commercial coverage in any of the past three years. There have been no significant deductions in insurance coverage from last year.

Workers' Compensation

For fiscal year 2015, the Center participated in the Ohio School Board Association Workers' Compensation Group Retro Rating Plan (GRRP), a workers' compensation insurance purchasing pool (Note 17). The intent of the GRRP is to achieve the benefit of a reduced premium for the Center by virtue of its grouping and representation with other participants in the GRRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRRP rather than its individual rate.

Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRRP.

A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund." This "equity pooling" arrangement ensures that each participant shares equally in the overall performance of the GRRP. Participation in the GRRP is limited to school districts that can meet the GRRP's selection criteria. Comp Management, Inc. provides administrative, cost control and actuarial services to the GRRP.

Note 9 - Defined Benefit Pension Plans

Net Pension Liability

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions-–between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the Center's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the Center's obligation for this liability to annually required payments. The Center cannot control benefit terms or the manner in which pensions are financed; however, the Center does receive the benefit of employees' services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan's unfunded benefits is presented as a long-term net pension liability on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in accrued wages and benefits on both the accrual and modified accrual bases of accounting.

Plan Description - School Employees Retirement System (SERS)

Plan Description – Center non-teaching employees participate in SERS, a cost-sharing multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS' fiduciary net position. That report can be obtained by visiting the SERS website at www.ohsers.org under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire on or after August 1, 2017
Full Benefits	Any age with 30 years of service credit	Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit
Actuarially Reduced Benefits	Age 60 with 5 years of service credit Age 55 with 25 years of service credit	Age 62 with 10 years of service credit; or Age 60 with 25 years of service credit

* Members with 25 years of service credit as of August 1, 2017, will be included in this plan.

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on year of service; 2.2 percent for the first thirty years of service and 2.5 percent for years of service credit over 30. Final average salary is the average of the highest three years of salary.

One year after an effective benefit date, a benefit recipient is entitled to a three percent cost-of-living adjustment (COLA). This same COLA is added each year to the base benefit amount on the anniversary date of the benefit.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the Center is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2015, the allocation to pension, death benefits, and Medicare B was 13.18 percent. The remaining 0.82 percent of the 14 percent employer contribution rate was allocated to the Health Care Fund.

The Center's contractually required contribution to SERS was $210,893 for fiscal year 2015. Of this amount $5,642 is reported as accrued wages and benefits.

Plan Description - State Teachers Retirement System (STRS)

Plan Description – Center licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple-employer public employee retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about STRS' fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Web site at www.strsoh.org.

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307. The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation will be 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. With certain exceptions, the basic benefit is increased each year by two percent of the original base benefit. For members retiring August 1, 2013, or later, the first two percent is paid on the fifth anniversary of the retirement benefit. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 25 years of service, or 30 years of service regardless of age. Age and service requirements for retirement will increase effective August 1, 2015, and will continue to increase periodically until they reach age 60 with 35 years of service or age 65 with five years of service on August 1, 2026.

The DC Plan allows members to place all their member contributions and 9.5 percent of the 14 percent employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.5 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, member contributions are allocated among investment choices by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of services. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50.

New members who choose the DC plan or Combined Plan will have another opportunity to reselect a permanent plan during their fifth year of membership. Members may remain in the same plan or transfer to another STRS plan. The optional annuitization of a member’s defined contribution account or the defined contribution portion of a member’s Combined Plan account to a lifetime benefit results in STRS bearing the risk of investment gain or loss on the account. STRS has therefore included all three plan options as one defined benefit plan for GASB 68 reporting purposes.

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. Eligible survivors of members who die before service retirement may qualify for monthly benefits. New members on or after July 1, 2013, must have at least ten years of qualifying service credit that apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member’s designated beneficiary is entitled to receive the member’s account balance.

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The statutory maximum employee contribution rate was increased one percent July 1, 2014, and will be increased one percent each year until it reaches 14 percent on July 1, 2016. For the fiscal year ended June 30, 2015, plan members were required to contribute 12 percent of their annual covered salary. The Center was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2015 contribution rates were equal to the statutory maximum rates.

The Center’s contractually required contribution to STRS was $754,092 for fiscal year 2015. Of this amount $86,603 is reported as accrued wages and benefits.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Center's proportion of the net pension liability was based on the Center's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	SERS	STRS	Total
Proportionate Share of the Net Pension Liability	$2,194,121	$12,170,985	$14,365,106
Proportion of the Net Pension Liability	0.04335400%	0.05003805%	
Pension Expense	129,032	562,288	691,320

At June 30, 2015, the Center reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	$18,674	$117,172	$135,846
Center contributions subsequent to the measurement date	210,893	754,092	964,985
Total Deferred Outflows of Resources	$229,567	$871,264	$1,100,831
Deferred Inflows of Resources			
Net difference between projected and actual earnings on pension plan investments	$356,112	$2,251,678	$2,607,790

