WASHINGTON COUNTY CAREER CENTER
WASHINGTON COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2019

OHIO AUDITOR OF STATE
KEITH FABER

WASHINGTON COUNTY CAREER CENTER
WASHINGTON COUNTY
JUNE 30, 2019

TABLE OF CONTENTS

WASHINGTON COUNTY CAREER CENTER
WASHINGTON COUNTY
JUNE 30, 2019

TABLE OF CONTENTS
(Continued)

TITLE	PAGE

53 Johnson Road
The Plains, Ohio 45780-1231
(740) 594-3300 or (800) 441-1389
SoutheastRegion@ohioauditor.gov

INDEPENDENT AUDITOR'S REPORT

Washington County Career Center
Washington County
21740 State Route 676
Marietta, Ohio 45750

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Washington County Career Center, Washington County, Ohio (the Career Center), as of and for the year ended June 30, 2019, 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, the business-type activities, each major fund, and the aggregate remaining fund information of the Washington County Career Center, Washington County, Ohio, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

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/Assets 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 (the Schedule) 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 Schedule is management's responsibility, and derives from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this 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 11, 2019, 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 11, 2019

This page intentionally left blank.

The discussion and analysis of the Washington County Career Center's financial performance provides an overall review of the Career Center's financial activities for the fiscal year ended June 30, 2019. The intent of this discussion and analysis is to look at the Career Center's financial performance as a whole; readers should also review the basic financial statements and notes to the basic financial statements to enhance their understanding of the Career Center's financial performance.

Financial Highlights

Key financial highlights for the fiscal year 2019 are as follows**:**

- In total, net position increased $1,467,227. Net position of governmental activities increased $1,402,800 as well as the net position of the business-type activity for $64,427 from 2018.

- General revenues accounted for $6,415,470 in revenue or 76% of all revenues for governmental activities. Program specific revenues in the form of charges for services and sales, grants, contributions, and interest accounted for $2,009,250 or 24% of total revenues of $8,424,720.

- Total program expenses were $8,979,407; $7,021,920 in governmental activities and $1,957,487 in the business-type activity.

Using this Annual Financial Report

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

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 non-major funds presented in total in one column.

Reporting the Career Center as a Whole

Statement of Net Position and Statement of Activities

While this document contains information about the large number of funds used by the Career Center to provide programs and activities for students, 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 2019?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities 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 the 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 restricting revenue growth, facility conditions, required educational programs, and other factors.

In the Statement of Net Position and the Statement of Activities, the Career Center is divided into two kinds of activities:

> Governmental Activities - Most of the Career Center's programs and services are reported here including instruction, support services, operation and maintenance of plant, and extracurricular activities.
>
> Business-Type Activities - These services are provided on a charge for goods or services basis to recover all of the expenses of the good or services provided. The Career Center's adult education programs are reported as its business-type activity.

Reporting the Career Center's Most Significant Funds

Fund Financial Statements

The analysis of the Career Center's major funds begins on page 11. Fund financial reports provide detailed information about the Career Center's major fund. The Career Center uses many funds to account for a multiple of financial transactions. However, these fund financial statements focus on the Career Center's most significant funds. The Career Center's only major governmental fund is the General Fund.

Governmental Funds Most 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 fiscal year end which are 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 governmental 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.

Proprietary Funds Proprietary funds use the same basis of accounting as business-type activities (Adult Education); therefore, these statements will essentially match.

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 2019 compared to 2018.

(Table 1)
Net Position

	Governmental Activities		Business-Type Activity		Total	
	2019	2018	2019	2018	2019	2018
Assets						
Current and Other Assets	$11,203,224	$10,057,980	$1,474,363	$1,560,728	$12,677,587	$11,618,708
Capital Assets, Net	6,378,980	6,294,816	807,051	882,107	7,186,031	7,176,923
Total Assets	17,582,204	16,352,796	2,281,414	2,442,835	19,863,618	18,795,631
Deferred Outflows of Resources						
Pension	1,907,991	2,470,606	877,945	667,994	2,344,720	2,604,290
OPEB	137,465	70,728	117,858	31,819	246,443	102,547
Total Deferred Outflows of Resources	2,045,456	2,541,334	995,803	699,813	2,591,163	2,706,837
Liabilities						
Current and Other Liabilities	630,440	592,591	91,840	72,449	722,280	665,040
Long-term Liabilities:						
Due Within One Year	99,086	126,264	0	0	99,086	126,264
Due in More Than One Year:						
Net Pension Liability	6,334,978	6,939,966	2,436,204	2,154,981	8,771,182	9,094,947
Net OPEB Liability	729,527	1,536,400	359,318	549,258	1,088,845	2,085,658
Other Amounts	2,060,491	2,098,393	54,648	50,532	2,115,139	2,148,925
Total Liabilities	9,854,522	11,293,614	2,942,010	2,827,220	12,796,532	14,120,834
Deferred Inflows of Resources						
Property Taxes	2,644,282	2,669,243	0	0	2,644,282	2,669,243
Pension	625,283	308,065	554,478	760,122	738,545	533,877
OPEB	678,528	200,963	238,529	77,533	908,177	278,496
Total Deferred Inflows of Resoucres	3,948,093	3,178,271	793,007	837,655	4,291,004	3,481,616
Net Position						
Net Investment in Capital Assets	4,844,084	4,664,821	807,051	882,107	5,651,135	5,546,928
Restricted	1,229,394	848,892	0	0	1,229,394	848,892
Unrestricted (Deficits)	(248,433)	(1,091,468)	(1,264,851)	(1,404,334)	(1,513,284)	(2,495,802)
Total Net Position	$5,825,045	$4,422,245	($457,800)	($522,227)	$5,367,245	$3,900,018

