APOLLO CAREER CENTER
ALLEN COUNTY

SINGLE AUDIT

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

OHIO AUDITOR OF STATE
KEITH FABER

APOLLO CAREER CENTER
ALLEN COUNTY

TABLE OF CONTENTS

APOLLO CAREER CENTER
ALLEN COUNTY

TABLE OF CONTENTS
(Continued)

OHIO AUDITOR OF STATE
KEITH FABER

One First National Plaza
130 West Second Street, Suite 2040
Dayton, Ohio 45402-1502
(937) 285-6677 or (800) 443-9274
WestRegion@ohioauditor.gov

INDEPENDENT AUDITOR'S REPORT

Apollo Career Center
Allen County
3325 Shawnee Road
Lima, Ohio 45806

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Apollo Career Center, Allen County, Ohio (the Career Center), as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Career 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 Career 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 Career Center's internal control. Accordingly, we express no such 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, each major fund, and the aggregate remaining fund information of the Career Center, as of June 30, 2020, and the respective changes in financial position, and the respective budgetary comparisons for the General and Adult Education funds thereof for the fiscal year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2T to the financial statements, during fiscal year 2020, the Career Center adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. We did not modify our opinion regarding this matter.

As discussed in Note 2T to the financial statements, for the fiscal year ended June 30, 2020, the Career Center re-evaluated the classification of the Adult Education fund. As a result, the Adult Education Fund has been restated and the Business-Type Activities and Proprietary Fund types have been eliminated. We did not modify our opinion regarding this matter.

Also, as discussed in Note 21 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Career Center. 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*, and schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit 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 Career Center's basic financial statements taken as a whole.

The Schedule of Expenditures of Federal Awards presents additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and is not a required part of the financial statements.

The schedules are management's responsibility, and derives from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this information to the auditing procedures we applied to the basic financial statements.

We also applied certain additional procedures, including comparing and reconciling this information 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 information 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 December 16, 2020, on our consideration of the Career 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 Career Center's internal control over financial reporting and compliance.

Keith Faber
Auditor of State
Columbus, Ohio

December 16, 2020

This page intentionally left blank.

The discussion and analysis of the Apollo Career Center's (the "Career Center") financial performance provides an overall review of the Career Center's financial activities for the fiscal year ended June 30, 2020. The intent of this discussion and analysis is to look at the Career Center's performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the Career Center's financial performance.

Financial Highlights

Key financial highlights for 2020 are as follows:

- Net position increased $1,568,188 which represents a 6 percent increase from 2019 restated net position.
- Capital assets decreased $1,448,482 during fiscal year 2020.
- During the fiscal year, outstanding debt decreased from $29,633,488 to $29,255,279.
- The Career Center early implemented GASB 84 and restated the Adult Education fund during the current fiscal year. See Note 2 for more information.

Using this Annual Report

This annual report consists of a series of financial statements and notes to those statements. The statements are organized so the reader can understand the Apollo Career Center as a whole 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 Career Center, presenting both an aggregate view of the Career 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 Career Center's most significant funds with all other nonmajor funds presented in total in one column. In the case of the Apollo Career Center, the general fund, bond retirement fund and adult education fund are by far the most significant funds.

Reporting the Career Center as a Whole

Statement of Net Position and the Statement of Activities

While the basic financial statements contain the large number of funds used by the Career Center to provide programs and activities, the view of the Career Center as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2020?" The *Statement of Net Position* and the *Statement of Activities* answer 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 Career Center's net position and changes in net position. This change in net position is important because it tells the reader that, for the Career Center as a whole, the financial position of the Career Center has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the Career Center's property tax base, current property tax laws in Ohio which restrict revenue growth, facility conditions, required educational programs, and other factors.

In the *Statement of Net Position* and the *Statement of Activities*, governmental activities include the Career Center's programs and services, including instruction, support services, extracurricular activities, and non-instructional services, i.e., food service operations and community services.

Reporting the Career Center's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the Career Center's major funds. The Career Center uses many funds to account for a multitude of financial transactions; however, these fund financial statements focus on the Career Center's most significant funds. The Career Center's major governmental funds are the general fund, the bond retirement fund and adult education fund.

Governmental Funds All of the Career 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 Career 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.

Reporting the Career Center's Fiduciary Responsibilities

The Career Center acts in a trustee capacity as an agent for individuals, private organizations, other governmental units and/or other funds. These activities are reported in custodial funds. These activities are excluded from the Career Center's other financial statements because the assets cannot be utilized by the Career Center to finance its operations. Custodial funds are reported on the accrual basis and present a statement of fiduciary net position and statement of changes in fiduciary net position.

This space intentionally left blank

The Career Center as a Whole

Recall that the Statement of Net Position provides the perspective of the Career Center as a whole. Table 1 provides a summary of the Career Center's net position for 2020 compared to 2019:

Table 1
Net Position

	Governmental Activities 2020	Restated 2019	Change
Assets			
Current and Other Assets	$ 29,932,618	$ 26,020,777	$ 3,911,841
Net OPEB Asset	937,631	888,921	48,710
Capital Assets	52,086,230	53,534,712	(1,448,482)
Total Assets	82,956,479	80,444,410	2,512,069
Deferred Outflows of Resources			
Deferred Charges on Refunding	2,423,899	2,536,638	(112,739)
Pension & OPEB	3,797,420	4,677,333	(879,913)
Total Deferred Outflows of Resources	6,221,319	7,213,971	(992,652)
Liabilities			
Current Liabilities	1,627,938	1,508,816	119,122
Long-Term Liabilities:			
Due Within One Year	676,505	607,609	68,896
Due in More Than One Year			
Pension & OPEB	17,785,177	17,629,036	156,141
Other Amounts	32,453,360	33,079,293	(625,933)
Total Liabilities	52,542,980	52,824,754	(281,774)
Deferred Inflows of Resources			
Property Taxes	6,263,536	5,588,448	675,088
Pension & OPEB	2,885,491	3,327,576	(442,085)
Total Deferred Inflows of Resources	9,149,027	8,916,024	233,003
Net Position			
Net Investment in Capital Assets	22,304,074	23,490,015	(1,185,941)
Restricted	8,151,656	5,626,596	2,525,060
Unrestricted	(2,969,939)	(3,199,007)	229,068
Total Net Position	$ 27,485,791	$ 25,917,604	$ 1,568,187

The net pension liability (NPL) is one of the largest liabilities reported by the Career Center at June 30, 2020, and is reported pursuant to GASB Statement 68, Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27. In a prior period, the Career Center also adopted GASB Statement 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the Career Center's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB and the net OPEB asset.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension/OPEB liability. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB asset/liability to equal the Career Center's proportionate share of each plan's collective:

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

GASB notes that pension and OPEB 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 and other postemployment benefits. GASB noted that the unfunded portion of this 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 Career Center is not responsible for certain key factors affecting the balance of these assets/liabilities. 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 Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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 retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan 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. For STRS, the plan's fiduciary net OPEB position was sufficient to cover the plan's total OPEB liability resulting in a net OPEB asset for fiscal year 2020 that is allocated to each school based on its proportionate share. The retirement system is responsible for the administration of the pension and OPEB plans.

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 or the net OPEB liability reported by the retirement boards. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, 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 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 and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and GASB 75, the Career Center's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's change in net pension liability and net OPEB asset/liability, respectively, not accounted for as deferred inflows/outflows.

At year end, capital assets represented 63 percent of total assets. Capital assets include land, land improvements, buildings and improvements, furniture, fixtures and equipment and vehicles. Net investment in capital assets was $22,304,074 at June 30, 2020. These capital assets are used to provide services to students and are not available for future spending. Although the Career 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 Career Center's net position, $8,151,656 or 30 percent, represents resources that are subject to external restrictions on how they may be used. The balance of government-wide unrestricted net position is a deficit of $2,969,939.

There was a large increase in current assets for fiscal 2020. Property taxes receivable and deferred inflows for property taxes increased. This was caused by an increase in the assessed tax valuation for the Career Center. There was also an increase in cash and investments that was a result a normal operations.

There was a change in net pension/OPEB liability/asset and related accruals for the Career Center. These fluctuations are due to changes in the actuarial liabilities/assets and related accruals that are passed through to the Career Center's financial statements All components of pension and OPEB accruals contribute to the fluctuations in deferred outflows/inflows and NPL/NOL/NOA and are described in more detail in their respective notes.

This space intentionally left blank

In order to further understand what makes up the changes in net position for the current year, the following table gives readers further details regarding the results of activities for 2020 and 2019.

Table 2
Changes in Net Position

	Governmental Activities		
	2020	Restated 2019	Change
Revenues			
Program Revenues:			
Charges for Services	$ 4,244,351	$ 4,298,252	$ (53,901)
Operating Grants	2,710,771	2,101,472	609,299
Capital Grants	2,951	3,054	(103)
Total Program Revenues	6,958,073	6,402,778	555,295
General Revenues:			
Property Taxes	6,669,816	6,868,755	(198,939)
Grants and Entitlements Not Restricted	6,313,578	6,131,839	181,739
Other	1,017,771	1,047,079	(29,308)
Total General Revenues	14,001,165	14,047,673	(46,508)
Total Revenues	20,959,238	20,450,451	508,787
Program Expenses			
Instruction:			
Regular	412,118	2,519,782	(2,107,664)
Special	256,805	(358,230)	615,035
Vocational	7,265,427	6,098,515	1,166,912
Adult/Continuing	3,256,392	1,708,365	1,548,027
Support Services:			
Pupils	677,949	436,579	241,370
Instructional Staff	1,846,843	1,030,699	816,144
Board of Education	65,174	61,709	3,465
Administration	760,547	746,562	13,985
Fiscal	590,968	536,715	54,253
Business	4,622	4,592	30
Operation and Maintenance of Plant	1,725,717	1,805,758	(80,041)
Pupil Transportation	70,962	132,993	(62,031)
Central	458,608	461,094	(2,486)
Operation of Non-Instructional Services:			
Food Service Operations	427,183	459,935	(32,752)
Community Services	138,107	0	138,107
Extracurricular Activities	52,558	32,515	20,043
Debt Service:			
Interest and Fiscal Charges	1,381,070	1,437,377	(56,307)
Total Expenses	19,391,050	17,114,960	2,276,090
Increase (Decrease) in Net Position	1,568,188	3,335,491	(1,767,303)
Net Position at Beginning of Year (Restated, See Note 2)	25,917,603	N/A	N/A
Net Position at End of Year	$ 27,485,791	$ 25,917,603	$(1,767,303)

2019 has been updated to incorporate the restatement of the adult education fund for comparability purposes however, no changes have been made for the implementation of GASB 84.

The increase in operating grant revenue was primarily caused by the Jobs Ohio Electrical and the Student Wellness and Success grants received in fiscal year 2020. The changes in program expenses are primarily associated to changes in the Career Center's proportionate share of the net pension liability, net OPEB liability/asset and related accruals. As previously indicated, these items are explained in detail within their respective notes.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for governmental 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 Service		Net Cost of Service	
	2020	Restated 2019	2020	Restated 2019
Instruction:				
Regular	$ 412,118	$ 2,519,782	$ 370,079	$ 2,462,186
Special	256,805	(358,230)	(486,601)	(1,115,542)
Vocational	7,265,427	6,098,515	6,016,677	4,899,443
Adult/Continuing	3,256,392	1,708,365	154,969	(1,862,552)
Support Services:				
Pupils	677,949	436,579	476,664	383,206
Instructional Staff	1,846,843	1,030,699	864,601	761,356
Board of Education	65,174	61,709	65,174	61,709
Administration	760,547	746,562	705,991	695,155
Fiscal	590,968	536,715	590,968	536,715
Business	4,622	4,592	4,622	4,592
Operation and Maintenance of Plant	1,725,717	1,805,758	1,677,951	1,757,785
Pupil Transportation	70,962	132,993	70,962	132,993
Central	458,608	461,094	424,673	461,094
Operation of Non-Instructional Services:				
Food Service Operations	427,183	459,935	132,460	64,150
Community Services	138,107	0	138,107	0
Extracurricular Activities	52,558	32,515	(155,390)	32,515
Debt Service:				
Interest and Fiscal Charges	1,381,070	1,437,377	1,381,070	1,437,377
Total Expenses	$ 19,391,050	$ 17,114,960	$ 12,432,977	$ 10,712,182

The dependence upon general revenues for governmental activities is apparent. Over 64 percent of governmental activities are supported through taxes and other general revenues; such revenues are 67 percent of total governmental revenues. The community, as a whole, is by far the primary support for the Career Center students.

Governmental Funds

The Career Center's major funds are accounted for using the modified accrual basis of accounting.

The general fund's net change in fund balance for fiscal year 2020 was an increase of $1,457,220. There was a modest change in revenues and expenditures from the prior fiscal year however revenues continue to be in excess of operating costs.