$964,985 reported as deferred outflows of resources related to pension resulting from Center contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2016	($84,359)	($533,626)	($617,985)
2017	(84,359)	(533,626)	(617,985)
2018	(84,360)	(533,627)	(617,987)
2019	(84,360)	(533,627)	(617,987)
Total	($337,438)	($2,134,506)	($2,471,944)

Actuarial Assumptions - SERS

SERS' total pension liability was determined by their actuaries in accordance with GASB Statement No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment termination). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2014, are presented below:

Wage Inflation	3.25 percent
Future Salary Increases, including inflation	4.00 percent to 22 percent
COLA or Ad Hoc COLA	3 percent
Investment Rate of Return	7.75 percent net of investments expense, including inflation
Actuarial Cost Method	Entry Age Normal

For post-retirement mortality, the table used in evaluating allowances to be paid is the 1994 Group Annuity Mortality Table set back one year for both men and women. Special mortality tables are used for the period after disability retirement.

The most recent experience study was completed June 30, 2010.

The long-term return expectation for the Pension Plan Investments has been determined using a building-block approach and assumes a time horizon, as defined in SERS' Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. The target allocation and best estimates of arithmetic real rates of return for each major assets class are summarized in the following table:

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Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	1.00 %	0.00 %
US Stocks	22.50	5.00
Non-US Stocks	22.50	5.50
Fixed Income	19.00	1.50
Private Equity	10.00	10.00
Real Assets	10.00	5.00
Multi-Asset Strategies	15.00	7.50
Total	100.00 %	

Discount Rate The total pension liability was calculated using the discount rate of 7.75 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.75 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the Center's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.75 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.75 percent), or one percentage point higher (8.75 percent) than the current rate.

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
Center's proportionate share of the net pension liability	$3,130,359	$2,194,121	$1,406,664

Actuarial Assumptions - STRS

The total pension liability in the June 30, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 percent
Projected salary increases	2.75 percent at age 70 to 12.25 percent at age 20
Investment Rate of Return	7.75 percent, net of investment expenses
Cost-of-Living Adjustments (COLA)	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, 2013, or later, 2 percent COLA paid on fifth anniversary of retirement date.

Mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males' ages are set-back two years through age 89 and no set-back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89 and not set back from age 90 and above.

Actuarial assumptions used in the June 30, 2014, valuation are based on the results of an actuarial experience study, effective July 1, 2012.

The 10 year expected real rate of return on pension plan investments was determined by STRS' investment consultant by developing best estimates of expected future real rates of return for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	31.00 %	8.00 %
International Equity	26.00	7.85
Alternatives	14.00	8.00
Fixed Income	18.00	3.75
Real Estate	10.00	6.75
Liquidity Reserves	1.00	3.00
Total	100.00 %	

Discount Rate The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2014. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2014. Therefore, the long-term expected rate of return on pension plan investments of 7.75 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2014.

Sensitivity of the Center's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the Center's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.75 percent, as well as what the Center's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.75 percent) or one-percentage-point higher (8.75 percent) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
Center's proportionate share of the net pension liability	$17,424,093	$12,170,985	$7,728,625

Note 10 - Post Employment Benefits

School Employees Retirement System

Health Care Plan Description - The Center contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 45 purposes, this plan is considered a cost-sharing, multiple-employer, defined benefit other postemployment benefit (OPEB) plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's, Medicare Advantage, and traditional indemnity plans as well as a prescription drug program. The financial report of the Plan is included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Health care is financed through a combination of employer contributions and retiree premiums, copays and deductibles on covered health care expenses, investment returns, and any funds received as a result of SERS' participation in Medicare programs. Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility and retirement status.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required basic benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. For fiscal year 2015, 0.82 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. For fiscal year 2015, this amount was $20,450. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2015, the Center's surcharge obligation was $5,626.

The Center's contributions for health care for the fiscal years ended June 30, 2015, 2014, and 2013 were $17,978, $2,145, and $2,341, respectively. For fiscal year 2015, 97 percent has been contributed, with the balance being reported as accrued wages and benefits. The full amount has been contributed for fiscal years 2014 and 2013.

State Teachers Retirement System

Plan Description – The Center participates in the cost-sharing multiple-employer defined benefit Health Plan administered by the State Teachers Retirement System of Ohio (STRS) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. All benefit recipients, for the most recent year, pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For fiscal year 2015, STRS did not allocate any employer contributions to post-employment health care. The Center's contributions for health care for the fiscal years ended June 30, 2015, 2014, and 2013 were $0, $54,164, and $52,838 respectively. The full amount has been contributed for fiscal years 2015, 2014 and 2013.

Note 11 – Other Employee Benefits

Compensated Absences

The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees earn ten (10) to twenty (20) days of vacation per fiscal year, depending upon length of service.

Accumulated, unused vacation time is paid to classified employees upon termination of employment. Teachers and administrators do not earn vacation time with the exception of the Superintendent, Treasurer, and Technology Director.