The net pension liability (NPL) is the largest single liability reported by the Career Center at June 30, 2019. 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 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.

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. 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.

Total assets increased $1,067,987, with governmental assets increasing $1,229,408 while the business-type assets decreased $161,421. For governmental activities, cash and cash equivalents increased $589,564 as well as investments with fiscal agents in the amount of $89,682. Governmental activities also had a net OPEB asset at June 30, 2019, of $354,062. The significant changes in the business-type assets are the capital assets, which decreased $75,056, and the cash and cash equivalents with a decrease of $167,568. Business-type activities also had a net OPEB asset of $124,399 at June 30, 2019.

Total liabilities decreased $1,324,302, with governmental liabilities decreasing $1,439,092 while the business-type activity liabilities increased $114,790. For governmental activities, current liabilities reported a small increase of $37,849. Governmental net pension liability decreased $604,988, the OPEB liability decreased $806,873, as well as other long-term liabilities of $65,080, reflecting current year lease payments of $95,099 which is offset by increased sick leave benefits payable of $30,019. For the business-type activity, current liabilities increased $19,391. Business-type net pension liability increased $281,223, the OPEB liability decreased $189,940, while the other long-term liabilities increased $4,116, reflecting the change in sick leave benefits payable.

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 2019 and 2018.

(Table 2)
Changes in Net Position

	Governmental Activities		Business-Type Activity		Total	
	2019	2018	2019	2018	2019	2018
Revenues						
Program Revenues:						
Charges for Services and Sales	$254,050	$289,110	$1,587,335	$1,690,671	$1,841,385	$1,979,781
Operating Grants, Contributions and Interest	1,742,508	2,035,994	430,809	588,569	2,173,317	2,624,563
Capital Grants	12,692	0	0	0	12,692	0
Total Program Revenues	2,009,250	2,325,104	2,018,144	2,279,240	4,027,394	4,604,344
General Revenues:						
Property Taxes	2,751,805	2,384,191	0	0	2,751,805	2,384,191
Grants and Entitlements	3,442,338	3,011,101	0	0	3,442,338	3,011,101
Interest	144,978	76,391	0	0	144,978	76,391
Gifts and Donations	41,220	1,909	0	0	41,220	1,909
Gain on Sale of Capital Assets	7,966	0	3,770	13,654	11,736	13,654
Miscellaneous	27,163	91,870	0	31,381	27,163	123,251
Total General Revenues	6,415,470	5,565,462	3,770	45,035	6,419,240	5,610,497
Total Revenues	8,424,720	7,890,566	2,021,914	2,324,275	10,446,634	10,214,841
Program Expenses						
Instruction:						
Regular	919,375	306,259	0	0	919,375	306,259
Vocational	2,260,862	1,108,812	0	0	2,260,862	1,108,812
Adult/Continuing	196,307	165,632	0	0	196,307	165,632
Support Services:						
Pupils	303,587	163,434	0	0	303,587	163,434
Instructional Staff	431,974	290,558	0	0	431,974	290,558
Board of Education	24,643	22,137	0	0	24,643	22,137
Administration	467,687	244,818	0	0	467,687	244,818
Fiscal	400,860	351,334	0	0	400,860	351,334
Business	3,019	3,216	0	0	3,019	3,216
Operation and Maintenance of Plant	973,415	564,239	0	0	973,415	564,239
Transportation	698	1,131	0	0	698	1,131
Central	444,478	322,796	0	0	444,478	322,796
Operation of Non-Instructional Services:						
Other	334,668	436,969	0	0	334,668	436,969
Food Service Operations	228,543	203,473	0	0	228,543	203,473
Extracurricular Activities	16,146	16,178	0	0	16,146	16,178
Interest and Fiscal Charges	15,658	19,436	0	0	15,658	19,436
Adult Education	0	0	1,957,487	1,378,603	1,957,487	1,378,603
Total Expenses	7,021,920	4,220,422	1,957,487	1,378,603	8,979,407	5,599,025
Change in Net Position	1,402,800	3,670,144	64,427	945,672	1,467,227	4,615,816
Net Position (Deficit) Beginning of Year	4,422,245	752,101	(522,227)	(1,467,899)	3,900,018	(715,798)
Net Position (Deficit) End of Year	$5,825,045	$4,422,245	($457,800)	($522,227)	$5,367,245	$3,900,018