The bond retirement fund's net change in fund balance for fiscal year 2020 was an increase of $257,181. This increase was primarily caused by a timing difference between when revenues were received and required debt payments were made.

The adult education fund's net change in fund balance for fiscal year 2020 was an increase of $534,106. Charges for services, combined with stated and federal funding continue to exceed expenditures.

General Fund Budgeting Highlights

The Career 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.

Original Budget Compared to Final Budget During the year the Career Center amended its original estimated revenues and other financing sources to more accurately reflect expected property tax revenue. The original budgeted appropriations and other financing uses were increased as a result of the additional expenditures that the COVID-19 pandemic was creating.

Final Budget Compared to Actual Results A review of actual revenues and other financing sources and expenditures and other financing uses compared to the resources and appropriations in the final budget yields significant variances. Final estimated revenues and other financing sources were lower than actual, primarily because property tax revenue was higher than anticipated. Final expenditure appropriations and other financing uses were higher than actual due to additional expenditures caused by the COVID-19 pandemic being higher than expected.

Capital Assets and Debt Administration

Capital Assets

Table 4 shows fiscal year 2020 balances compared with 2019. See Note 8 for additional details.

Table 4
Capital Assets at June 30
(Net of Depreciation)

	Governmental Activities	
	2020	Restated 2019
Land	$ 341,208	$ 341,208
Land Improvements	4,165,248	4,436,010
Buildings and Improvements	43,331,670	44,375,150
Furniture, Fixtures, and Equipment	3,882,984	3,957,951
Vehicles	365,120	424,393
Totals	$ 52,086,230	$ 53,534,712

Debt

Table 5 summarizes outstanding debt. See Note 15 for additional details.

Table 5
Outstanding Debt at Year End

	Governmental Activities	
	2020	2019
General Obligation Bonds	$ 29,255,279	$ 29,633,488

Current Issues

The General Fund has increased the June 30 fund balance each of the past seven years and the current five year forecast projects, without any new levies, a stable future. The General Fund millage has remained at 1.7 mills since 1982.

The Career Center continues to expand programs in high school and adult education to meet the high demand of skilled workers in the area.

The COVID-19 pandemic closed the Career Center Campus on March 16, 2020. Traditional financial revenues and expenditures varied during the last three months of the fiscal year and will continue to vary in fiscal year 2021.

Contacting the Career Center's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Career Center's finances and to show the Career Center's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Maria Rellinger, Treasurer of Apollo Career Center, 3325 Shawnee Road, Lima, Ohio 45806-1497.

This page left blank intentionally.

Apollo Career Center
Allen County, Ohio
Statement of Net Position
June 30, 2020

	Governmental Activities
Assets	
Equity in Pooled Cash and Investments	$ 20,861,864
Cash and Cash Equivalents in Segregated Accounts	8,167
Investments in Segregated Accounts	420,545
Receivables:	
Accounts	422,466
Intergovernmental	270,368
Property Taxes	7,672,548
Prepaid Items	95,694
Asset Held for Sale	180,966
Net OPEB Asset	937,631
Nondepreciable Capital Assets	341,208
Depreciable Capital Assets (Net)	51,745,022
Total Assets	82,956,479
Deferred Outflows of Resources	
Deferred Charges on Refunding	2,423,899
Pension	3,442,044
OPEB	355,376
Total Deferred Outflows of Resources	6,221,319
Liabilities	
Accounts Payable	133,673
Accrued Wages and Benefits	1,173,532
Intergovernmental Payable	189,126
Matured Compensated Absences Payable	30,955
Accrued Interest Payable	100,652
Long Term Liabilities:	
Due Within One Year	676,505
Due In More Than One Year:	
Net Pension Liability	16,260,110
Net OPEB Liability	1,525,067
Other Amonts Due in More Than One Year	32,453,360
Total Liabilities	52,542,980
Deferred Inflows of Resources	
Property Taxes Levied for the Next Year	6,263,536
Pension	1,125,020
OPEB	1,760,471
Total Deferred Inflows of Resources	9,149,027
Net Position	
Net Investment in Capital Assets	22,304,074
Restricted For:	
Capital Outlay	2,016,460
Debt Service	1,553,383
Other Purposes	4,581,813
Unrestricted	(2,969,939)
Total Net Position	$ 27,485,791

See accompanying notes to the basic financial statements.

Apollo Career Center
Allen County, Ohio
Statement of Activities
For the Fiscal Year Ended June 30, 2020

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
Instruction:					
Regular	$ 412,118	$ 42,039	$ 0	$ 0	$ (370,079)
Special	256,805	0	743,406	0	486,601
Vocational	7,265,427	1,133,312	115,438	0	(6,016,677)
Adult/Continuing	3,256,392	2,247,235	854,188	0	(154,969)
Support Services:					
Pupils	677,949	18,671	182,614	0	(476,664)
Instructional Staff	1,846,843	597,911	384,331	0	(864,601)
Board of Education	65,174	0	0	0	(65,174)
Administration	760,547	0	54,556	0	(705,991)
Fiscal	590,968	0	0	0	(590,968)
Business	4,622	0	0	0	(4,622)
Operation and Maintenance of Plant	1,725,717	0	44,815	2,951	(1,677,951)
Pupil Transportation	70,962	0	0	0	(70,962)
Central	458,608	0	33,935	0	(424,673)
Operation of Non-Instructional Services:					
Food Service Operations	427,183	152,373	142,350	0	(132,460)
Community Services	138,107	0	0	0	(138,107)
Extracurricular Activities	52,558	52,810	155,138	0	155,390
Debt Service:					
Interest and Fiscal Charges	1,381,070	0	0	0	(1,381,070)
Totals	$ 19,391,050	$ 4,244,351	$ 2,710,771	$ 2,951	(12,432,977)

General Revenues	
Property Taxes Levied for:	
General Purposes	3,729,428
Debt Service	1,843,780
Capital Outlay	724,083
Classroom Facility Maintenance	372,525
Grants and Entitlements Not Restricted to Specific Programs	6,313,578
Insurance Recoveries	30,979
Gain on Sale of Capital Assets	20,410
Investment Earnings	593,593
Miscellaneous	372,789
Total General Revenues	14,001,165
Change in Net Position	1,568,188
Net Position Beginning of Year (Restated, See Note 2.)	25,917,603
Net Position End of Year	$ 27,485,791

See accompanying notes to the basic financial statements.

Apollo Career Center
Allen County, Ohio
Balance Sheet
Governmental Funds
June 30, 2020

	General	Bond Retirement	Adult Education Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Equity in Pooled Cash and Investments	$ 13,200,791	$ 1,258,971	$ 1,397,167	$ 5,004,935	$ 20,861,864
Cash and Cash Equivalents in Segregated Accounts	0	0	8,167	0	8,167
Investments in Segregated Accounts	0	0	0	420,545	420,545
Receivables:					
Accounts	15,273	0	403,816	3,377	422,466
Interfund	50,000	0	0	0	50,000
Intergovernmental	149,304	0	22,926	98,138	270,368
Property Taxes	4,276,015	2,153,123	0	1,243,410	7,672,548
Prepaid Items	72,092	0	21,684	1,918	95,694
Asset Held for Sale	0	0	0	180,966	180,966
Total Assets	$ 17,763,475	$ 3,412,094	$ 1,853,760	$ 6,953,289	$ 29,982,618
Liabilities					
Accounts Payable	$ 25,365	$ 0	$ 7,474	$ 100,834	$ 133,673
Accrued Wages and Benefits	1,005,428	0	112,406	55,698	1,173,532
Intergovernmental Payable	149,011	0	21,604	18,511	189,126
Matured Compensated Absences Payable	15,643	0	15,312	0	30,955
Interfund Payable	0	0	0	50,000	50,000
Total Liabilities	1,195,447	0	156,796	225,043	1,577,286
Deferred Inflows of Resources					
Property Taxes Levied for the Next Year	3,490,095	1,758,059	0	1,015,382	6,263,536
Unavailable Revenue	103,798	52,221	155,440	113,548	425,007
Total Deferred Inflows of Resources	3,593,893	1,810,280	155,440	1,128,930	6,688,543
Fund Balances					
Nonspendable	72,092	0	21,684	182,884	276,660
Restricted	0	1,601,814	1,519,840	4,922,038	8,043,692
Committed	300,000	0	0	88,365	388,365
Assigned	96,381	0	0	444,264	540,645
Unassigned	12,505,662	0	0	(38,235)	12,467,427
Total Fund Balances	12,974,135	1,601,814	1,541,524	5,599,316	21,716,789
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 17,763,475	$ 3,412,094	$ 1,853,760	$ 6,953,289	$ 29,982,618

See accompanying notes to the basic financial statements.

Apollo Career Center
Allen County, Ohio
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
June 30, 2020

Total Governmental Fund Balances		$ 21,716,789
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.		52,086,230
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Intergovernmental	$ 83,402	
Accounts	155,440	
Delinquent Property Taxes	186,165	425,007
In the statement of activities, interest is accrued on outstanding bonds, whereas in the governmental funds, an interest expenditure is not reported.		(100,652)
In the statement of activities, a gain/loss on refunding is amortized over the term of the bonds, whereas in governmental funds a refunding gain/loss is reported when bonds are issued.		2,423,899
The net pension and OPEB asset/liabilities are not due and payable in the current period; therefore, the liabilities and related deferred inflows/outflows are not reported in the funds.		
Net OPEB Asset	937,631	
Deferred Outflows - Pension	3,442,044	
Deferred Outflows - OPEB	355,376	
Net Pension Liability	(16,260,110)	
Net OPEB Liability	(1,525,067)	
Deferred Inflows - Pension	(1,125,020)	
Deferred Inflows - OPEB	(1,760,471)	(15,935,617)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds.		
General Obligation Bonds	(28,940,000)	
Capital Appreciation Bonds	(35,000)	
Accretion of Interest - Capital Appreciation Bonds	(280,279)	
Bond Premium	(3,231,054)	
Compensated Absences	(643,532)	(33,129,865)
Net Position of Governmental Activities		$ 27,485,791

See accompanying notes to the basic financial statements.

Apollo Career Center
Allen County, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2020

	General	Bond Retirement	Adult Education Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Property and Other Local Taxes	$ 3,730,534	$ 1,848,855	$ 0	$ 1,096,123	$ 6,675,512
Intergovernmental	6,689,223	237,108	587,173	1,219,800	8,733,304
Investment Income	593,593	0	12,280	32,407	638,280
Tuition and Fees	1,116,155	0	2,780,914	0	3,897,069
Extracurricular Activities	7,049	0	0	52,810	59,859
Rentals	1,505	0	0	0	1,505
Charges for Services	50,642	0	2,947	152,373	205,962
Contributions and Donations	0	0	225	182,979	183,204
Miscellaneous	239,297	6,181	135,262	9,399	390,139
Total Revenues	12,427,998	2,092,144	3,518,801	2,745,891	20,784,834
Expenditures					
Current:					
Instruction:					
Regular	363,725	0	0	0	363,725
Special	195,821	0	0	55,154	250,975
Vocational	5,986,957	0	0	441,200	6,428,157
Adult Education	0	0	2,421,465	308,097	2,729,562
Support Services:					
Pupils	496,376	0	18,906	136,501	651,783
Instructional Staff	884,201	0	554,624	242,210	1,681,035
Board of Education	62,244	0	0	0	62,244
Administration	667,686	0	0	44,928	712,614
Fiscal	512,794	37,713	0	21,697	572,204
Business	30	0	0	0	30
Operation and Maintenance of Plant	1,393,347	0	0	127,752	1,521,099
Pupil Transportation	15,018	0	0	0	15,018
Central	421,532	0	0	34,641	456,173
Extracurricular Activities	15,145	0	0	37,413	52,558
Operation of Non-Instructional Services:					
Food Service Operations	0	0	0	319,795	319,795
Community Services	0	0	0	151,154	151,154
Capital Outlay	7,435	0	0	79,668	87,103
Debt Service:					
Principal Retirement	0	225,000	0	0	225,000
Interest and Fiscal Charges	0	1,572,250	0	0	1,572,250
Total Expenditures	11,022,311	1,834,963	2,994,995	2,000,210	17,852,479
Excess of Revenues Over (Under) Expenditures	1,405,687	257,181	523,806	745,681	2,932,355
Other Financing Sources (Uses)					
Proceeds from Sale of Capital Assets	20,554	0	10,300	0	30,854
Insurance Recoveries	30,979	0	0	0	30,979
Total Other Financing Sources (Uses)	51,533	0	10,300	0	61,833
Net Change in Fund Balance	1,457,220	257,181	534,106	745,681	2,994,188
Fund Balances Beginning of Year (Restated, See Note 2)	11,516,915	1,344,633	1,007,418	4,853,635	18,722,601
Fund Balances End of Year	$ 12,974,135	$ 1,601,814	$ 1,541,524	$ 5,599,316	$ 21,716,789

See accompanying notes to the basic financial statements.