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 240 days for all employees. Upon retirement, payment is made for 25% of the first 120 days of sick leave days and 20.833% of sick leave days accumulated in excess of 120. The maximum severance is not to exceed 55 days for teachers and classified employees. For administrators, 30% of the first 120 days of total sick leave accumulation is paid, plus 20% of days in excess of 120 up to a maximum of 65 days for administrative personnel.

Insurance Benefits

The Center provides life insurance to most employees through Coresource. Medical benefits are provided through Anthem Blue Cross and Blue Shield. Dental benefits are provided through Coresource. Vision benefits are provided through VSP.

Note 12 – Capital Leases - Lessee Disclosure

During 2013 and 2009, the Center entered into capitalized leases for copiers. Also during 2008, the Center entered into capitalized leases as part of the OASBO loan financing program for the improvement of the educational facility. Each lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases," which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the fund financial statements in the General Fund.

Principal payments for capital leases in fiscal year 2015 totaled $441,993 in the General Fund.

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of June 30, 2015.

Fiscal Year Ending June 30	Payment
2016	$500,548
2017	462,960
2018	440,850
Total Minimum Lease Payments	$1,404,358
Amount Representing Interest	(75,945)
Present Value of Minimum Lease Payments	$1,328,413

Note 13 – Long-Term Obligations

Changes in long-term obligations of the Center during fiscal year 2015 were as follows:

	Interest Rate	Restated Beginning Balance	Issued	Retired	Ending Balance	Due In One Year
Governmental Activities:						
2000 School Energy Conservation Bonds	4.60-6.25%	$305,000	$0	($305,000)	$0	$0
2014 HB264 Bonds	3.25%	897,020	0	(57,020)	840,000	60,000
Net Pension Liability						
STRS		14,458,954	0	(2,287,969)	12,170,985	0
SERS		2,578,898	0	(384,777)	2,194,121	0
Total Net Pension Liability		17,037,852	0	(2,672,746)	14,365,106	0
Capital Leases		1,770,406	0	(441,993)	1,328,413	457,993
Subtotal Bonds, Pension and Capital Leases		20,010,278	0	(3,476,759)	16,533,519	517,993
Compensated Absences		702,904	185,028	(120,096)	767,836	118,399
Total Governmental Activities Long-Term Liabilities		$20,713,182	$185,028	($3,596,855)	$17,301,355	$636,392

On November 1, 2000, the Center issued $715,000 in unvoted general obligation bonds for the purpose of providing energy conservation measures for Springfield-Clark Career Technology Center. The bond issue included serial and term bonds in the amounts of $410,000 and $305,000, respectively. The bonds were issued for a fifteen-year period, with final maturity during fiscal year 2016. The bonds are being retired from the General Fund. The Center made the final $305,000 payment during fiscal year 2015.

On December 1, 2013 the Center issued HB264 bonds in the amount of $897,020 at an interest rate of 3.25% for the purposes of school energy improvements. The bonds will be retired from the general fund. The bonds mature on December 1, 2028.

Principal and interest requirements to retire general obligation debt outstanding at year end are as follows:

Fiscal Year	HB264 Bonds		
Ending June 30	Principal	Interest	Total
2016	$60,000	$27,313	$87,313
2017	60,000	23,437	83,437
2018	60,000	22,425	82,425
2019	60,000	20,475	80,475
2020	60,000	18,525	78,525
2021-2025	300,000	63,375	363,375
2026-2029	240,000	15,600	255,600
Total	$840,000	$191,150	$1,031,150

Capital leases will be paid from the General Fund. Compensated absences will be paid from the fund from which the employees' salaries are paid.

Note 14 – Interfund Activity

Interfund transactions at June 30, 2015, consisted of the following individual fund receivables and payables and transfers in and out:

	Interfund		Transfers	
	Receivable	Payable	In	Out
General Fund	$322,987	$0	$0	$226,359
Other Governmental Funds	0	322,987	226,359	0
Total All Funds	$322,987	$322,987	$226,359	$226,359

Interfund balance/transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorization; to segregate and to return money to the fund from which it was originally provided once a project is completed.

Note 15 – Joint Venture

Early Childhood Education Center – The Springfield-Clark Career Technology Center entered into an agreement with Clark State Community College to operate the Early Childhood Education Center (the ECE Center). Clark State Community College is acting as the fiscal agent. The Center has a financial responsibility to the ECE Center to finance any operating deficits based upon a formula in the agreement. The ECE Center did not incur an operating loss during fiscal year 2015. To obtain financial information, write to Joe Jackson, who serves as Vice President of Business Affairs, at 770 East Leffel Lane, Post Office Box 570, Springfield, Ohio 45501.