Governmental Activities

The largest component of the increase in program expenses results from changes in assumptions and benefit terms related to pensions in the prior year. For the prior year, STRS adopted certain assumption changes, including a reduction in their discount rate, and also voted to suspend cost of living adjustments (COLA). As a result of these changes, pension expense decreased from $912,358 in fiscal year 2017 to a negative pension expense of $2,046,033 for fiscal year 2018. For fiscal year 2019, pension expense increased to $766,070, closer to the 2017 pension expense amount.

Net position of the Career Center's governmental activities increased $1,402,800 in fiscal year 2019. Total governmental expenses of $7,021,920 were under the program revenues of $2,009,250 and general revenues of $6,415,470.

The primary sources of revenue for the Career Center are derived from property taxes and grants/entitlements not restricted to specific programs. These two revenue sources represent 74 percent of the total revenue. The remaining 26 percent of revenue is from program revenues, interest, donations, gains on the sale of capital assets, and miscellaneous sources.

In 2017, the Governor signed HB 49 "Budget Bill" for Funding fiscal years 2018 and 2019, states that funding for joint vocational school districts will be calculated using ADM estimates and valuation projections provided by the Departments of Education and Taxations. The Career Center has been fortunate in recent years to have strong enrollment which allowed the Career Center to receive the maximum State support. In fiscal year 2017 and fiscal year 2019, we were placed on the formula funding. In fiscal year 2017, the funding formula was in place as a result of a decrease in enrollment. However, in fiscal year 2019 it was a result of property value increases and State share decreases.

Business-Type Activity

The business-type activity involves the Career Center's adult education program. This program had revenues of $2,021,914 and expenses of $1,957,487 for fiscal year 2019. The expenses of this program increased by $578,884 from 2018. This increase includes an increase in fringe benefits of $688,852 due to having a large negative pension expense in 2018. Materials and supplies offset this increase with a decrease of $91,447.

Table 3 shows the total cost of services and the net cost of services for fiscal year 2019 compared to fiscal year 2018. That is, it identifies the cost of those services supported by tax revenue and unrestricted State entitlements.

(Table 3)
Governmental Activities

	Total Cost of Services 2019	Net Cost of Services 2019	Total Cost of Services 2018	Net Cost of Services 2018
Program Expenses				
Instruction:				
Regular	$919,375	$919,375	$306,259	$306,259
Vocational	2,260,862	1,570,772	1,108,812	(2,286)
Adult/Continuing	196,307	88,350	165,632	28,491
Support Services:				
Pupils	303,587	146,298	163,434	28,756
Instructional Staff	431,974	25,691	290,558	124,276
Board of Education	24,643	24,643	22,137	22,137
Administration	467,687	467,687	244,818	244,818
Fiscal	400,860	400,860	351,334	351,334
Business	3,019	3,019	3,216	3,216
Operation and Maintenance of Plant	973,415	973,415	564,239	564,239
Transportation	698	698	1,131	1,131
Central	444,478	343,631	322,796	211,445
Operation of Non-Instructional Services:				
Other	334,668	27,653	436,969	0
Food Service Operations	228,543	(11,226)	203,473	(24,112)
Extracurricular Activities	16,146	16,146	16,178	16,178
Interest and Fiscal Charges	15,658	15,658	19,436	19,436
Total	$7,021,920	$5,012,670	$4,220,422	$1,895,318

As you can see, the reliance on local tax revenues and grants and entitlements not restricted to specific programs for governmental activities is crucial. Nearly 33 percent of expenses are directly supported by local property taxes. Grants and entitlements not restricted to specific programs supported just under 41 percent of expenses, while program revenues, investments, and other miscellaneous types of revenues supported the remaining activity costs. As you can see from Table 3, vocational instruction and food service operations are the only self-supporting programs, meaning that no general revenues are necessary to supplement these activities.

The Career Center Funds

The Career Center's governmental funds reported a combined fund balance of $7,503,260, an increase of $729,471 from fiscal year 2018. All governmental funds had total revenues of $8,362,561 and expenditures of $7,647,042.

The Career Center's major fund is accounted for using the modified accrual basis of accounting. The fund balance of the General Fund increased $559,898. Although expenditures increased $418,873 over 2018, revenues outpaced expenditures by $694,129.

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.