Apollo Career Center
Allen County, Ohio
Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2020

Net Change in Fund Balances - Total Governmental Funds		$ 2,994,188
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital Asset Additions	$ 478,696	
Current Year Depreciation	(1,916,734)	(1,438,038)
Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.		(10,444)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property Taxes	(5,696)	
Accounts Receivable	68,705	
Intergovernmental	60,006	123,015
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
General Obligation Bonds	180,000	
Capital Appreciation Bond	45,000	
Accreted Interest on CAB	280,000	505,000
In the statement of activities, interest is accrued on outstanding bonds; and bond premium and gain/loss on refunding are amortized over the term of the bonds, whereas in governmental funds, an interest expenditure is reported when bonds are issued.		
Accrued Interest Payable	428	
Amortization of Premium on Bonds	150,282	
Amortization of Deferred Charge	(112,739)	37,971
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	1,254,363	
OPEB	25,766	1,280,129
Except for amount reported as deferred inflows/outflows, changes in the net pension and OPEB asset/liabilities are reported as pension/OPEB expense in the statement of activities.		
Pension	(2,037,940)	
OPEB	212,551	(1,825,389)
Some expenses reported in the statement of activities do not require the use of the current financial resources and therefore are not reported as expenditures in governmental funds.		
Compensated Absences		28,547
Accretion on capital appreciation bonds is an expenditure in the governmental funds, but is allocated as an expense over the life of the bonds in the statement of activities.		(126,791)
Change in Net Position of Governmental Activities		$ 1,568,188

See accompanying notes to the basic financial statements.

Apollo Career Center
Allen County, Ohio
Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2020

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Revenues and Other Financing Sources	$ 11,380,487	$ 11,965,507	$ 12,233,688	$ 268,181
Expenditures and Other Financing Uses	10,929,052	11,737,466	11,048,226	689,240
Net Change in Fund Balance	451,435	228,041	1,185,462	957,421
Fund Balance Beginning of Year	11,265,035	11,265,035	11,265,035	0
Prior Year Encumbrances Appropriated	72,610	72,610	72,610	0
Fund Balance End of Year	$ 11,789,080	$ 11,565,686	$ 12,523,107	$ 957,421

See accompanying notes to the basic financial statements.

Apollo Career Center
Allen County, Ohio
Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Adult Education
For the Fiscal Year Ended June 30, 2020

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Revenues and Other Financing Sources	$ 3,690,482	$ 3,300,800	$ 3,381,382	$ 80,582
Expenditures and Other Financing Uses	3,725,875	4,311,682	3,022,442	1,289,240
Net Change in Fund Balance	(35,393)	(1,010,882)	358,940	1,369,822
Fund Balance Beginning of Year (Restated, See Note 2)	975,872	975,872	975,872	0
Prior Year Encumbrances Appropriated	36,183	36,183	36,183	0
Fund Balance End of Year	$ 976,662	$ 1,173	$ 1,370,995	$ 1,369,822

See accompanying notes to the basic financial statements.

Apollo Career Center
Allen County, Ohio
Statement of Fiduciary Net Position
Custodial Fund
June 30, 2020

		Custodial
Assets	$	0
Liabilities	$	0
Net Position		
Restricted for Individuals, Organizations and Other Governments	$	0

See accompanying notes to the basic financial statements.

Apollo Career Center
Allen County, Ohio
Statement of Change in Fiduciary Net Position
Custodial Fund
For the Fiscal Year Ended June 30, 2020

Additions		
Amounts Received for Others	$	1,229,741
Deductions		
Distributions to Individuals	$	1,229,741
Change in Net Position		0
Net Position Beginning of Year (Restated, See Note 2)		0
Net Position End of Year	$	0

See accompanying notes to the basic financial statements.

Note 1 - Description of the Career Center and Reporting Entity

Apollo Career Center (the "Career Center") is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from each of the participating School District's elected boards. The Board possessed its own budgeting and taxing authority. The Career Center exposes students to job training skills leading to employment upon graduation from high school.

The reporting entity is composed of the stand-alone government, components units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the Career Center consists of all funds, departments, boards and agencies that are not legally separate from the Career Center. For Apollo Career Center, this includes general operations, food service, and student related activities of the Career Center.

Component units are legally separate organizations for which the Career Center is financially accountable. The Career Center is financially accountable for an organization if the Career Center appoints a voting majority of the organization's Governing Board and (1) the Career Center is able to significantly influence the programs or services performed or provided by the organization; or (2) the Career Center is legally entitled to or can otherwise access the organization's resources; the Career Center is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization. Component units may also include organizations that are fiscally dependent on the Career Center in that the Career Center approves the budget, the issuance of debt or the levying of taxes, and there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Career Center.

Blended component units, although legally separate entities are, in substance, part of the Career Center's operations and so data from these units are combined with data of the Career Center. The Career Center's blended component unit is described below:

Apollo Educational Foundation

The Foundation is a non-profit corporation created in 1989 and is under the control of the Apollo Career Center Board of Education. The Foundation has a fifteen member Board of Trustees that includes the Superintendent and Treasurer of the Career Center. Although the Foundation is legally separate from the Career Center, it should be reported as if it were part of the primary government because its sole purpose is for the purpose of promoting, improving, enriching, and supplementing the programs and activities of vocational education beyond what is possible with public funds.

The Career Center participates in a jointly governed organization and three insurance pools. These organizations are the Northwest Ohio Area Computer Services Cooperative, Southwestern Ohio Educational Purchasing Council, Council of Allen County Schools Health Benefits Consortium, and the Ohio Association of School Business Officials Workers' Compensation Group Rating Plan. These organizations are presented in Notes 18 and 19 to the basic financial statements.

Note 2 - Summary of Significant Accounting Policies

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

A. Basis of Presentation

The Career Center's basic financial statements consist of government-wide financial 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 Career 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 Career Center at fiscal year-end. The statement of activities presents a comparison between direct expenses and program revenues for each function or program of the Career 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 recipients of the goods or services offered by the program and grants, contributions, and interest that are restricted to meeting the operational requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Career 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 Career Center.

Fund Financial Statements During the fiscal year, the Career Center segregates transactions related to certain Career 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 Career Center at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

B. Fund Accounting

The Career 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 School District Functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Career Center are divided into two categories, governmental and fiduciary.

Governmental Funds Governmental funds are those through which all governmental functions of the Career Center are financed. Governmental fund reporting focuses 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 and liabilities and deferred inflows of resources is reported as fund balance. The Career Center's major governmental funds are the General fund, the Adult Education fund and the Bond Retirement fund.

> ***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 balance is available to the Career Center for any purpose provided it is expended or transferred according to the general laws of Ohio.
>
> ***Bond Retirement Fund*** The Bond Retirement fund is used to account for property taxes restricted for the payment of principal, interest, and related costs on general obligation debt.

Adult Education Fund The Adult Education enterprise fund is used to account for tuition charges and grants restricted for adult education.

The other governmental funds of the Career Center account for grants and other resources whose use is restricted, committed, or assigned to a particular purpose.

Fiduciary Funds Fiduciary fund reporting focuses on net position and change in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are used to account for assets held by the Career Center under a trust agreement for individuals, private organizations, or other governments and are not available to support the Career Center's own programs. The Career Center's custodial fund accounts for Pell grants and direct loans.

C. Measurement Focus

Government-Wide Financial Statements The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and deferred inflows of resources and all liabilities of resources and deferred outflows associated with the operation of the Career Center are included on the statement of net position. The statement of activities presents increases (e.g., revenues) and decreases (e.g., expenses) in total 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 and deferred inflows of resources and current liabilities and deferred outflows of resources are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reflects 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 a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the fund financial statements for governmental funds.

Like the government-wide statements, the custodial fund is accounted for on a flow of economic resources measurement focus. All assets and liabilities associated with the operation of these funds are included on the statement of fiduciary net position. The statement of change in fiduciary net position reports additions to and deductions from custodial funds.

D. 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; the fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred outflows and deferred inflows of resources, and in the presentation of expenses versus expenditures.

Revenues: Exchange and Non-Exchange Transactions 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 the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Measureable means the amount of the transaction can be determined, and available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the Career Center, available means expected to be received within sixty days of fiscal year end.

Non-exchange transactions, in which the Career Center receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On an accrual basis, 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 fiscal year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the Career Center must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the Career Center on a reimbursement basis. On the modified accrual basis, revenue from non-exchange 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, interest, tuition, student fees and charges for services.

Deferred Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent 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. For the Career Center, deferred outflows of resources are reported on the government-wide statement of net position for deferred charges on refunding, for pension and OPEB. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 12 and 13.

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 until that time. For the Career Center, deferred inflows of resources include property taxes, pension, OPEB and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2020, but which were levied to finance fiscal year 2021 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the Career Center, unavailable revenue may include delinquent property taxes, grants and entitlements and miscellaneous revenues. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 12 and 13).

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.

E. Budgetary Process

All funds, except custodial funds, are legally required to be budgeted and appropriated. The major documents prepared are the alternative tax budget (five-year forecast), the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The alternative tax budget demonstrates a need for existing or increased tax rates. The certified of estimated resources establishes a limit on the amount the Board of Education may appropriate. The appropriations resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by the Board. The legal level of control has been established by the Board at the fund level for all funds. Budgetary allocations at the function and object level within all funds are made by the Treasurer.

The certificate of estimated resources may be amended during the fiscal year if projected increases or decreases in revenue are identified by the Treasurer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounted reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources requested by the Career Center prior to fiscal year end.

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

F. Cash and Investments

To improve cash management, cash received by the Career Center is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through Career Center records. Interest in the pool is presented as "Equity in Pooled Cash and Investments".

During fiscal year 2020, the Career Center's investments included negotiable certificates of deposit, federal agency securities, mutual funds, commercial paper, money market, STAR Ohio and US Treasury. Investments reported at fair value are based on quoted market price, current share price, or amortized cost. STAR Ohio is an investment pool, management by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company but has adopted Governmental Accounting Standards Board (GASB) Statement No. 79, "Certain External Investment Pools and Pool Participants". The Career Center measures the investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized costs basis that provides a NAV per share that approximates fair value.

For fiscal year 2020, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given twenty-four hours in advance of all deposits and withdrawals exceeding $25 million. STAR Ohio reserves the right to limit the transaction to $100 million requiring the excess amount to be transacted the following business days(s), but only to the $100 million limit. All accounts of the participant are combined for this purpose.

The Career Center's commercial paper is measured at amortized cost as it is a highly liquid debt instrument with a remaining maturity at the time purchase of less than one year.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General fund during fiscal year 2020 was $593,593, which included $185,092 assigned from other Career Center funds.

Investments of the Career Center's cash management pool and investments with an original maturity of three months or less at the time they are purchased by the Career Center are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as instruments.

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2020, are recorded as prepaid items using the consumption method. A current assets for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed.

H. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, laws of other governments, or imposed by law through constitutional provisions.

I. Asset Held for Sale

Asset held for sale is presented at net realizable value. On the fund financial statements, the asset held for sale is equally offset by nonspendable fund balance in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets. Asset held for sale for the Career Center includes a house built by students in the vocational program. The house is typically sold annually.

J. Capital Assets

Capital assets are reported in the governmental activities column on the government-wide statement of net position but are not reported on the fund financial statements.

All capital assets are capitalized at cost and updated for additions and reductions during the fiscal year. Donated capital assets are recorded at their acquisition value on the date donated. The Career Center maintains a capitalization threshold of $5,000. The Career Center does not have any infrastructure. Improvements are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

All reported capital assets, except for land and construction in progress, 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 Useful Lives
Land Improvements	20-40 Years
Buildings and Improvements	10-100 Years
Furniture, Fixtures, and Equipment	5-20 Years
Vehicles	8 Years

K. Interfund Assets/Liabilities

On fund financial statements, receivables and payables resulting from interfund loans are classified as "Interfund Receivables/Payables". Interfund balances are eliminated on the statement of net position. Internal balances are eliminated on the statement of net position.

L. 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 the Career Center will compensate the employees for the benefits through paid time off or some other means. The Career 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 termination method. An accrual for sick leave is made to the extent it is probable that benefits will result in termination payments. The liability is an estimate based on the Career Center's past experience of making termination payments. Accumulated unused sick leave is paid to employees who retire at various rates depending on department policy and length of service.

The entire compensated absences liability is reported on the government-wide financial statements.

On governmental fund financial statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "Matured Compensated Absences Payable" in the fund from which the employees who have accumulated unpaid leave are paid.