Note 16 – Jointly Governed Organizations

Miami Valley Educational Computer Association – The Center is a participant in the Miami Valley Educational Computer Association (MVECA) which is a computer consortium. MVECA is an association of public school districts within the boundaries of Clark, Clinton, Fayette, Greene and Highland Counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The governing board of MVECA consists of six representatives from the member districts elected by majority vote of all charter member school districts within each county plus one representative from the fiscal agent. The Center paid MVECA $33,540 for services provided during the fiscal year. Financial information can be obtained from Thor Sage, Executive Director, at MVECA at 330 Enon Road, Yellow Springs, Ohio 45387.

Southwestern Ohio Educational Purchasing Council – The Southwestern Ohio Educational Purchasing Council (SOEPC) is a purchasing cooperative made up of 124 school districts in 18 counties. The purpose of the cooperative is to obtain prices for quality merchandise and services commonly used by schools. All member districts are obligated to pay all fees, charges, or other assessments as established by the SOEPC. Each member district has one voting representative. Title to any and all equipment, furniture and supplies purchased by the SOEPC is held in trust for the member districts. Any district withdrawing from the SOEPC shall forfeit its claim to any and all SOEPC assets. One year prior notice is necessary for withdrawal from the group.

During this time, the withdrawing member is liable for all member obligations. Payments to SOEPC are made from the general fund. During fiscal year 2015, the Center paid $34,970 to the SOEPC. To obtain financial information, write to the Southwestern Ohio Educational Purchasing Council, Ken Swink, who serves as Director, at 303 Corporate Center Drive, Suite 208, Vandalia, OH 45377.

Southwestern Ohio Instructional Technology Association – The Southwestern Ohio Instructional Technology Association (SOITA) is a not-for-profit corporation. The purpose of the corporation is to serve the educational needs of the area through television programming for the advancement of educational programs. The Board of Trustees is comprised of twenty-three representatives of SOITA member schools or institutions. Twenty-one representatives are elected from within the counties by the qualified members within the counties, i.e., Auglaize, Brown, Butler, Champaign, Clark, Clermont, Clinton, Darke, Fayette, Greene, Hamilton, Logan, Mercer, Miami, Montgomery, Preble, Shelby, and Warren. Montgomery, Greene and Butler Counties elect two representatives per area. All others elect one representative per area. One at-large non-public representative is elected by the non-public school SOITA members in the State-assigned SOITA service area representative. One at-large higher education representative is elected by higher education SOITA members from within the State-assigned SOITA service area.

All member districts are obligated to pay all fees, charges, or other assessments as established by the SOITA. Upon dissolution, the net position shall be distributed to the federal government, or to a state or local government, for a public purpose. Payments to SOITA are made from the general fund. During fiscal year 2015, the Center did not pay SOITA. To obtain financial information, write to the Southwestern Ohio Instructional Technology Association, Larry Pogue, who serves as Executive Director, at 150 East Sixth Street, Franklin, Ohio 45005.

Note 17 – Insurance Pool

Ohio School Boards Workers' Compensation Group Rating Plan - The Center participates in the Ohio School Board Association Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by an eleven member Executive Committee consisting of the Chairperson, the Vice-Chairperson, a representative from the Montgomery County Educational Service Center and eight other members elected by majority vote of all member school districts. The Chief Administrator of GRP serves as the coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

Note 18 – Contingencies

Foundation Funding

Center Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Effective for the 2014-2015 school year, traditional school districts must comply with minimum hours of instruction, instead of a minimum number of school days each year. The funding formula the Ohio Department of Education (ODE) is legislatively required to follow will continue to adjust as enrollment information is updated by the school district, which can extend past the fiscal year end. As of the date of this report, ODE has not finalized the impact of enrollment adjustments to the June 30, 2015 Foundation funding for the Center; therefore, the financial statement impact is not determinable at this time. ODE and management believe this will result in either a receivable to or liability of the Center.

Grants

The Center received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, the effect of any such disallowed claims on the overall financial position of the Center at June 30, 2015, if applicable, cannot be determined at this time.

Litigation

The Center is party to some legal proceedings, however nothing that will have a material effect on the financial statements.

Note 19 – Subsequent Event

The Center resolved the lawsuit discussed in note 18 in November 2015. There was not a material effect on the financial statements.

Note 20 - Fund Balance Reserves for Set-Asides

The Center is required by State statute to annually set aside in the general fund an amount based on a statutory formula for the acquisition and construction of capital improvements. Amounts not spent by year-end or offset by similarly restricted resources received during the year must be held in cash at year-end and carried forward to be used for the same purposes in future years.

The following cash basis information describes the change in the year-end set-aside amounts for capital acquisition. Disclosure of this information is required by State statute.

	Capital Acquisition
Set Aside Reserve Balance as of June 30, 2014	$0
Current Year Set Aside Requirements	126,352
Qualified Disbursements	(415,634)
Set Aside Reserve Balance as of June 30, 2015	($289,282)
Restricted Cash as of June 30, 2015	$0

Qualifying disbursements for capital activity during the year exceeded the amount required for the set-aside.