During the course of fiscal 2019, the Career Center amended its General Fund budget, but not significantly. The Career Center uses a modified site-based budgeting technique which is designed to tightly control total site budgets but provide flexibility for site management.

For the General Fund, cash basis revenue was $6,799,421, $364,735 above estimates of $6,434,686. Original estimated revenues were unchanged throughout the fiscal year. Expenditures of $6,360,474 were lower than final appropriations of $6,580,824 primarily in the Vocational Instruction and Pupils Support Services areas. Final appropriations were increased $247,052 over original appropriations in mainly Vocational Instruction and Operation and Maintenance of Plant areas.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2019, the Career Center had $7,186,031 invested in land, buildings and improvements, furniture and equipment, and vehicles. Table 4 shows fiscal year 2019 balances compared to 2018.

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

	Governmental Activities		Business-Type Activity		Total	
	2019	2018	2019	2018	2019	2018
Land	$89,120	$48,000	$0	$0	$89,120	$48,000
Buildings and Improvements	4,843,832	5,026,181	513,834	546,870	5,357,666	5,573,051
Furniture and Equipment	1,428,493	1,198,855	149,856	184,430	1,578,349	1,383,285
Vehicles	17,535	21,780	143,361	150,807	160,896	172,587
Totals	$6,378,980	$6,294,816	$807,051	$882,107	$7,186,031	$7,176,923

During fiscal year 2019, the Career Center received a donation of two (2) parcels of land for future use by our Building Technology Department. During the fiscal year, the largest expenditure was for a new greenhouse structure and other improvements were made to our Technology Center. Under the business-type activity, the Career Center remodeled our front office space and did not capitalize any assets during the year. See Note 11 to the basic financial statements for more information on capital assets.

Debt

Comparisons of debt outstanding for each fiscal year end follows. See Notes 16 and 17 to the basic financial statements for more information on debt. The net pension and OPEB liabilities under GASB 68 and 75 are also reported as long-term obligations that have been previously discussed within this management's discussion and analysis. The business-type activity has no debt.

(Table 5)
Outstanding Debt, at Fiscal Year End

	Governmental Activities	
	2019	2018
Bonds	$1,225,000	$1,225,000
Capital Leases	309,896	404,995
Total	$1,534,896	$1,629,995

Current Issues

The Career Center has achieved a large measure of financial stability over the last several fiscal years and continues to have surplus balances through fiscal year 2022. The Board of Education and administrators continue to closely monitor both revenues and expenses in order to strike a balance of the two. The Treasurer continues to monitor revenues and expenses to ascertain that actual revenues meet or exceed estimated, and that actual expenditures do not exceed estimated.

In 2017, the Governor signed HB 49 "Budget Bill" for Funding fiscal years 2018 and 2019. It states that funding for joint vocational school districts will be calculated using ADM estimates and valuation projections provided by the Departments of Education and Taxations. The Career Center has been fortunate in recent years to have strong enrollment which allowed the Career Center to receive the maximum State support. In 2017 and 2019, we were placed on the formula funding. In 2017, the funding formula was in place as a result of a decrease in enrollment. However, in 2019 not only did we have a slight decrease in ADM we also had an increase in county property value and a decrease in the State funding share percentage.

In fiscal year 2019, our enrollment decreased from 457.63 to 450.63. There was a slight change of $3.61 million to $3.60 million in Unrestricted and Restricted State Aid from 2018 to 2019. In fiscal year 2020, we will experience an ADM increase of approximately 59 resulting in our reported ADM of 508.98. While this is great news for the Career Center, the new budget bill essentially freezes funding for 2020 and 2021 at fiscal year 2019.

The Career Center's systems of budgeting and internal controls are well regarded. The Career Center's healthy financial reserves will help the Career Center continue to serve its mission, despite the continued deterioration of regional, state, national, and international economic health. The Career Center's focus on sustainability has resulted in the Career Center maintaining solid finances, while improving facilities and overall academic achievement.

Contacting the Career Center's Financial Management

This financial report is designed to provide our citizen's, taxpayers, and 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 Joseph O. Crone, Treasurer at the Washington County Career Center, 21740 SR 676, Marietta, Ohio 45750, or e-mail at jcrone@thecareercenter.net.

This page intentionally left blank.