M. Pensions and Other Postemployment Benefits (OPEB)

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

N. 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, claims and judgments, 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 fiscal year. Net pension/OPEB asset/liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

O. Unamortized Premiums

On government-wide financial statements, premiums are deferred and amortized over the term of the bonds using the bonds-outstanding method, which approximates the effective interest method. Bond premiums are presented as an addition to the face amount of bonds payable.

On the governmental fund financial statements, bond premiums are recognized in the period when the debt is issued.

Under Ohio law, premiums on the original issuance of debt are to be deposited in the Bond Retirement Fund. Ohio law does allow premiums on refunding debt to be used as part of the payment to a bond escrow agent.

P. Net Position

Net position represents the difference between all other elements on the statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvements of those assets. Net position is reported as restricted when there are limitations imposed on its use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes includes resources restricted for food service operations and federal and state grants. The Career Center's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Q. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Career Center is bound to observe constraints imposed upon the use of the resources in governmental funds. The classifications are as follows:

Nonspendable The nonspendable classification includes amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact. The “not in spendable form” includes items that are not expected to be converted to cash.

Restricted Fund balance is reported as restricted when constraints placed on the use of resources that are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or are imposed by law through constitutional provisions.

Committed The committed classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the Board of Education. The committed amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Amounts in the assigned classification are intended to be used by the Career Center for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds, other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. Assigned amounts represent intended uses established by the Board of Education. The Board of Education has authorized the Treasurer to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. Certain resources have also been assigned for capital improvements.

Unassigned Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Career Center first applies restricted resources when an expenditure is incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

R. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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.

S. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2020.

T. Implementation of New Accounting Principles

For the fiscal year ended June 30, 2020, the Career Center implemented GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance.* GASB Statement No. 95 postpones the effective dates of certain provisions in the statements that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

The following statements are postponed by one year:

- Statement No. 84, *Fiduciary Activities*
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- Statement No. 90, *Majority Equity Interests*
- Statement No. 91, *Conduit Debt Obligations*

Certain provisions in the following statements are postponed by one year:

- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*

The following statement is postponed by 18 months:

- Statement No. 87, *Leases*

For the fiscal year ended June 30, 2020, the Career Center also implemented paragraphs 4 and 5 of Governmental Accounting Standards Board Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. Paragraph 4 increases consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a government board typically would perform and paragraph 5 mitigates costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements. The implementation of paragraphs 4 and 5 of this Statement did not have an effect on the financial statements of the Career Center.

For the fiscal year ended June 30, 2020, the Career Center has early implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* and GASB Statement No. 92 *Omnibus 2020.*

GASB Statement No. 84 establishes specific criteria for identifying activities that should be reported as fiduciary activities and clarifies whether and how business type activities should report their fiduciary activities. Due to the implementation of GASB Statement No. 84, the Career Center will no longer be reporting agency funds. The Career Center reviewed its funds for proper classification, and any fund reclassifications resulted in the restatement of the Career Center's financial statements (see below).

GASB Statement No. 89 requires that interest costs incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The implementation of GASB Statement No. 89 did not have an effect on the financial statements of the Career Center.

GASB Statement No. 92 enhances comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The implementation of GASB Statement No. 92 did not have an effect on the financial statements of the Career Center.

Restatement of Net Position/Fund Balances

For the fiscal year ended June 30, 2020, the Career Center re-evaluated the classification of its Adult Education enterprise fund. This resulted in a change to the classification which eliminated the Career Center's Proprietary fund reporting. Additionally, the Career Center implemented GASB 84. These changes had the following effect on net position/fund balance as reported June 30, 2019:

	Governmental Activities	Business-Type Activities
Net Position, June 30, 2019	$ 18,313,012	$ 6,975,117
Recalculation of Net Position/OPEB	(8,845)	0
Reclassification of Adult Education Fund	6,975,117	(6,975,117)
GASB Statement No. 84	638,319	0
	$ 25,917,603	$ 0

The implementation of GASB 84 and the restatement of the Adult Education fund had the following effect on fund balance as reported June 30, 2019:

	General Fund	Adult Education Fund	Other Governmental Funds
Fund Balance, June 30, 2019	$ 11,513,493	$ 0	$ 4,218,738
Reclassification of Adult Education Fund	0	1,007,418	0
GASB Statement No. 84	3,422	0	634,897
Restated Fund Balance, June 30, 2019	$ 11,516,915	$ 1,007,418	$ 4,853,635

The implementation of GASB 84 had the following effect on fiduciary net position as reported June 30, 2019:

	Fiduciary Funds		
	Private Purpose Trust	Agency	Custodial
Net Position, June 30, 2019	$ 562,646	$ 0	$ 0
Adjustments:			
Assets	(562,646)	(75,673)	0
Liabilities	0	75,673	0
Restated Net Position, June 30, 2019	$ 0	$ 0	$ 0

The Career Center no longer reports agency or private purpose trust funds. The Direct Loan/Pell Grant fund is now reported as a Custodial fund and the Special Trust fund, DW Miller Memorial fund and Apollo Educational Foundation fund are now reported as Special Revenue funds.

Note 3 – Budgetary Basis of Accounting

While the Career 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 Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP basis) and actual for the General Fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the 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/expenses are recorded when paid in cash (budget) rather than when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditure (budget) rather than as a component of restricted, committed or assigned fund balance (GAAP).
4. Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

The adjustments necessary to reconcile the GAAP and budgetary basis statements are as follows:

	General	Adult Education
GAAP Basis	$ 1,457,220	$ 534,106
Net Adjustment for Revenue Accruals	(209,555)	(147,719)
Net Adjustment for Expenditure Accruals	35,857	6,892
Funds Budgeted Elsewhere **	13,057	0
Adjustment for Encumbrances	(111,117)	(34,339)
Budget Basis	$ 1,185,462	$ 358,940

As part of Governmental Accounting Standards Board Statement No. 54, ***Fund Balance Reporting and Governmental Fund Type Definitions*, certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes the health and flower trust funds, rotary/consumer supplies fund and the termination benefits funds.

Note 4 – Deposits and Investments

Monies held by the Career Center are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the Career Center treasury. Active monies must be maintained either as cash in the Career 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 that the Board of Education has identified as not required for use within the current five year period of designation of depositories.

Inactive deposits are public deposits that 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 and 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.

Interim monies to 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, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;

5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section 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. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;

8. Certain banker's acceptances for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met.

Protection of the Career Center's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

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. Except for those noted above, an investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the Career 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. Payment 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* -** At year-end, $896,199 of the Career Center's bank balance of $1,146,199 was exposed to custodial credit risk. Although the securities were held by the pledging financial institutions' trust department in the Career Center's name and all statutory requirements for the investment of money had been followed, noncompliance with Federal requirements could potentially subject the Career Center to a successful claim by the FDIC.

Funds Held in Segregated Accounts

The funds for the Apollo Educational Foundation fund are maintained separately from the Career Center's deposits. The carrying amount of the deposits is reported as "Investments in Segregated Accounts."

Cash and Cash Equivalents Held in Segregated Accounts

The funds for the daily operations of the adult education fund are maintained separately from the Career Center's deposits. The carrying amount of the deposits is reported as "Cash and Cash Equivalents in Segregated Accounts."

Investments

As of June 30, 2020, the Career Center had the following investments.

			Investment Maturities			
Rating	Investment	Measurement Amount	12 Months or Less	13 to 36 Months	More Than 36 Months	Percent of Total
	Net Asset Value (NAV):					
AAAm	STAR Ohio	$ 7,472,326	$ 7,472,326	$ 0	$ 0	36.74%
	Amortized Cost:					
N/A	Mutual Funds	915,136	915,136	0	0	4.50%
	Fair Value (FV):					
A-1	Commercial Paper	1,228,534	1,228,534	0	0	6.04%
AA+	FNMA	751,059	251,345	499,714	0	3.72%
AA+	FFCB	1,037,246	0	600,670	436,576	5.10%
AA+	FHLMC	2,102,947	0	1,000,030	1,102,917	10.34%
N/A	US Treasury Money Market	13,903	13,903	0	0	0.07%
N/A	Negotiable Certificate of Deposit	6,346,917	1,740,685	2,784,624	1,821,608	31.21%
AA+	US Treasury Note	470,301	0	470,301	0	2.31%
	Total	$ 20,338,369	$ 11,621,929	$ 5,355,339	$ 3,361,101	100.00%

The Career Center categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The above table identifies the Career Center's recurring fair value measurements as of June 30, 2020. The Career Center's investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, and reference data including market research publications. Market indicators and industry and economic events are also monitored which could require the need to acquire further market data (Level 2 inputs).

Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The investment policy restricts the Treasurer from investing in any securities other than those identified in the Ohio Revised Code and that all investments must mature within five years from the date of investment unless matched to a specific obligation or debt of the Career Center. The Treasurer is also restricted from purchasing investments that cannot be held until the maturity date.

Credit Risk The Career Center places no limit on the amount it may invest in any one issuer or investment type. STAR Ohio is an investment pool operated by the Ohio State Treasurer. It is unclassified since it is not evidenced by securities that exist in physical or book entry form. Ohio law requires STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The weighted average of maturity of the portfolio held by STAR Ohio as of June 30, 2020, is 42 days.

Custodial Credit Risk Custodial credit risk for deposits is the risk that in the event of a bank failure, the Career Center will not be able to recover deposits or collateral securities that are in possession of an outside party.

The Career Center has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by:

- Eligible securities pledged to the Career Center and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or
- Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS required the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

Note 5 – Receivables

Receivables at June 30, 2020 consisted of interfund, accounts, intergovernmental, and property taxes. All receivables are considered collectible in full due to the ability to foreclose for nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds. All receivables, except property taxes, are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

Note 6 – Property Taxes

Property taxes are levied and assessed on a calendar year basis while the Career Center fiscal year runs from July through June. First half tax collections are received by the Career Center in the second half of the fiscal year. Second half tax distributions occur in the first half of the following fiscal year.

Property taxes include amounts levied against all real and public utility property located in the area served by the Career Center. Real property tax revenue received in calendar year 2020 represents collections of calendar year 2019 taxes. Real property taxes received in calendar year 2020 were levied after April 1, 2019, on the assessed value listed as of January 1, 2019, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semiannually, 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.

Public utility property tax revenue received in calendar year 2020 represents collections of calendar year 2019 taxes. Public utility real and tangible personal property taxes received in calendar year 2020 became a lien December 31, 2018, were levied after April 1, 2019 and are collected in 2020 with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The Career Center receives property taxes from Allen, Auglaize, Hancock, Hardin, Putnam, and Van Wert Counties. The County Auditors periodically advances to the Career Center its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2020, are available to finance fiscal year 2020 operations. The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and delinquent tangible personal property taxes which are measurable as of June 30, 2020, and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows of resources.

On the accrual basis of accounting, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis of accounting the revenue has been reported as a deferred inflow of resources.

The assessed values upon which the fiscal year 2020 taxes were collected are:

	2019 Second Half Collections		2020 First Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	$ 2,250,149,790	92.94%	$ 2,271,260,840	92.37%
Public Utility Personal Property	170,947,720	7.06%	187,592,520	7.63%
Total	$ 2,421,097,510	100.00%	$ 2,458,853,360	100.00%
Full Tax Rate per $1,000 of assessed valuation	$ 3.32		$ 3.19	

Note 7 – Tax Abatements

The Career Center's property taxes were reduced $48,081 under the community reinvestment area and enterprise zone agreements entered into by overlapping governments.

Note 8 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2020, was as follows:

	Restated Balance 6/30/2019	Additions	Deletions	Balance 6/30/2020
Governmental Activities				
Capital Assets not being depreciated:				
Land	$ 341,208	$ 0	$ 0	$ 341,208
Total Capital Assets, not being depreciated	341,208	0	0	341,208
Capital Assets, being depreciated:				
Land Improvements	5,675,456	0	0	5,675,456
Building and Improvements	53,803,369	12,120	0	53,815,489
Furniture, Fixtures, and Equipment	7,154,982	447,351	(58,024)	7,544,309
Vehicles	1,125,008	19,225	(44,800)	1,099,433
Total Capital Assets, being depreciated	67,758,815	478,696	(102,824)	68,134,687
Less Accumulated Depreciation:				
Land Improvements	(1,239,446)	(270,762)	0	(1,510,208)
Building and Improvements	(9,428,219)	(1,055,600)	0	(10,483,819)
Furniture, Fixtures, and Equipment	(3,197,031)	(511,874)	47,580	(3,661,325)
Vehicles	(700,615)	(78,498)	44,800	(734,313)
Total Accumulated Depreciation	(14,565,311)	(1,916,734)	92,380	(16,389,665)
Total Capital Assets being depreciated, net	53,193,504	(1,438,038)	(10,444)	51,745,022
Governmental Activities Capital Assets, net	$ 53,534,712	$ (1,438,038)	$ (10,444)	$ 52,086,230

This space intentionally left blank.