Note 21 - Fund Balance Allocation

The Center has chosen to present to the consolidated summary of fund balance classification on the financial statements. The detail of those fund balance classifications are outlined below:

Fund Balances	General	Other Governmental Funds	Total
Restricted for:			
Other Grants	$0	$55,312	$55,312
S.A.F.E Student Emergency	0	18,130	18,130
Management Information System	0	2,494	2,494
Data Communications	0	899	899
HSTW	0	4	4
Perkins Grant	0	4,842	4,842
Food Service	0	19,250	19,250
Total Restricted	0	100,931	100,931
Assigned to:			
Budgetary Variances	932,881	0	932,881
Encumbrances	154,473	0	154,473
Public School Support	12,860	0	12,860
Permanent Improvement	0	212,112	212,112
Total Assigned	1,100,214	212,112	1,312,326
Unassigned (Deficit)	6,362,335	(2,237)	6,360,098
Total Fund Balance	$7,462,549	$310,806	$7,773,355

Note 22 – Change in Accounting Principles

The Center adopted the provisions of GASB Statement Number 68, *Accounting and Financial Reporting for Pensions* – an amendment of GASB Statement No. 27 and GASB Statement Number 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* – an amendment of GASB Statement Number 68. GASB Statement Number 68 establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2014 and have been implemented by the Center. GASB Statement Number 71 amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources of its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts. The provisions of this Statement are required to be applied simultaneously with the provisions of Statement 68.

Note 23 – Change in Accounting Principle and Restatement of Net Position

For fiscal year 2015, the Center implemented the Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68." GASB 68 established standards for measuring and recognizing pension liabilities, deferred outflows of resources deferred inflows of resources and expense/expenditure. The restatement of compensated absences is due to an accounting change in reporting compensated absences in the previous fiscal year. The implementation of this pronouncement and the restatement of compensated absences had the following effect on net position as reported June 30, 2014:

Net position June 30, 2014	$10,628,295
Adjustments:	
Net Pension Liability	(17,037,852)
Deferred Outflow - Payments Subsequent to Measurement Date	892,122
Restatement of Compensated Absences	209,233
Restated Net Position June 30, 2014	($5,308,202)

Other than employer contributions subsequent to the measurement date, the Center made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available.

REQUIRED SUPPLEMENTARY INFORMATION

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	$4,919,910	$4,998,360	$4,998,361	$1
Tuition and Fees	134,467	136,611	136,611	0
Investment Earnings	24,210	24,596	24,596	0
Intergovernmental	6,163,198	6,261,474	6,261,475	1
Charges for Services	828	841	841	0
Other Revenues	178,760	181,610	181,610	0
Total Revenues	11,421,373	11,603,492	11,603,494	2
Expenditures:				
Current:				
Instruction:				
Special	541,446	567,166	530,662	36,504
Vocational	5,964,521	6,247,858	5,845,730	402,128
Other	99,253	103,968	97,276	6,692
Support Services:				
Pupil	611,715	640,774	599,532	41,242
Instructional Staff	687,695	720,363	673,999	46,364
General Administration	43,026	45,070	42,169	2,901
School Administration	996,872	1,044,227	977,018	67,209
Fiscal	556,915	583,370	545,823	37,547
Business	46,552	48,764	45,625	3,139
Operations and Maintenance	1,308,932	1,371,111	1,282,863	88,248
Pupil Transportation	55,627	58,269	54,519	3,750
Central	18,426	19,301	18,059	1,242
Extracurricular Activities	25,616	26,833	25,106	1,727
Capital Outlay	362,622	379,848	355,400	24,448
Debt Service:				
Principal Retirement	859,321	859,321	804,013	55,308
Interest and Fiscal Charges	101,568	101,568	95,031	6,537
Total Expenditures	12,280,107	12,817,811	11,992,825	824,986
Excess of Revenues Over (Under) Expenditures	(858,734)	(1,214,319)	(389,331)	824,988
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	3,224	3,275	3,275	0
Advances In	121,559	123,497	123,497	0
Advances (Out)	(258,920)	(271,219)	(253,763)	17,456
Transfers In	27,500	27,938	27,938	0
Transfers (Out)	(259,464)	(271,789)	(254,296)	17,493
Total Other Financing Sources (Uses)	(366,101)	(388,298)	(353,349)	34,949
Net Change in Fund Balance	(1,224,835)	(1,602,617)	(742,680)	859,937
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	8,423,154	8,423,154	8,423,154	0
Fund Balance - End of Year	$7,198,319	$6,820,537	$7,680,474	$859,937

See accompanying notes to the required supplementary information.

Note 1 – Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriations resolution and the certificate of estimated resources which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount that the Board of Education may appropriate. The appropriation resolution is Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Board. The legal level of control has been established by Board at the fund level. Any budgetary modifications at this level may only be made by resolution of the Board of Education.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Career Technology Center Treasurer. The amounts reported as the original budgeted amounts on the budgetary schedules reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary schedules reflect the amounts on the final amended certificate of estimated resources issued during the fiscal year 2015.