Washington County Career Center, Ohio
Statement of Net Position
June 30, 2019

	Governmental Activities	Business-Type Activity	Total*
Assets			
Equity in Pooled Cash and Cash Equivalents	$6,765,432	$1,190,125	$7,955,557
Investments with Fiscal Agents	942,156	0	942,156
Inventory Held for Resale	1,534	0	1,534
Materials and Supplies Inventory	12,865	53,135	66,000
Intergovernmental Receivable	126,961	6,088	133,049
Prepaid Items	44,665	9,380	54,045
Accounts Receivable	9,935	89,816	99,751
Internal Balances	(1,420)	1,420	0
Property Taxes Receivable	2,947,034	0	2,947,034
Nondepreciable Capital Assets	89,120	0	89,120
Depreciable Capital Assets, Net	6,289,860	807,051	7,096,911
Net OPEB Asset	354,062	124,399	478,461
Total Assets	17,582,204	2,281,414	19,863,618
Deferred Outflows of Resources			
Pension	1,907,991	877,945	2,331,981
OPEB	137,465	117,858	199,012
Total Deferred Outflows of Resources	2,045,456	995,803	2,530,993
Liabilities			
Accounts Payable	25,860	9,179	35,039
Contracts Payable	34,347	7,783	42,130
Accrued Wages and Benefits Payable	407,393	38,485	445,878
Vacation Benefits Payable	70,038	27,184	97,222
Accrued Interest Payable	562	0	562
Intergovernmental Payable	92,240	9,209	101,449
Long-Term Liabilities:			
Due Within One Year	99,086	0	99,086
Due In More Than One Year:			
Net Pension Liability	6,334,978	2,436,204	8,771,182
Net OPEB Liability	729,527	359,318	1,088,845
Other Amounts Due in More Than One Year	2,060,491	54,648	2,115,139
Total Liabilities	9,854,522	2,942,010	12,796,532
Deferred Inflows of Resources			
Property Taxes	2,644,282	0	2,644,282
Pension	625,283	554,478	725,806
OPEB	678,528	238,529	860,746
Total Deferred Inflows of Resources	3,948,093	793,007	4,230,834
Net Position			
Net Investment in Capital Assets	4,844,084	807,051	5,651,135
Restricted for:			
Unclaimed Monies	533	0	533
Debt Service	818,988	0	818,988
Capital Projects	1,800	0	1,800
Food Service Operations	105,040	0	105,040
State Grant Programs	3,157	0	3,157
Local Programs	299,876	0	299,876
Unrestricted (Deficits)	(248,433)	(1,264,851)	(1,513,284)
Total Net Position	$5,825,045	($457,800)	$5,367,245

*After deferred inflows and deferred outflows related to the change in internal proportionate share of pension and OPEB related items have been eliminated.

See accompanying notes to the basic financial statements

Washington County Career Center, Ohio
Statement of Activities
For the Fiscal Year Ended June 30, 2019

		Program Revenues			Net (Expense)Revenue and Changes in Net Position		
	Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Contributions	Governmental Activities	Business-Type Activity	Total
Governmental Activities							
Instruction:							
Regular	$919,375	$0	$0	$0	($919,375)	$0	($919,375)
Vocational	2,260,862	152,268	525,130	12,692	(1,570,772)	0	(1,570,772)
Adult/Continuing	196,307	0	107,957	0	(88,350)	0	(88,350)
Support Services:							
Pupils	303,587	0	157,289	0	(146,298)	0	(146,298)
Instructional Staff	431,974	0	406,283	0	(25,691)	0	(25,691)
Board of Education	24,643	0	0	0	(24,643)	0	(24,643)
Administration	467,687	0	0	0	(467,687)	0	(467,687)
Fiscal	400,860	0	0	0	(400,860)	0	(400,860)
Business	3,019	0	0	0	(3,019)	0	(3,019)
Operation and Maintenance of Plant	973,415	0	0	0	(973,415)	0	(973,415)
Transportation	698	0	0	0	(698)	0	(698)
Central	444,478	0	100,847	0	(343,631)	0	(343,631)
Operation of Non-Instructional Services:							
Other	334,668	0	307,015	0	(27,653)	0	(27,653)
Food Service Operations	228,543	101,782	137,987	0	11,226	0	11,226
Extracurricular Activities	16,146	0	0	0	(16,146)	0	(16,146)
Interest and Fiscal Charges	15,658	0	0	0	(15,658)	0	(15,658)
Total Governmental Activities	7,021,920	254,050	1,742,508	12,692	(5,012,670)	0	(5,012,670)
Business-Type Activity							
Adult Education	1,957,487	1,587,335	430,809	0	0	60,657	60,657
Totals	$8,979,407	$1,841,385	$2,173,317	$12,692	(5,012,670)	60,657	(4,952,013)
	General Revenues						
	Property Taxes Levied for General Purposes				2,751,805	0	2,751,805
	Grants and Entitlements not Restricted to Specific Programs				3,442,338	0	3,442,338
	Interest				144,978	0	144,978
	Gifts and Donations				41,220	0	41,220
	Gain on Sale of Capital Assets				7,966	3,770	11,736
	Miscellaneous				27,163	0	27,163
	Total General Revenues				6,415,470	3,770	6,419,240
	Change in Net Position				1,402,800	64,427	1,467,227
	Net Position (Deficit) Beginning of Year				4,422,245	(522,227)	3,900,018
	Net Position (Deficit) End of Year				$5,825,045	($457,800)	$5,367,245