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	$ 33,057
Vocational	901,547
Adult/Continuing Education	551,786
Support Services:	
Instructional Staff	25,050
Board of Education	2,930
Administration	13,682
Fiscal	2,440
Business	4,592
Operation and Maintenance of Plant	183,871
Pupil Transportation	55,944
Central	39,486
Food Service Operations	101,662
Community Service	687
Total Depreciation Expense	$ 1,916,734

Note 9 – Interfund Receivable/Payable

At June 30, 2020, the general fund had an interfund receivable, in the amount of $50,000, from providing cash flow resources to the house project fund. The primary purpose of the interfund balance is to cover costs in the fund where revenues were not received by June 30. This interfund balance will be repaid once the anticipated revenues are received. These advances are expected to be repaid within one year. Interfund loans between governmental activities are eliminated on the statement of net position.

Note 10 – Other Commitments

The Career Center utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed or assigned classifications of fund balance. At year end, the Career Center's commitments for encumbrances were $86,034, $28,049 and $274,785 in the general, adult education and other governmental funds, respectively.

Note 11– Risk Management

The Career Center is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2020, the Career Center contracted for the following insurance coverage.

A. Property and Liability

In fiscal year 2020, the Career Center participated in the Southwestern Ohio Educational Purchasing Council Liability, Fleet, and Property Program, an insurance purchasing pool. Each participant enters into an individual agreement with the Southwestern Ohio Educational Purchasing Council for insurance coverage and pays annual premiums to the Southwestern Ohio Educational Purchasing Council based on the types and limits of coverage and deductibles selected by the participant.

Provided by/Coverage	Limits of Coverage
Brit Global Specialty USA	
General Liability:	
Each occurrence	$ 1,000,000
Aggregate	3,000,000
Building and contents	1,000,000
Excess Liability	10,000,000
XL Insurance America Inc.	
Excess Property	$ 350,000,000
Travelers Property Casualty Company of America	
Boiler and Machinery	$ 250,000,000
QBE Specialty Insurance Company	
Legal Liability	$ 1,000,000
Ironshore Specialty Insurance Company	
Site Pollution Incident Legal Liability	$ 1,000,000
Underwriters at Lloyd's of London Insurance Company	
Cyber Liability/Identity Theft	$ 1,000,000
Crisis Protect	1,000,000

B. Employee Medical and Dental Benefits

The Career Center participates in the Council of Allen County Schools Health Benefits Consortium (Plan), a public entity shared risk pool consisting of ten School Districts and the Allen County Educational Service Center. The Career Center pays monthly premiums to the Plan for employee medical and dental benefits. The plan is responsible for the management and operations of the program and the payment of claims. Upon withdrawal from the Plan, a participant is responsible for the payment of all Plan liabilities to its employees, dependents, and designated beneficiaries accruing as a result of the withdrawal.

C. Workers Compensation

For calendar year 2019 and 2020, the Career Center participated in the Ohio SchoolComp Worker's Compensation Group Retrospective Rating Plan, a voluntary performance-based incentive program offered jointly by the Ohio Schools Boards Association (OSBA) and the Ohio Association of School Business Officials (OASBO). The intent of the program is to reward participants that are able to keep their claims costs low. Districts continue to pay their individual premium directly to the Ohio BWC. Districts will then have future premium adjustments (refunds or assessments) at the end of each of the three evaluation periods. For the 2020 program, the evaluation periods will 12/31/21, 12/31/22 and 12/31/23. Refunds or assessments will be calculated by the Ohio BWC, based on the pro-rata share of the districts individual premium compared to the overall program premium. Participation in the Group Retrospective Rating Plan is limited to school districts that can meet the programs selection criteria. The firm of CompManagement, Inc. provides administrative, cost control and actuarial services to the program.

Note 12 - Defined Benefit Pension Plans

The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

Net Pension Liability/Net OPEB Liability (Asset)

Pensions and OPEB are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions/OPEB 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 net pension/OPEB liability (asset) represents the Career 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/OPEB liability (asset) 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 Career Center's obligation for this liability to annually required payments. The Career Center cannot control benefit terms or the manner in which pensions/OPEB are financed; however, the Career Center does receive the benefit of employees' services in exchange for compensation including pension and OPEB.

GASB 68/75 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 (assets) 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/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients.

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

The remainder of this note includes the required pension disclosures. See Note 13 for the required OPEB disclosures.

Plan Description - School Employees Retirement System (SERS)

Plan Description – Career Center non-teaching employees participate in SERS, a statewide, 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 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 30 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.

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost of living adjustment (COLA) on the first anniversary date of the benefit. Beginning April 1, 2018, new benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. A three-year COLA suspension is in effect for all benefit recipients for the years 2018, 2019, and 2020. Upon resumption of the COLA, it will be indexed to the percentage increase in the CPI-W, not to exceed 2.5 percent and with a floor of 0 percent.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the Career 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, 2020, the allocation to pension, death benefits, and Medicare B was 14.0 percent. SERS did not allocate employer contributions to the Health Care Fund for fiscal year 2020.

The Career Center's contractually required contribution to SERS was $301,402 for fiscal year 2020. Of this amount, $16,411 is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

Plan Description – Career 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 is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of living increases are not affected by this change. Effective August 1, 2017 – July 1, 2019, any member could retire with reduced benefits who had (1) five years of service credit and age 60; (2) 27 years of service credit and age 55; or (3) 30 years of service credit regardless of age. Effective August 1, 2019 – July 1, 2021, any member may retire with reduced benefits who has (1) five years of service credit and age 60; (2) 28 years of service credit and age 55; or (3) 30 years of service credit regardless of age. Eligibility changes will continue to be phased in through August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60. Retirement eligibility for reduced benefits will be five years of service credit and age 60, or 30 years of service credit regardless of age.

The DC Plan allows members to place all their member contributions and 9.53 percent of the 14 percent employer contributions into an investment account. Investment allocation decisions are determined by the member among the various investment choices offered by STRS. The remaining 4.47 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, 12 percent of the 14 percent member rate goes to the DC Plan and the remaining 2 percent goes to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member 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 service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity after termination of employment at age 50 or later.

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 to 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. For the fiscal year ended June 30, 2020, plan members were required to contribute 14 percent of their annual covered salary. The Career Center was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2020 contribution rates were equal to the statutory maximum rates.

The Career Center's contractually required contribution to STRS was $952,962 for fiscal year 2020. Of this amount, $131,440 is reported as an intergovernmental payable.

Net Pension Liability, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an independent actuarial valuation as of that date. The Career Center's proportion of the net pension liability was based on the employer's share of employer contributions in the pension plan relative to the total employer contributions of all participating employers. Following is information related to the proportionate share and pension expense:

	SERS	STRS	Total
Proportion of the Net Pension Liability:			
Current Measurement Date	0.06252090%	0.05661187%	
Prior Measurement Date	0.06482440%	0.05531905%	
Change in Proportionate Share	-0.00230350%	0.00129282%	
Proportionate Share of the Net Pension Liability	$ 3,740,735	$ 12,519,375	$ 16,260,110
Pension Expense	$ 437,288	$ 1,600,652	$ 2,037,940

Deferred outflows/inflows of resources represent the effect of changes in the net pension liability due to the difference between projected and actual investment earnings, differences between expected and actual actuarial experience, changes in assumptions and changes in the Career Center's proportion of the collective net pension liability. The deferred outflows and deferred inflows are to be included in pension expense over current and future periods. The difference between projected and actual investment earnings is recognized in pension expense using a straight line method over a five year period beginning in the current year. Deferred outflows and deferred inflows resulting from changes in sources other than differences between projected and actual investment earnings are amortized over the average expected remaining service lives of all members (both active and inactive) using the straight line method. Employer contributions to the pension plan subsequent to the measurement date are also required to be reported as a deferred outflow of resources.

At June 30, 2020 the Career 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	$ 94,857	$ 101,928	$ 196,785
Changes of Assumptions	0	1,470,643	1,470,643
Changes in Proportion and Differences between Career Center Contributions and Proportionate Share of Contributions	5,786	514,466	520,252
Career Center Contributions Subsequent to the Measurement Date	301,402	952,962	1,254,364
Total Deferred Outflows of Resources	$ 402,045	$ 3,039,999	$ 3,442,044
Deferred Inflows of Resources			
Differences between Expected and Actual Experience	$ 0	$ 54,194	$ 54,194
Net Difference between Projected and Actual Earnings on Pension Plan Investments	48,014	611,877	659,891
Changes in Proportion and Differences between Career Center Contributions and Proportionate Share of Contributions	135,420	275,515	410,935
Total Deferred Inflows of Resources	$ 183,434	$ 941,586	$ 1,125,020

$1,254,364 reported as deferred outflows of resources related to pension resulting from Career Center contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2021. 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:			
2021	$ 360	$ 652,267	$ 652,627
2022	(107,190)	303,524	196,334
2023	(3,194)	65,813	62,619
2024	27,233	123,847	151,080
	$ (82,791)	$ 1,145,451	$ 1,062,660

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 terminations). 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. Future benefits for all current plan members were projected through 2035.

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, 2019, are presented below:

Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Inflation	3.00 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent
Investment Rate of Return	7.50 percent net of investment expense, including inflation
COLA or Ad Hoc COLA	2.50 percent, on and after April 1, 2018, COLA's for future retirees will be delayed for three years following commencement

For post-retirement mortality, the table used in evaluating allowances to be paid is the RP-2014 Blue Collar Mortality Table with fully generational projection and Scale BB, with 120 percent of male rates and 110 percent of female rates used. The RP-2000 Disabled Mortality Table with 90 percent for male rates and 100 percent for female rates set back five years is used for the period after disability retirement.

The most recent experience study was completed for the five year period ended June 30, 2015.

The long-term return expectation for the investments has been determined by 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 an arithmetic weighted average 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 asset allocation, as used in the June 30, 2015 five-year experience study, is summarized as follows:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash	1.00 %	0.50 %
US Equity	22.50	4.75
International Equity	22.50	7.00
Fixed Income	19.00	1.50
Private Equity	10.00	8.00
Real Assets	15.00	5.00
Multi-Asset Strategies	10.00	3.00
Total	100.00 %	

Discount Rate Total pension liability was calculated using the discount rate of 7.50 percent. The discount rate determination does not use a municipal bond rate. The projection of cash flows used to determine the discount rate assumed that employers would contribute the actuarially determined contribution rate of projected compensation over the remaining 25-year amortization period of the unfunded actuarial accrued liability. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.50 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 investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the Career 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 Career Center's proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the Career Center's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
Career Center's Proportionate Share of the Net Pension Liability	$ 5,242,107	$ 3,740,735	$ 2,481,647

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2019, actuarial valuation, are presented below:

Inflation	2.50 percent
Projected Salary Increases	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation
Discount Rate of Return	7.45 percent
Projected Payroll Growth	3.00 percent
Cost-of-Living Adjustments	0.00 percent

For healthy retirees the mortality rates are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. For disabled retirees, mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016. Preretirement mortality rates were based on the RP-2014 Employee Mortality Table, projected forward generationally using Mortality Improvement Scale MP-2016

The actuarial assumptions used in the July 1, 2019 valuation, were based on the results of an actuarial experience study for July 1, 2011, through June 30, 2016.

STRS' investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

Asset Class	Target Allocation*	Long Term Expected Real Rate of Return**
Domestic Equity	28.00 %	7.35 %
International Equity	23.00	7.55
Alternatives	17.00	7.09
Fixed Income	21.00	3.00
Real Estate	10.00	6.00
Liquidity Reserves	1.00	2.25
Total	100.00 %	

*Target weights will be phased in over a 24-month period concluding on July 1, 2019.

**Ten year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent and does not include investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Discount Rate. The discount rate used to measure the total pension liability was 7.45 percent as of June 30, 2019. The projection of cash flows used to determine the discount rate assumes that employer and member contributions will be made at statutory contribution rates of 14 percent each. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are 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, 2019. Therefore, the long-term expected rate of return on investments of 7.45 percent was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2019.

Sensitivity of the Career Center's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table represents the Career Center's proportionate share of the net pension liability as of June 30, 2019, calculated using the current period discount rate assumption of 7.45 percent, as well as what the Career 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 (6.45 percent) or one percentage point higher (8.45 percent) than the current assumption:

	1% Decrease	Current Discount Rate	1% Increase
Career Center's Proportionate Share of the Net Pension Liability	$ 18,295,671	$ 12,519,375	$ 7,629,444

Note 13 - Defined Benefit OPEB Plans

See Note 12 for a description of the net OPEB liability (asset).