The appropriation resolution is subject to amendment by the Board throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by Board during the year.

While the Center is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).

2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).

3. Outstanding year end encumbrances are treated as expenditures (budget basis) rather than restricted, committed, or assigned fund balance (GAAP basis).

4. Advances in and advances out are operating transactions (budget basis) as opposed to balance sheet transactions.

5. Some funds are reported as part of the general fund (GAAP basis) as opposed to the general fund being reported alone (budget basis).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund.

Net Change in Fund Balance

	General
GAAP Basis	($1,156,148)
Revenue Accruals	898,970
Expenditure Accruals	(177,896)
Transfers In	27,938
Transfers (Out)	(27,937)
Advances In	123,497
Advances (Out)	(253,763)
Encumbrances	(160,747)
Funds Budgeted Elsewhere	(16,594)
Budget Basis	($742,680)

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Springfield-Clark Career Technology Center, Clark County, Ohio
Required Supplementary Information
Schedule of the Center's Proportionate Share
of the Net Pension Liability
State Teachers Retirement System of Ohio
Last Two Fiscal Years (1)

	2014	2013
Center's Proportion of the Net Pension Liability	0.05003805%	0.05003805%
Center's Proportionate Share of the Net Pension Liability	$12,170,985	$14,458,954
Center's Covered-Employee Payroll	$5,505,777	$5,690,277
Center's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	221.06%	254.10%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.70%	69.30%

(1) - Information prior to 2013 is not available

Springfield-Clark Career Technology Center, Clark County, Ohio
Required Supplementary Information
Schedule of the Center's Proportionate Share
of the Net Pension Liability
School Employees Retirement System of Ohio
Last Two Fiscal Years (1)

	2014	2013
Center's Proportion of the Net Pension Liability	0.043354%	0.043354%
Center's Proportionate Share of the Net Pension Liability	$2,194,121	$2,578,898
Center's Covered-Employee Payroll	$1,272,518	$1,480,029
Center's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	172.42%	174.25%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	71.70%	65.52%

(1) - Information prior to 2013 is not available

Springfield-Clark Career Technology Center, Clark County, Ohio
Required Supplementary Information
Schedule of Center Contributions
State Teachers Retirement System of Ohio
Last Seven Fiscal Years (1)

	2015	2014	2013	2012	2011
Contractually Required Contribution	$754,092	$715,751	$739,736	$680,856	$646,868
Contributions in Relation to the Contractually Required Contribution	(754,092)	(715,751)	(739,736)	(680,856)	(646,868)
Contribution Deficiency (Excess)	$0	$0	$0	$0	$0
Center Covered-Employee Payroll	$5,386,371	$5,505,777	$5,690,277	$5,237,354	$4,975,908
Contributions as a Percentage of Covered-Employee Payroll	14.00%	13.00%	13.00%	13.00%	13.00%

(1) - Information prior to 2009 is not available

2010	2009	2008	2007	2006
$437,894	$610,177	N/A	N/A	N/A
(437,894)	(610,177)	N/A	N/A	N/A
$0	$0	N/A	N/A	N/A
$3,368,415	$4,693,669	N/A	N/A	N/A
13.00%	13.00%	N/A	N/A	N/A

Springfield-Clark Career Technology Center, Clark County, Ohio
Required Supplementary Information
Schedule of Center Contributions
School Employees Retirement System of Ohio
Last Seven Fiscal Years (1)

	2015	2014	2013	2012	2011
Contractually Required Contribution	$210,893	$176,371	$204,836	$201,881	$175,660
Contributions in Relation to the Contractually Required Contribution	(210,893)	(176,371)	(204,836)	(201,881)	(175,660)
Contribution Deficiency (Excess)	$0	$0	$0	$0	$0
Center Covered-Employee Payroll	$1,600,099	$1,272,518	$1,480,029	$1,500,974	$1,397,454
Contributions as a Percentage of Covered-Employee Payroll	13.18%	13.86%	13.84%	13.45%	12.57%

(1) - Information prior to 2009 is not available

2010	2009	2008	2007	2006
$134,536	$132,757	N/A	N/A	N/A
(134,536)	(132,757)	N/A	N/A	N/A
$0	$0	N/A	N/A	N/A
$993,619	$1,349,157	N/A	N/A	N/A
13.54%	9.84%	N/A	N/A	N/A