See accompanying notes to the basic financial statements

Washington County Career Center, Ohio

Balance Sheet
Governmental Funds
June 30, 2019

	General Fund	Other Governmental Funds	Total Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	$5,982,304	$782,595	$6,764,899
Restricted Assets:			
Equity in Pooled Cash and Cash Equivalents	533	0	533
Investments with Fiscal Agents	942,156	0	942,156
Receivables:			
Property Taxes	2,947,034	0	2,947,034
Interfund	24,372	3,380	27,752
Accounts	9,935	0	9,935
Intergovernmental	84,830	42,131	126,961
Prepaid Items	44,653	12	44,665
Inventory Held for Resale	0	1,534	1,534
Materials and Supplies Inventory	12,077	788	12,865
Total Assets	$10,047,894	$830,440	$10,878,334
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	$25,085	$775	$25,860
Contracts Payable	34,347	0	34,347
Accrued Wages and Benefits Payable	383,371	24,022	407,393
Interfund Payable	3,880	25,292	29,172
Intergovernmental Payable	82,818	9,422	92,240
Total Liabilities	529,501	59,511	589,012
Deferred Inflows of Resources			
Property Taxes	2,644,282	0	2,644,282
Unavailable Revenue	141,758	22	141,780
Total Deferred Inflows of Resources	2,786,040	22	2,786,062
Fund Balances			
Nonspendable	57,263	800	58,063
Restricted	0	416,861	416,861
Committed	6,604	6,301	12,905
Assigned	122,688	358,345	481,033
Unassigned	6,545,798	(11,400)	6,534,398
Total Fund Balances	6,732,353	770,907	7,503,260
Total Liabilities and Fund Balances	$10,047,894	$830,440	$10,878,334

See accompanying notes to the basic financial statements

Washington County Career Center, Ohio

Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
June 30, 2019

Total Governmental Fund Balances		$7,503,260
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.		6,378,980
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Delinquent Property Taxes	62,383	
Intergovernmental Revenues	75,314	
Miscellaneous Revenues	4,083	141,780
Interest Payable is accrued for outstanding long-term liabilities while interest is not reported until due on the Balance Sheet.		(562)
Vacation Benefits Payable is recognized for earned vacation benefits that are to be used within one year but is not recognized on the Balance Sheet until due.		(70,038)
The net pension liability, net OPEB asset, and net OPEB liability are not due and payable in the current period; therefore, the assets, liability, and related deferred inflows/outflows are not reported in the funds:		
Net OPEB Asset	354,062	
Deferred Outflows - Pension	1,907,991	
Deferred Inflows - Pension	(625,283)	
Net Pension Liability	(6,334,978)	
Deferred Outflows - OPEB	137,465	
Deferred Inflows - OPEB	(678,528)	
Net OPEB Liability	(729,527)	(5,968,798)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Qualified Zone Academy Bonds	(1,225,000)	
Capital Leases Payable	(309,896)	
Sick Leave Benefits Payable	(624,681)	(2,159,577)
Net Position of Governmental Activities		$5,825,045

See accompanying notes to the basic financial statements

Washington County Career Center, Ohio

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2019

	General Fund	Other Governmental Funds	Total Governmental Funds
Revenues			
Taxes	$2,762,167	$0	$2,762,167
Intergovernmental	3,867,976	951,246	4,819,222
Interest	144,978	100	145,078
Tuition and Fees	93,075	0	93,075
Customer Services	59,193	101,782	160,975
Gifts and Donations	53,912	304,927	358,839
Miscellaneous	21,766	1,439	23,205
Total Revenues	7,003,067	1,359,494	8,362,561
Expenditures			
Current:			
Instruction:			
Regular	1,061,487	0	1,061,487
Vocational	2,642,543	435	2,642,978
Adult/Continuing	500	116,163	116,663
Support Services:			
Pupils	159,738	162,664	322,402
Instructional Staff	319,493	135,455	454,948
Board of Education	24,643	0	24,643
Administration	489,960	0	489,960
Fiscal	368,281	0	368,281
Business	3,019	0	3,019
Operation and Maintenance of Plant	780,993	0	780,993
Transportation	698	0	698
Central	330,507	77,533	408,040
Operation of Non-Instructional Services	0	556,016	556,016
Extracurricular Activities	16,146	0	16,146
Capital Outlay	0	289,838	289,838
Debt Service:			
Principal Retirement	95,099	0	95,099
Interest and Fiscal Charges	15,831	0	15,831
Total Expenditures	6,308,938	1,338,104	7,647,042
Excess of Revenues Over Expenditures	694,129	21,390	715,519
Other Financing Sources (Uses)			
Proceeds from Sale of Capital Assets	13,952	0	13,952
Transfers In	0	148,183	148,183
Transfers Out	(148,183)	0	(148,183)
Total Other Financing Sources (Uses)	(134,231)	148,183	13,952
Net Change in Fund Balances	559,898	169,573	729,471
Fund Balances Beginning of Year	6,172,455	601,334	6,773,789
Fund Balances End of Year	$6,732,353	$770,907	$7,503,260