Plan Description - School Employees Retirement System (SERS)

Health Care Plan Description - The Career Center contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. 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. Active employee members do not contribute to the Health Care Plan. The SERS Retirement Board established the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, 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 pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For the fiscal year ended June 30, 2020, SERS did not allocate any employer contributions to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2020, this amount was $19,600. Statutes provide that no employer shall pay a health care surcharge greater than 2.0 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 2020, the Career Center's surcharge obligation was $25,766, which is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

Plan Description – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered 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 partial reimbursement of monthly Medicare Part B premiums. Medicare Part B premium reimbursements will be discontinued effective January 1, 2021. 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 to offer the Plan and gives the Retirement Board discretionary 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. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2020, STRS did not allocate any employer contributions to post-employment health care.

Net OPEB Liability (Asset), OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB

The net OPEB liability (asset) was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of that date. The Career Center's proportion of the net OPEB liability (asset) was based on the Career Center's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	SERS	STRS	Total
Proportion of the Net OPEB Liability (Asset):			
Current Measurement Date	0.06064400%	0.05661200%	
Prior Measurement Date	0.06318800%	0.05531905%	
Change in Proportionate Share	-0.00254400%	0.00129295%	
Proportionate Share of the Net OPEB Liability (Asset)	$ 1,525,067	$ (937,631)	
OPEB Expense	$ 16,138	$ (228,689)	$ (212,551)

At June 30, 2020, the Career Center reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

This space intentionally left blank.

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between Expected and Actual Experience	$ 22,387	$ 85,003	$ 107,390
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	3,660	0	3,660
Changes of Assumptions	111,389	19,709	131,098
Changes in Proportion and Differences between Career Center Contributions and Proportionate Share of Contributions	1,846	85,616	87,462
Career Center Contributions Subsequent to the Measurement Date	25,766	0	25,766
Total Deferred Outflows of Resources	$ 165,048	$ 190,328	$ 355,376
Deferred Inflows of Resources			
Differences between Expected and Actual Experience	$ 335,047	$ 47,703	$ 382,750
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	0	58,889	58,889
Changes of Assumptions	85,461	1,028,004	1,113,465
Changes in Proportion and Differences between Career Center Contributions and Proportionate Share of Contributions	171,673	33,694	205,367
Total Deferred Inflows of Resources	$ 592,181	$ 1,168,290	$ 1,760,471

$25,766 reported as deferred outflows of resources related to OPEB resulting from Career Center contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the fiscal year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2021	$ (121,215)	$ (213,444)	$ (334,659)
2022	(80,535)	(213,445)	(293,980)
2023	(79,460)	(189,840)	(269,300)
2024	(79,632)	(181,560)	(261,192)
2025	(65,649)	(176,753)	(242,402)
Thereafter	(26,408)	(2,920)	(29,328)
	$ (452,899)	$ (977,962)	$ (1,430,861)

Actuarial Assumptions - SERS

The total OPEB liability is determined by SERS' actuaries in accordance with GASB Statement No. 74, as part of their annual actuarial valuation for each 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 terminations). 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 OPEB liability in the latest actuarial valuation date of June 30, 2019, are presented below:

Inflation	3.00 percent
Salary Increases, including inflation	3.50 percent to 18.20 percent
Investment Rate of Return	7.50 percent net of investment expense, including inflation
Municipal Bond Index Rate	
Measurement Date	3.13 percent
Prior Measurement Date	3.62 percent
Single Equivalent Interest Rate	
Measurement Date	3.22 percent, net of plan investment expense, including price inflation
Prior Measurement Date	3.70 percent, net of plan investment expense, including price inflation
Health Care Cost Trend Rate	
Pre-Medicare	7.00 percent - 4.75 percent
Medicare	5.25 percent - 4.75 percent

Mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and Scale BB, 120 percent of male rates and 110 percent of female rates. RP-2000 Disabled Mortality Table with 90 percent for male rates and 100 percent for female rates set back five years.

The most recent experience study was completed for the five year period ended June 30, 2015.

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2010 through 2015, and was adopted by the Board on April 21, 2016. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.50 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer time frame. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class, as used in the June 30, 2015 five-year experience study, are summarized as follows:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash	1.00 %	0.50 %
US Equity	22.50	4.75
International Equity	22.50	7.00
Fixed Income	19.00	1.50
Private Equity	10.00	8.00
Real Assets	15.00	5.00
Multi-Asset Strategies	10.00	3.00
Total	100.00 %	

Discount Rate The discount rate used to measure the total OPEB liability at June 30, 2019 was 3.22 percent. The discount rate used to measure total OPEB liability prior to June 30, 2019 was 3.70 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the plan at the contribution rate of 2.00 percent of projected covered payroll each year, which includes a 1.50 percent payroll surcharge and no contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2025. However, since SERS' actuaries indicate the fiduciary net position is projected to be depleted at a future measurement date, the single equivalent interest rate is determined as the single rate that will generate a present value of benefit payments equal to the sum of the present value determined by the long-term expected rate of return, and the present value determined by discounting those benefits after the date of depletion by the Fidelity General Obligation 20-year Municipal Bond Index rate of 3.13 percent, as of June 30, 2019 (i.e., municipal bond rate) was used to present value the projected benefit payments for the remaining years in the projection. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The projection of future benefit payments for all current plan members was until the benefit payments ran out.

Sensitivity of the Career Center's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability and what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.22 percent) and higher (4.22 percent) than the current discount rate (3.22 percent). Also shown is what the net OPEB liability would be based on health care cost trend rates that are one percentage point lower (6.00 percent decreasing to 3.75 percent) and higher (8.00 percent decreasing to 5.75 percent) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
Career Center's Proportionate Share of the Net OPEB Liability	$ 1,851,145	$ 1,525,067	$ 1,265,801

	1% Decrease	Current Trend Rate	1% Increase
Career Center's Proportionate Share of the Net OPEB Liability	$ 1,221,889	$ 1,525,067	$ 1,927,315

Actuarial Assumptions – STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2019, actuarial valuation are presented below:

Inflation	2.50 percent	
Projected Salary Increases	12.50 percent at age 20 to 2.50 percent at age 65	
Payroll Increases	3.00 percent	
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation	
Discount Rate of Return	7.45 percent	
Health Care Cost Trend Rates		
Medical	Initial	Ultimate
Pre-Medicare	5.87 percent	4.00 percent
Medicare	4.93 percent	4.00 percent
Prescription Drug		
Pre-Medicare	7.73 percent	4.00 percent
Medicare	9.62 percent	4.00 percent

Projections of benefits include the historical pattern of sharing benefit costs between the employers and retired plan members.

For healthy retirees the mortality rates are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. For disabled retirees, mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016.

The actuarial assumptions used in the June 30, 2019 valuation, were adopted by the board from the results of an actuarial experience study for July 1, 2011, through June 30, 2016.

STRS' investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

Asset Class	Target Allocation*	Long Term Expected Real Rate of Return**
Domestic Equity	28.00 %	7.35 %
International Equity	23.00	7.55
Alternatives	17.00	7.09
Fixed Income	21.00	3.00
Real Estate	10.00	6.00
Liquidity Reserves	1.00	2.25
Total	100.00 %	

*Target weights will be phased in over a 24-month period concluding on July 1, 2019.

**Ten year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent and does not include investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Discount Rate The discount rate used to measure the total OPEB liability was 7.45 percent as of June 30, 2019. The projection of cash flows used to determine the discount rate assumed STRS continues to allocate no employer contributions to the health care fund. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on health care plan investments of 7.45 percent was applied to all periods of projected benefit payments to determine the total OPEB liability as of June 30, 2019.

Sensitivity of the Career Center's Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate and Health Care Cost Trend Rate The following table represents the net OPEB asset as of June 30, 2019, calculated using the current period discount rate assumption of 7.45 percent, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.45 percent) or one percentage point higher (8.45 percent) than the current assumption. Also shown is the net OPEB liability as of June 30, 2019, calculated using health care cost trend rates that are one percentage point lower and one percentage point higher than the current health care cost trend rates.

	1% Decrease	Current Discount Rate	1% Increase
Career Center's Proportionate Share of the Net OPEB Liability (Asset)	$ (800,081)	$ (937,631)	$ (1,053,278)

	1% Decrease	Current Trend Rate	1% Increase
Career Center's Proportionate Share of the Net OPEB Liability (Asset)	$ (1,063,230)	$ (937,631)	$ (783,802)

Note 14 – Other Employee Benefits

A. Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees earn 5 to 20 days of vacation per year, depending upon length of service. The Superintendent and Treasurer are entitled up to 30 days of vacation per year. Accumulated unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers do not earn vacation time.

Teachers, administrators, and classified employees earn sick leave at a rate of one and one-fourth days per month. Teachers may accumulate sick leave up to a maximum of 245 days. Upon retirement, payment is made for one-fourth of accrued but unused sick leave credit to a maximum of 60 days. Administrators and classified employees may accumulate sick leave up to a maximum of 245 days and upon retirement, payment is made for one-fourth of accrued but unused sick leave credit to a maximum of 60 days.

B. Health Care Benefits

The Career Center offers employee medical and dental benefits through the Council of Allen County Schools Health Benefits Consortium. The employee pays 15 percent of the cost of the monthly premium. The premium varies with each employee depending on the terms of the union contract. The Career Center provides life insurance and accidental death and dismemberment insurance to all contract employees through Dearborn National Life Insurance Company.

Note 15 – Long-Term Obligations

The changes in the Career Center's long-term obligations during fiscal year 2020 were as follows:

	Balance 6/30/2019	Additions	Deductions	Balance 6/30/2020	Due Within One Year
Governmental Activities:					
General Obligations Bonds:					
Various Purpose School Improvement Refunding Bonds, Series 2017					
Serial Bonds	$ 19,055,000	$ 0	$ (180,000)	$ 18,875,000	$ 185,000
Term Bonds	9,680,000	0	0	9,680,000	0
Premium	3,381,335	0	(150,282)	3,231,054	0
2014 Ohio School Facilities Commission Bonds					
Serial Bonds	385,000	0	0	385,000	0
Capital Appreciation Bonds	80,000	0	(45,000)	35,000	35,000
Capital Appreciation Bonds Accretion	433,488	126,791	(280,000)	280,279	280,279
Total General Obligation Bonds	33,014,823	126,791	(655,282)	32,486,333	500,279
Other Long-Term Obligations:					
Net Pension Liability	15,876,030	384,080	0	16,260,110	0
Net OPEB Liability	1,753,006	0	(227,939)	1,525,067	0
Compensated Absences	672,079	107,818	(136,365)	643,532	176,226
Total General Long-Term Obligations	$ 51,315,938	$ 618,689	$ (1,019,586)	$ 50,915,042	$ 676,505

Compensated absences will be paid from the General Fund, Food Service Adult Education and Adult Basic and Literacy Education special revenue funds. There is no repayment schedule for the net pension liability and net OPEB liability; however, employer pension and OPEB contributions are primarily made from the general fund and adult education fund. For additional information related to the net pension liability and net OPEB liability see Notes 12 and 13.

2014 Ohio Schools Facilities Commission General Obligation Bonds

In fiscal year 2014, the Career Center issued general obligation bonds, in the original amount of $30,000,000, for constructing and improving new facilities. The bond issue consisted of serial, term, and capital appreciation bonds, in the original amount of $10,380,000, $19,435,000, and $185,000, respectively. The bonds were issued for a thirty year period, with final maturing in fiscal year 2044. The bonds are being retired from the Bond Retirement debt service fund with property tax revenues. These bonds were partially refunded during fiscal year 2018. As of June 30, 2020, $420,000 of the defeased debt is outstanding.

Various Purpose School Improvement Refunding Bonds, Series 2017

On December 27, 2017, the Career Center issued $29,000,000 in refunding bonds. The proceeds of the bonds were used to refund $29,105,000 of the Career Center's outstanding 2014 Ohio Schools Facilities Commission General Obligation Bonds. This refunding bond was issued with a premium of $3,606,758, which is reported as an increase to bonds payable. The amounts are being amortized as interest expenses over the life of the bonds using the straight-line method. The refunding resulted in a difference between the net carrying amount of the debt and the acquisition price of $2,705,747. The amounts are being amortized as interest expense over the life of the bonds using the straight-line method. The issuance resulted in a difference (savings) between the cash flows required to service the old debt and the cash flows required to service the new debt of $3,521,485. The issuance resulted in an economic gain of $3,682,998.

The serial bonds totaling $29,000,000 were issued with varying interest rates of 3.00 percent to 5.00 percent and will mature December 1, 2041. The term bonds were issued with interest rates of 4.00 percent to 5.00 percent.