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SPRINGFIELD-CLARK CAREER TECHNOLOGY CENTER
CLARK COUNTY

SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

FEDERAL GRANTOR ***Pass Through Grantor*** **Program Title**	**Federal CFDA Number**	**Receipts**	**Non-Cash Receipts**	**Expenditures**	**Non-Cash Expenditures**
U.S. DEPARTMENT OF AGRICULTURE					
(Passed through Ohio Department of Education)					
Child Nutrition Cluster:					
School Breakfast Program	10.553	$33,086		$33,086	
National School Lunch Program:					
Non-Cash Assistance (Food Distribution)	10.555		$21,202		$21,202
Cash Assistance	10.555	144,761		144,761	
Total National School Lunch Program		144,761	21,202	144,761	21,202
Total Child Nutrition Cluster		177,847	21,202	177,847	21,202
Child Nutrition Discretionary Grants Limited Availability	10.579	4,500		4,500	
Total U.S. Department of Agriculture		182,347	21,202	182,347	21,202
U.S. DEPARTMENT OF EDUCATION					
(Passed through Ohio Department of Education)					
Career and Technical Education - Basic Grants to States	84.048	269,147		343,819	
Improving Teacher Quality State Grants	84.367	7,163		8,451	
Total U.S. Department of Education		276,310		352,270	
Total Federal Assistance		$458,657	$21,202	$534,617	$21,202

See accompanying notes to the Schedule of Federal Awards Receipts and Expenditures.

SPRINGFIELD-CLARK CAREER TECHNOLOGY CENTER
CLARK COUNTY

NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Receipts and Expenditures (the Schedule) reports the Springfield-Clark Career Technology Center (the Center's) federal award programs' receipts and expenditures. The Schedule has been prepared on the cash basis of accounting.

NOTE B - CHILD NUTRITION CLUSTER

The Center commingles cash receipts from the U.S. Department of Agriculture with similar State grants. When reporting expenditures on this Schedule, the Center assumes it expends federal monies first.

NOTE C – FOOD DONATION PROGRAM

The Center reports commodities consumed on the Schedule at the entitlement value. The Center allocated donated food commodities to the respective program that benefitted from the use of those donated food commodities.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Springfield-Clark Career Technology Center
Clark County
1901 Selma Road
Springfield, Ohio 45505

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Springfield-Clark Career Technology Center, Clark County, Ohio (the Center), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Center's basic financial statements and have issued our report thereon dated April 1, 2016, wherein we noted the Center adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date.*

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Center's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Center's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Center's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

As part of reasonably assuring whether the Center's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Center's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Center's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Dave Yost
Auditor of State
Columbus, Ohio

April 1, 2016

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Springfield-Clark Career Technology Center
Clark County
1901 Selma Road
Springfield, Ohio 45505

To the Board of Education:

Report on Compliance for the Major Federal Program

We have audited the Springfield-Clark Career Technology Center's (the Center), compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect the Springfield-Clark Career Technology Center's major federal program for the year ended June 30, 2015. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the Center's major federal program.

Management's Responsibility

The Center's Management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal program.

Auditor's Responsibility

Our responsibility is to opine on the Center's compliance for the Center's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the Center's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the Center's major program. However, our audit does not provide a legal determination of the Center's compliance.

Basis for Qualified Opinion on Career and Technical Education – Basic Grants to States

As described in Findings 2015-001 and 2015-002 in the accompanying schedule of findings, the Center did not comply with requirements regarding the following:

Finding #	CFDA #	Program (or Cluster) Name	Compliance Requirement
2015-001	84.048	Career and Technical Education – Basic Grants to States	Procurement, Suspension, and Debarment
2015-002	84.048	Career and Technical Education – Basic Grants to States	Cash Management

Compliance with these requirements is necessary, in our opinion, for the Center to comply with the requirements applicable to this program.

Qualified Opinion on Career and Technical Education – Basic Grants to States

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinion on Career and Technical Education – Basic Grants to States* paragraph, the Springfield-Clark Career Technology Center complied, in all material respects, with the requirements referred to above that could directly and materially affect its Career and Technical Education – Basic Grants to States program for the year ended June 30, 2015.

The Center's responses to our noncompliance findings are described in the accompanying corrective action plan. We did not audit the Center's responses and, accordingly, we express no opinion on them.

Report on Internal Control Over Compliance

The Center's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the Center's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on the major federal program's compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the Center's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. Therefore, we cannot assure we have identified all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program's compliance requirement will not be prevented, or timely detected and corrected. A *significant deficiency in internal control over compliance* is a deficiency or a combination of deficiencies in internal control over compliance with a federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings as items 2015-001 and 2015-002 to be material weaknesses.

The Center's responses to our internal control over compliance findings are described in the accompanying corrective action plan. We did not audit the Center's responses and, accordingly, we express no opinion on them.

This report only describes the scope of our tests of internal control over compliance and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.