See accompanying notes to the basic financial statements

Washington County Career Center, 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, 2019

Net Change in Fund Balances - Total Governmental Funds		$729,471
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. This is the amount by which capital outlays exceeded depreciation:		
Capital Asset Additions	534,286	
Depreciation Expense	(444,136)	90,150
Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.		(5,986)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:		
Grants	60,597	
Miscellaneous Revenues	3,958	
Delinquent Property Taxes	(10,362)	54,193
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		95,099
Interest is reported as an expenditure when due in the governmental funds, but is accrued on outstanding debt on the statement of activities.		173
Contractually required contributions are reported as expenditures in the governmental funds; however, the statement of net position reports these amounts as deferred outflows:		
Pension	491,226	
OPEB	16,568	507,794
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liabilities are reported as pension/OPEB expense in the statement of activities:		
Pension	(766,070)	
OPEB	733,538	(32,532)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Vacation Benefits Payable	(5,543)	
Sick Leave Benefits Payable	(30,019)	(35,562)
Change in Net Position of Governmental Activities		$1,402,800

See accompanying notes to the basic financial statements

Washington County Career Center, Ohio

Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Fiscal Year Ended June 30, 2019

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
Revenues				
Taxes	$2,493,320	$2,493,320	$2,602,868	$109,548
Intergovernmental	3,680,574	3,680,574	3,875,175	194,601
Interest	65,000	65,000	111,234	46,234
Tuition and Fees	112,592	112,592	93,075	(19,517)
Customer Services	70,600	70,600	104,389	33,789
Gifts and Donations	800	800	100	(700)
Miscellaneous	11,800	11,800	12,580	780
Total Revenues	6,434,686	6,434,686	6,799,421	364,735
Expenditures				
Current:				
Instruction:				
Regular	1,047,903	1,052,003	1,079,314	(27,311)
Vocational	2,571,714	2,799,244	2,617,883	181,361
Support Services:				
Pupils	193,610	194,155	159,442	34,713
Instructional Staff	309,275	305,920	348,840	(42,920)
Board of Education	28,312	28,312	24,381	3,931
Administration	521,155	521,155	488,910	32,245
Fiscal	391,796	391,796	368,042	23,754
Business	3,700	3,700	2,913	787
Operation and Maintenance of Plant	711,947	727,089	745,002	(17,913)
Transportation	4,000	3,000	578	2,422
Central	328,477	332,567	329,843	2,724
Extracurricular Activities	15,204	15,204	16,147	(943)
Capital Outlay	27,500	27,500	0	27,500
Debt Service:				
Principal	163,348	163,348	163,348	0
Interest and Fiscal Charges	15,831	15,831	15,831	0
Total Expenditures	6,333,772	6,580,824	6,360,474	220,350
Excess of Revenues Over (Under) Expenditures	100,914	(146,138)	438,947	585,085
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	5,000	5,000	2,952	(2,048)
Refund of Prior Year Expenditures	0	0	67,808	67,808
Refund of Prior Year Receipts	(2,000)	(2,000)	0	2,000
Transfers Out	(55,000)	(153,183)	(148,183)	5,000
Total Other Financing Sources (Uses)	(52,000)	(150,183)	(77,423)	72,760
Net Change in Fund Balance	48,914	(296,321)	361,524	657,845
Fund Balance Beginning of Year	5,468,597	5,468,597	5,468,597	0
Prior Year Encumbrances Appropriated	82,827	82,827	82,827	0
Fund Balance End of Year	$5,600,338	$5,255,103	$5,912,948	$657,845

See accompanying notes to the basic financial statements

Washington County Career Center, Ohio
Statement of Fund Net Position
Enterprise Fund
June 30, 2019