The serial bonds maturing on or after December 1, 2036, are subject to optional redemption prior to maturity on any date on or after December 1, 2027. The term bonds maturing December 1, 2039 and December 1, 2041 are subject to mandatory sinking fund redemption at a price of 100 percent of the principal amount to be redeemed plus accrued interest to the date of redemption on December 1 of the years shown in the following schedules:

The following is a summary of the Career Center's future annual debt service requirements for governmental long-term obligations:

Fiscal Year	General Obligation Bonds		Capital Appreciation Bonds		Total	
Ending June 30,	Principal	Interest	Principal	Interest	Principal	Interest
2021	$ 185,000	$ 1,285,850	$ 35,000	$ 325,000	$ 220,000	$ 1,610,850
2022	580,000	1,268,625	0	0	580,000	1,268,625
2023	650,000	1,238,850	0	0	650,000	1,238,850
2024	710,000	1,204,850	0	0	710,000	1,204,850
2025	780,000	1,167,600	0	0	780,000	1,167,600
2026-2030	5,075,000	5,149,625	0	0	5,075,000	5,149,625
2031-2035	7,525,000	3,628,125	0	0	7,525,000	3,628,125
2036-2041	10,285,000	1,864,000	0	0	10,285,000	1,864,000
2042	3,150,000	113,250	0	0	3,150,000	113,250
	$ 28,940,000	$ 16,920,775	$ 35,000	$ 325,000	$ 28,975,000	$ 17,245,775

The interest on the capital appreciation bonds represents the accretion of the deep-discounted bonds from the initial value at the time of issuance to their value at final maturity.

Note 16 – Fund Balance

Fund balance is classified as nonspendable, restricted, committed, assigned, and/or unassigned based primarily on the extent to which the Career Center is bound to observe constraints imposed upon the use of the resources in government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

	General	Bond Retirement	Adult Education	Other Governmental Funds	Total
Nonspendable for:					
Prepaid Items	$ 72,092	$ 0	$ 21,684	$ 1,918	$ 95,694
Asset Held for Sale	0	0	0	180,966	180,966
Total Nonspendable	72,092	0	21,684	182,884	276,660
Restricted for:					
Debt Service	0	1,601,814	0	0	1,601,814
Capital Projects	0	0	0	1,996,651	1,996,651
Other Purposes	0	0	0	728,137	728,137
Classroom Facilities Maintenance	0	0	0	2,197,250	2,197,250
Adult Education	0	0	1,519,840	0	1,519,840
Total Restricted	0	1,601,814	1,519,840	4,922,038	8,043,692
Committed for:					
Termination Benefits	300,000	0	0	0	300,000
Student Activities	0	0	0	88,365	88,365
Total Committed	300,000	0	0	88,365	388,365
Assigned for:					
Instruction	25,045	0	0	0	25,045
Support Services	60,989	0	0	0	60,989
Other Purposes	10,347	0	0	17,237	27,584
Capital Projects	0	0	0	427,027	427,027
Total Assigned	96,381	0	0	444,264	540,645
Unassigned	12,505,662	0	0	(38,235)	12,467,427
Total Fund Balance	$ 12,974,135	$ 1,601,814	$ 1,541,524	$ 5,599,316	$ 21,716,789

The Vocational Education grant fund had a deficit of $38,235 as of June 30, 2020. The general fund is liable for any deficits in the non-major governmental funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances resulted from adjustments for accrued liabilities. The deficits in the non-major governmental funds will be eliminated by future intergovernmental revenues not recognized under GAAP at June 30.

Note 17 – Set-Asides

The Career 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 the end of the fiscal year or offset by similarly restricted resources received during the fiscal year must be held in cash at fiscal year-end. This amount must be carried forward and used for the same purpose in future years.

The following cash basis information identifies the change in the fund balance reserve for capital improvements during fiscal year 2020.

	Capital Improvement Reserve
Set-aside Reserve Balance as of June 30, 2019	$ 0
Current Year Set Aside Requirement	172,439
Current Year Offsets	(1,241,320)
Total	$ (1,068,881)
Balance Carried Forward to Fiscal Year 2021	$ 0
Set Aside Reserve Balance as of June 30, 2020	$ 0

Note 18 – Jointly Governed Organization

The Career Center is a participant in the Northwest Ohio Area Computer Services Cooperative (NOACSC), which is a computer consortium. NOACSC is an association of educational entities within the boundaries of Allen, Hancock, Mercer, Paulding, Putnam, and Van Wert Counties, and the Cities of St. Marys and Wapakoneta. 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 educational entities. The governing board of NOACSC consists of two representatives from each county elected by majority vote of all charter member educational entities within each county. During fiscal year 2020, the Career Center paid $56,632 to NOACSC for various services. Financial information can be obtained from the Northwest Ohio Area Computer Services Cooperative, 4277 East Road Elida, Ohio 45807.

Note 19 – Insurance Pools

A. Southwestern Ohio Educational Purchasing Council

The Career Center participates in the Southwestern Ohio Educational Purchasing Council (SOEPC), and insurance purchasing pool established under Section 2744.081 of the Ohio Revised Code. SOEPC is an incorporated nonprofit association of its members which enables the participants to provide for a formalized joint insurance purchasing program for maintaining adequate insurance protection and provides risk management programs and other administrative services. SOEPC's business and affairs are conducted by a board consisting of seven school administrators, who are elected by the membership each year. SOEPC also hires attorneys, auditors and actuaries to assist in running the day to day program. Gallagher is responsible for the insurance program administration while JWF Specialty Company is responsible for processing claims between SOEPC and its members. Financial information can be obtained from Mr. Ken Swink, SOEPC Purchasing Council Director at 303 Corporate Center Dr # 208, Vandalia, OH 45377

B. Council of Allen County Schools Health Benefits Consortium

The Career Center participates in the Council of Allen County Schools Health Benefits Consortium (Consortium), a public entity shared risk pool consisting of the School Districts within Allen County and the Allen County Educational Service Center. The Consortium is organized as a Voluntary Employee Benefit Association under Section 401(c)(9) of the Internal Revenue Code and provides medical and dental benefits to the employees of the participants. Each participant's superintendent is appointed to a Board of Directors which advises the Trustee, Allen County Educational Service Center, concerning aspects of the administration of the Consortium.

Each participant decides which plans offered by the Board of Directors will be extended to its employees. Participation in the Consortium is by written application subject to acceptance by the Board of Directors and payment of the monthly premiums. Financial information can be obtained from the Council of Allen County Schools Health Benefits Consortium, 1920 Slabtown Road, Lima, Ohio 45801.

C. Ohio Association of School Business Officials (OASBO) Workers' Compensation Group Rating Plan

The Career Center participates in a group retrospective rating plan for workers' compensation as established under Section 4123-17-73 of the Ohio Administrative Code. The Ohio SchoolComp Group Retrospective Rating Plan was established through the Ohio School Boards Association (OSBA) and the Ohio Association of School Business Officials (OASBO). The Executive Directors of the OSBA and OASBO, or their designees, serve as coordinators of the group retrospective rating program. Each year, the participating school districts pay an enrollment fee to the program to cover the costs of the administering the program.

Note 20 – Contingencies

A. Grants

The Career 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, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Career Center at June 30, 2020.

B. School Foundation

School district Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, additional ODE adjustments for fiscal year 2020 are not finalized. As a result, the impact of future FTE adjustments on the fiscal year 2020 financial statements is not determinable, at this time. Management believes this may result in either an additional receivable to, or a liability of, the Career Center.

C. Litigation

There are currently no matters in litigation with the Career Center as defendant.

Note 21 – COVID-19 Pandemic

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Career Center. The Career Center's investment portfolio and the investments of the pension and other employee benefit plans are subject to increased market volatility, which could result in a significant decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the Career Center's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

This page intentionally left blank.

Apollo Career Center
Allen County, Ohio
Required Supplementary Information
Schedule of the Career Center's Proportionate Share of the Net Pension Liability
Last Seven Years (1)

	2020	2019	2018	2017	2016	2015	2014
School Employees Retirement System (SERS)							
Career Center's Proportion of the Net Pension Liability	0.06252090%	0.06482440%	0.07045510%	0.06974040%	0.06877640%	0.06712200%	0.06712200%
Career Center's Proportionate Share of the Net Pension Liability	$ 3,740,735	$ 3,712,613	$ 4,209,537	$ 5,104,353	$ 3,924,448	$ 3,397,006	$ 3,991,530
Career Center's Covered Payroll	$ 2,165,874	$ 2,188,148	$ 2,247,607	$ 2,157,293	$ 2,027,700	$ 1,860,527	$ 1,810,860
Career Center's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	172.71%	169.67%	187.29%	236.61%	193.54%	182.58%	220.42%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.85%	71.36%	69.50%	62.98%	69.16%	71.70%	65.52%
State Teachers Retirement System (STRS)							
Career Center's Proportion of the Net Pension Liability	0.05661187%	0.05531905%	0.05247787%	0.05243724%	0.05733057%	0.05795130%	0.05795130%
Career Center's Proportionate Share of the Net Pension Liability	$ 12,519,375	$ 12,163,417	$ 12,466,231	$ 17,552,325	$ 15,844,493	$ 14,095,762	$ 16,790,779
Career Center's Covered Payroll	$ 6,709,643	$ 6,257,436	$ 5,828,686	$ 5,696,779	$ 5,916,821	$ 5,907,100	$ 5,819,631
Career Center's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	186.59%	194.38%	213.88%	308.11%	267.79%	238.62%	288.52%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.40%	77.31%	75.30%	66.80%	72.10%	74.70%	69.30%

(1) Information prior to 2014 is not available.

Note: The amounts presented for each fiscal year were determined as of the measurement date, which is the prior fiscal year.

See accompanying notes to the required supplementary information.

Apollo Career Center
Allen County, Ohio
Required Supplementary Information
Schedule of the Career Center's Contributions - Pension
Last Ten Fiscal Years

	2020	2019	2018	2017
School Employees Retirement System (SERS)				
Contractually Required Contribution	$ 301,402	$ 292,393	$ 295,400	$ 314,665
Contributions in Relation to the Contractually Required Contribution	(301,402)	(292,393)	(295,400)	(314,665)
Contribution Deficiency (Excess)	$ 0	$ 0	$ 0	$ 0
Career Center's Covered Payroll	$ 2,152,871	$ 2,165,874	$ 2,188,148	$ 2,247,607
Pension Contributions as a Percentage of Covered Payroll	14.00%	13.50%	13.50%	14.00%
State Teachers Retirement System (STRS)				
Contractually Required Contribution	$ 952,962	$ 939,350	$ 876,041	$ 816,016
Contributions in Relation to the Contractually Required Contribution	(952,962)	(939,350)	(876,041)	(816,016)
Contribution Deficiency (Excess)	$ 0	$ 0	$ 0	$ 0
Career Center's Covered Payroll	$ 6,806,871	$ 6,709,643	$ 6,257,436	$ 5,828,686
Pension Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%

See accompanying notes to the required supplementary information.

2016	2015	2014	2013	2012	2011
$ 302,021	$ 267,251	$ 257,869	$ 250,623	$ 237,206	$ 241,612
(302,021)	(267,251)	(257,869)	(250,623)	(237,206)	(241,612)
$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
$ 2,157,293	$ 2,027,700	$ 1,860,527	$ 1,810,860	$ 1,763,614	$ 1,922,134
14.00%	13.18%	13.86%	13.84%	13.45%	12.57%
$ 797,549	$ 828,355	$ 767,923	$ 756,552	$ 740,148	$ 706,568
(797,549)	(828,355)	(767,923)	(756,552)	(740,148)	(706,568)
$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
$ 5,696,779	$ 5,916,821	$ 5,907,100	$ 5,819,631	$ 5,693,446	$ 5,435,138
14.00%	14.00%	13.00%	13.00%	13.00%	13.00%

See accompanying notes to the required supplementary information.

This page intentionally left blank.

Apollo Career Center
Allen County, Ohio
Required Supplementary Information
Schedule of the Career Center's Proportionate Share of the Net OPEB (Asset) Liability
Last Four Years (1)

	2020	2019	2018	2017
School Employees Retirement System (SERS)				
Career Center's Proportion of the Net OPEB Liability	0.060644%	0.06318800%	0.06759730%	0.06680609%
Career Center's Proportionate Share of the Net OPEB Liability	$ 1,525,067	$ 1,753,006	$ 1,814,134	$ 1,904,221
Career Center's Covered Payroll	$ 2,165,874	$ 2,188,148	$ 2,247,607	$ 2,157,293
Career Center's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	70.41%	80.11%	80.71%	88.27%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	15.57%	13.57%	12.46%	11.49%
State Teachers Retirement System (STRS)				
Career Center's Proportion of the Net OPEB Liability/(Asset)	0.056612%	0.05531905%	0.05247787%	0.05243724%
Career Center's Proportionate Share of the Net OPEB Liability/(Asset)	$ (937,631)	$ (888,921)	$ 2,047,493	$ 2,804,357
Career Center's Covered Payroll	$ 6,709,643	$ 6,257,436	$ 5,828,686	$ 5,696,779
Career Center's Proportionate Share of the Net OPEB Liability/(Asset) as a Percentage of its Covered Payroll	-13.97%	-14.21%	35.13%	49.23%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability/(Asset)	174.70%	176.00%	47.10%	37.30%

(1) Information prior to 2017 is not available.