Dave Yost
Auditor of State
Columbus, Ohio

April 1, 2016

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SPRINGFIELD-CLARK CAREER TECHNOLOGY CENTER
CLARK COUNTY

SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2015

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	**Type of Financial Statement Opinion**	Unmodified
(d)(1)(ii)	**Were there any material control weaknesses reported at the financial statement level (GAGAS)?**	No
(d)(1)(ii)	**Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(iii)	**Was there any reported material noncompliance at the financial statement level (GAGAS)?**	No
(d)(1)(iv)	**Were there any material internal control weaknesses reported for major federal programs?**	Yes
(d)(1)(iv)	**Were there any significant deficiencies in internal control reported for major federal programs?**	No
(d)(1)(v)	**Type of Major Programs' Compliance Opinion**	Qualified
(d)(1)(vi)	**Are there any reportable findings under § .510(a)?**	Yes
(d)(1)(vii)	**Major Programs (list):**	CFDA # 84.048 – Career and Technical Education – Basic Grants to States
(d)(1)(viii)	**Dollar Threshold: Type A\B Programs**	Type A: > $ 300,000 Type B: all others
(d)(1)(ix)	**Low Risk Auditee?**	Yes

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

Finding Number	2015-001
CFDA Title and Number	84.048 – Career and Technical Education – Basic Grants to States
Federal Award Number / Year	2015
Federal Agency	U.S. Department of Education
Pass-Through Agency	Ohio Department of Education

NONCOMPLIANCE AND MATERIAL WEAKNESS – Procurement and Suspension and Debarment

34 CFR 80.36(b)(1) states grantees and sub-grantees will use their own procurement procedures which reflect applicable State and local laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in this section.

Furthermore, **34 CFR 80.36(d)** describes methods of procurement to be followed:

(1) Procurement by small purchase procedures
(2) Procurement by sealed bids (formal advertising)
(3) Procurement by competitive proposals
(4) Procurement by noncompetitive proposals

The Center did not follow a method of procurement when purchasing a virtual welder in the amount of $46,500. Although there is a sole manufacturer of the equipment, there is not a sole retailer of the product, which would require the Center to follow one of the approved methods of procurement. As the purchase was less than $100,000, the Center could have utilized the small purchase procedures. The Center could have obtained quotes from an adequate number of sources and compared cost.

Failure to perform required procurement procedures could potentially result in decreased or loss of federal funding.

The Center should develop procedures to ensure proper procurement procedures are followed for all federal expenditures meeting the procurement process threshold.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS (Continued)

Finding Number	2015-002
CFDA Title and Number	84.048 – Career and Technical Education – Basic Grants to States
Federal Award Number / Year	2015
Federal Agency	U.S. Department of Education
Pass-Through Agency	Ohio Department of Education

NONCOMPLIANCE AND MATERIAL WEAKNESS – Cash Management

34 CFR § 80.21 (c) states grantees and sub-grantees shall be paid in advance, provided they maintain or demonstrate the willingness and ability to maintain procedures to minimize the time elapsing between the transfer of the funds and their disbursement by the grantee or sub-grantee.

34 CFR § 80.20 (b)(7) states procedures for minimizing the time elapsing between the transfer of funds from the U.S. Treasury and disbursement by grantees and sub-grantees must be followed whenever advance payment procedures are used. Grantees must establish reasonable procedures to ensure the receipt of reports on sub-grantees' cash balances and cash disbursements in sufficient time to enable them to prepare complete and accurate cash transactions reports to the awarding agency. When advances are made by letter of-credit or electronic transfer of funds methods, the grantee must make drawdowns as close as possible to the time of making disbursements. Grantees must monitor cash drawdowns by their sub-grantees to assure that they conform substantially to the same standards of timing and amount as apply to advances to the grantees.

The Center received advance payments of Career and Technical Education-Basic Grants to States funds from the Ohio Department of Education (ODE) through the Comprehensive Continuous Improvement Plan (CCIP) Project Cash Request (PCR) forms four times throughout the fiscal year ended June 30, 2015. There were two instances where the amount requested for an advance was not liquidated within the month the advance was requested or within 30 days. The advances ranged from $15,329 to $39,789 and the unliquidated amount ranged from $11,027 to $22,199.

Failure to spend requested federal monies timely could result in the Ohio Department of Education (ODE) denying any further request for funding and could also result in interest being earned on the federal money which is required to be remitted back to ODE.

The Center should implement policies and procedures to determine necessary federal funds to request and ensure advanced funds are expended when required.

Officials' Responses:

See Corrective Action Plan

SPRINGFIELD-CLARK CAREER TECHNOLOGY CENTER
CLARK COUNTY

CORRECTIVE ACTION PLAN
OMB CIRCULAR A -133 § .315 (c)
JUNE 30, 2015

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2015-001	Employees of the CTC purchase items for the betterment of our students' education. However, they are not always knowledgeable of federal purchasing requirements. We will train our employees on these requirements and we will monitor our purchasing procedures to insure compliance.	June, 2016	Steven Clark, Treasurer/CFO
2015-002	When possible, the CTC will request reimbursement for federal funds, including Career and Technical Educations-Basic Grants to States funds, on a reimbursement basis. If it is not possible, the CTC will expend advanced funds within federal time constraints.	June, 2016	Steven Clark, Treasurer/CFO

Dave Yost · Auditor of State

SPRINGFIELD CLARK CAREER TECHNOLOGY CENTER

CLARK COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
APRIL 26, 2016

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