Note: The amounts presented for each fiscal year were determined as of the measurement date, which is the prior fiscal year.

See accompanying notes to the required supplementary information.

Apollo Career Center
Allen County, Ohio
Required Supplementary Information
Schedule of the Career Center's Contributions - OPEB
Last Ten Fiscal Years

	2020	2019	2018	2017
School Employees Retirement System (SERS)				
Contractually Required Contribution (1)	$ 25,766	$ 33,524	$ 33,636	$ 18,801
Contributions in Relation to the Contractually Required Contribution	(25,766)	(33,524)	(33,636)	(18,801)
Contribution Deficiency (Excess)	$ 0	$ 0	$ 0	$ 0
Career Center's Covered Payroll	$ 2,152,871	$ 2,165,874	$ 2,188,148	$ 2,247,607
OPEB Contributions as a Percentage of Covered Payroll (1)	1.27%	1.55%	1.54%	0.84%
State Teachers Retirement System (STRS)				
Contractually Required Contribution	$ 0	$ 0	$ 0	$ 0
Contributions in Relation to the Contractually Required Contribution	0	0	0	0
Contribution Deficiency (Excess)	$ 0	$ 0	$ 0	$ 0
Career Center's Covered Payroll	$ 6,806,871	$ 6,709,643	$ 6,257,436	$ 5,828,686
OPEB Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%

(1) Includes surcharge

See accompanying notes to the required supplementary information.

2016		2015		2014		2013		2012		2011	
$	17,208	$	30,897	$	36,995	$	36,822	$	58,727	$	74,895
	(17,208)		(30,897)		(36,995)		(36,822)		(58,727)		(74,895)
$	0	$	0	$	0	$	0	$	0	$	0
$	2,157,293	$	2,027,700	$	1,860,527	$	1,810,860	$	1,763,614	$	1,922,134
	0.80%		1.52%		1.99%		2.03%		3.33%		3.90%
$	0	$	0	$	59,071	$	58,196	$	56,934	$	54,351
	0		0		(59,071)		(58,196)		(56,934)		(54,351)
$	0	$	0	$	0	$	0	$	0	$	0
$	5,696,779	$	5,916,821	$	5,907,100	$	5,819,631	$	5,693,446	$	5,435,138
	0.00%		0.00%		1.00%		1.00%		1.00%		1.00%

See accompanying notes to the required supplementary information.

Note 1 - Net Pension Liability

Changes in Assumptions - SERS

Beginning in fiscal year 2018, an assumption of 2.5 percent was used for COLA or Ad Hoc COLA. Prior to 2018, an assumption of 3.0 percent was used.

For fiscal year 2017, the SERS Board adopted the following assumption changes:

- Assumed rate of inflation was reduced from 3.25 percent to 3.00 percent
- Payroll Growth Assumption was reduced from 4.00 percent to 3.50 percent
- Assumed real wage growth was reduced from 0.75 percent to 0.50 percent
- Rates of withdrawal, retirement and disability were updated to reflect recent experience.
- Mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females.
- Mortality among service retired members, and beneficiaries was updated to RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120 percent of male rates, and 110 percent of female rates.
- Mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90 percent for male rates and 100 percent for female rates, set back five years is used for the period after disability retirement.

Changes in Assumptions – STRS

For fiscal year 2018, the Retirement Board approved several changes to the actuarial assumptions in 2017. The long term expected rate of return was reduced from 7.75 percent to 7.45 percent, the inflation assumption was lowered from 2.75 percent to 2.50 percent, the payroll growth assumption was lowered to 3.00 percent, and total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25 percent due to lower inflation. The healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016. Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

Changes in Benefit Terms - SERS

With the authority granted to the Board under SB 8, the Board enacted a three-year COLA delay for future benefit recipients commencing on or after April 1, 2018.

For fiscal year 2018, the cost-of-living adjustment was changed from a fixed 3.00 percent to a cost-of-living adjustment that is indexed to CPI-W not greater than 2.50 percent with a floor of zero percent beginning January 1, 2018. In addition, with the authority granted the Board under HB 49, the Board has enacted a three-year COLA suspension for benefit recipients in calendar years 2018, 2019 and 2020.

Changes in Benefit Terms - STRS

For fiscal year 2018, the cost-of-living adjustment (COLA) was reduced to zero.

Note 2 - Net OPEB Liability (Asset)

Changes in Assumptions – SERS

Amounts reported incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented as follows:

Municipal Bond Index Rate:

Fiscal year 2020	3.13 percent
Fiscal year 2019	3.62 percent
Fiscal year 2018	3.56 percent
Fiscal year 2017	2.92 percent

Single Equivalent Interest Rate, net of plan investment expense, including price inflation:

Fiscal year 2020	3.22 percent
Fiscal year 2019	3.70 percent
Fiscal year 2018	3.63 percent
Fiscal year 2017	2.98 percent

Pre-Medicare

Fiscal year 2020	7.00 percent initially, decreasing to 4.75 percent
Fiscal year 2019	7.25 percent initially, decreasing to 4.75 percent
Fiscal year 2018	7.50 percent initially, decreasing to 4.00 percent

Medicare

Fiscal year 2020	5.25 percent initially, decreasing to 4.75 percent
Fiscal year 2019	5.375 percent initially, decreasing to 4.75 percent
Fiscal year 2018	5.50 percent initially, decreasing to 5.00 percent

Changes in Assumptions – STRS

For fiscal year 2019, the discount rate was increased from the blended rate of 4.13 percent to the long-term expected rate of return of 7.45 percent. Valuation year per capita health care costs were updated. Health care cost trend rates ranged from 6.00 percent to 11 percent initially and a 4.50 percent ultimate rate for fiscal year 2018 and changed for fiscal year 2019 to a range of -5.20 percent to 9.60 percent, initially and a 4.00 ultimate rate.

For fiscal year 2018, the blended discount rate was increased from 3.26 percent to 4.13 percent. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

Changes in Benefit Terms - SERS

There have been no changes to the benefit provisions.

Changes in Benefit Terms – STRS

For fiscal year 2020, there was no change to the claims costs process. Claim curves were trended to the fiscal year ending June 30, 2020 to reflect the current price renewals. The non-Medicare subsidy percentage was increased effective January 1, 2020 from 1.944 percent to 1.984 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1 percent for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021

For fiscal year 2019, the subsidy multiplier for non-Medicare benefit recipients was increased from 1.9 percent to 1.944 percent per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased effective January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.

For fiscal year 2018, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1 percent to 1.9 percent per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019. This was subsequently extended, see above paragraph.

APOLLO CAREER CENTER
ALLEN COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

FEDERAL GRANTOR ***Pass Through Grantor*** **Program / Cluster Title**	**Federal CFDA Number**	**Total Federal Expenditures**
U.S. DEPARTMENT OF AGRICULTURE		
(Passed Through Ohio Department of Education)		
Child Nutrition Cluster:		
Non-Cash Assistance (Food Distribution)		
School Breakfast Program	10.553	3,407
National School Lunch Program	10.555	27,568
Cash Assistance:		
School Breakfast Program	10.553	10,645
COVID-19 School Breakfast Program	10.553	1,079
National School Lunch Program	10.555	95,601
COVID-19 National School Lunch Program	10.555	8,176
Total Child Nutrition Cluster		146,476
Total U.S. Department of Agriculture		**146,476**
U.S. DEPARTMENT OF EDUCATION		
(Direct Program)		
Student Financial Assistance Cluster:		
Federal Pell Grant Program	84.063	561,851
Federal Direct Student Loans	84.268	668,675
Total Student Financial Assistance Cluster		1,230,526
COVID-19 Education Stabilization Fund		
Higher Education Emergency Relief Fund - IHE/Institution	84.425	83,772
Higher Education Emergency Relief Fund – IHEs	84.425	83,772
Total COVID-19 Education Stabilization Fund		167,544
(Passed through the Ohio Department of Higher Education)		
Adult Education - Basic Grants to States	84.002	142,644
(Passed through Ohio Department of Education)		
Career and Technical Education - Basic Grants to States - Adult	84.048	131,305
Career and Technical Education - Basic Grants to States	84.048	196,901
Total Career and Technical Education - Basic Grants to States		328,206
Total U.S. Department of Education		**1,868,920**
Total Expenditures of Federal Awards		**$2,015,396**

The accompanying notes are an integral part of this schedule.

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Apollo Career Center (the Career Center) under programs of the federal government for the fiscal year ended June 30, 2020. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Career Center, it is not intended to and does not present the financial position or changes in net position of the Career Center.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

The Career Center has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D - CHILD NUTRITION CLUSTER

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

NOTE E – FOOD DONATION PROGRAM

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

NOTE F - MATCHING REQUIREMENTS

Certain Federal programs require the Career Center to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The Career Center has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

OHIO AUDITOR OF STATE
KEITH FABER

One First National Plaza
130 West Second Street, Suite 2040
Dayton, Ohio 45402-1502
(937) 285-6677 or (800) 443-9274
WestRegion@ohioauditor.gov

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

Apollo Career Center
Allen County
3325 Shawnee Road
Lima, Ohio 45806

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, each major fund, and the aggregate remaining fund information of the Apollo Career Center, Allen County, (the Career Center) as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Career Center's basic financial statements and have issued our report thereon dated December 16, 2020, wherein we noted the Career Center adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities* and we noted that the Career Center re-evaluated the classification of certain funds. We also noted the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Career Center.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Career Center's internal control over financial reporting (internal control) as a basis for designing audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Career 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 Career 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 Career 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 financial statements. 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 Career Center's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Career Center's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

Keith Faber
Auditor of State
Columbus, Ohio

December 16, 2020

OHIO AUDITOR OF STATE
KEITH FABER

One First National Plaza
130 West Second Street, Suite 2040
Dayton, Ohio 45402-1502
(937) 285-6677 or (800) 443-9274
WestRegion@ohioauditor.gov

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Apollo Career Center
Allen County
3325 Shawnee Road
Lima, Ohio 45806

To the Board of Education:

Report on Compliance for the Major Federal Program

We have audited the Apollo Career Center's (the Career Center) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect the Apollo Career Center's major federal program for the fiscal year ended June 30, 2020. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the Career Center's major federal program.

Management's Responsibility

The Career Center's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to opine on the Career Center's compliance for the Career 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance 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 Career 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 Career Center's major program. However, our audit does not provide a legal determination of the Career Center's compliance.

Opinion on the Major Federal Program

In our opinion, the Apollo Career Center complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the fiscal year ended June 30, 2020.

Report on Internal Control Over Compliance

The Career 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 Career 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 the Uniform Guidance, 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 Career Center's internal control over compliance.

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 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 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**.**

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Keith Faber
Auditor of State
Columbus, Ohio

December 16, 2020

APOLLO CAREER CENTER
ALLEN COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2020

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	**Type of Financial Statement Opinion**	Unmodified
(d)(1)(ii)	**Were there any material weaknesses in internal control 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 weaknesses in internal control reported for major federal programs?**	No
(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**	Unmodified
(d)(1)(vi)	**Are there any reportable findings under 2 CFR § 200.516(a)?**	No
(d)(1)(vii)	**Major Programs (list):**	Student Financial Assistance Cluster
(d)(1)(viii)	**Dollar Threshold: Type A\B Programs**	Type A: > $ 750,000 Type B: all others
(d)(1)(ix)	**Low Risk Auditee under 2 CFR § 200.520?**	No

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

This page intentionally left blank.

Keith Horner, Superintendent
Maria Rellinger, Treasurer/CFO
Tasha Sheipline, Director of High School Programs
Tara Shepherd, Director of Adult Programs

Apollo CAREER CENTER

www.apollocareercenter.com
3325 Shawnee Road • Lima, OH 45806-1454
High School Office 419.998.2908 • Fax 419.998.2929
Adult Office 419.998.2999 • Fax 419.998.2994

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR 200.511(b)
June 30, 2020

Finding Number	Finding Summary	Status	Additional Information
2019-001	Material Weakness – Accuracy of financial Reporting	Corrective Action Taken and Finding is Fully Corrected	None

This page intentionally left blank.

OHIO AUDITOR OF STATE
KEITH FABER

APOLLO CAREER CENTER

ALLEN COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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

Certified for Release 12/31/2020