	Business-Type Activity Adult Education Fund
Assets	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	$1,190,125
Materials and Supplies Inventory	53,135
Intergovernmental Receivable	6,088
Prepaid Items	9,380
Accounts Receivable	89,816
Interfund Receivable	1,420
Total Current Assets	1,349,964
Noncurrent Assets:	
Depreciable Capital Assets, net	807,051
Net OPEB Asset	124,399
Total Noncurrent Assets	931,450
Total Assets	2,281,414
Deferred Outflows of Resources	
Pension	877,945
OPEB	117,858
Total Deferred Outflows of Resources	995,803
Liabilities	
Current Liabilities:	
Accounts Payable	9,179
Contracts Payable	7,783
Accrued Wages and Benefits Payable	38,485
Intergovernmental Payable	9,209
Vacation Benefits Payable	27,184
Total Current Liabilities	91,840
Long-term Liabilities:	
Sick Leave Benefits Payable	54,648
Net Pension Liability	2,436,204
Net OPEB Liability	359,318
Total Long-term Liabilities	2,850,170
Total Liabilities	2,942,010
Deferred Inflows of Resources	
Pension	554,478
OPEB	238,529
Total Deferred Inflows of Resources	793,007
Net Position	
Net Investment in Capital Assets	807,051
Unrestricted (Deficit)	(1,264,851)
Total Net Position	($457,800)

See accompanying notes to the basic financial statements

Washington County Career Center, Ohio
Statement of Revenues,
Expenses and Changes in Fund Net Position
Enterprise Fund
For the Fiscal Year Ended June 30, 2019

	Business-Type Activity
	Adult Education Fund
Operating Revenues	
Tuition	$1,587,335
Other	3,770
Total Operating Revenues	1,591,105
Operating Expenses	
Salaries	1,279,699
Fringe Benefits:	
Pension Expense	54,146
OPEB Expense	(234,586)
Other Fringe Benefits	205,749
Purchased Services	217,487
Materials and Supplies	299,091
Depreciation	85,342
Other	46,431
Total Operating Expenses	1,953,359
Operating Loss	(362,254)
Non-Operating Revenues (Expenses)	
Loss on Sale of Capital Assets	(4,128)
Federal and State Subsidies	430,809
Total Non-Operating Revenues	426,681
Net Change in Net Position	64,427
Net Position (Deficit) Beginning of Year	(522,227)
Net Position (Deficit) End of Year	($457,800)

See accompanying notes to the basic financial statements

Washington County Career Center, Ohio

Statement of Cash Flows

Enterprise Fund

For the Fiscal Year Ended June 30, 2019

	Business-Type Activity
	Adult Education Fund
Increase (Decrease) in Cash and Cash Equivalents	
Cash Flows from Operating Activities	
Cash Received from Customers	$1,598,761
Cash Received from Other Operating Revenues	7,294
Cash Payments for Other Operating Expenses	(46,321)
Cash Payments to Suppliers for Goods and Services	(484,231)
Cash Payments for Employee Services	(1,257,116)
Cash Payments for Employee Benefits	(402,350)
Net Cash Used for Operating Activities	(583,963)
Cash Flows from Noncapital Financing Activities	
Operating Grants Received	430,809
Cash Flows from Capital and Related Financing Activities	
Payments for Capital Acquisitions	(14,414)
Net Decrease in Cash and Cash Equivalents	(167,568)
Cash and Cash Equivalents at Beginning of Year	1,357,693
Cash and Cash Equivalents at End of Year	$1,190,125
Reconciliation of Operating Loss to Net Cash Used for Operating Activities	
Operating Loss	($362,254)
Depreciation	85,342
Changes in Assets and Liabilities:	
Decrease in Materials and Supplies Inventory	25,873
Decrease in Accounts Receivable	7,511
Decrease in Interfund Balances	1,571
Decrease in Intergovernmental Receivable	8,386
Increase in Prepaids Items	(145)
Decrease in Deferred Outflows - Pension	431,879
Decrease in Deferred Outflows - OPEB	26,450
Increase in Accounts Payable	889
Increase in Contracts Payable	7,783
Increase in Accrued Wages and Benefits Payable	16,054
Decrease in Intergovernmental Payable	(3,441)
Decrease in Vacation Benefits Payable	(1,894)
Increase in Sick Leave Benefits Payable	4,116
Decrease in Deferred Inflows - Pension	(504,800)
Decrease in Deferred Inflows - OPEB	(51,703)
Decrease in Net Pension Liability	(61,451)
Decrease in Net OPEB Liability	(214,129)
Net Cash Used for Operating Activities	($583,963)

See accompanying notes to the basic financial statements

Washington County Career Center, Ohio

Statement of Net Position

Fiduciary Funds

June 30, 2019

	Private Purpose Trust	Student Activities
Assets		
Equity in Pooled Cash and Cash Equivalents	$1,280	$63,137
Liabilities		
Due to Students	0	$63,137
Net Position		
Held in Trust for Scholarships	$1,280	

See accompanying notes to the basic financial statements

Washington County Career Center, Ohio

Statement of Changes in Net Position
Private Purpose Trust Fund
For the Fiscal Year Ended June 30, 2019

	Private Purpose Trust Scholarship Fund
Additions	
Contributions	$3,255
Deductions	
Scholarships	2,705
Change in Net Position	550
Net Position Beginning of Year	730
Net Position End of Year	$1,280

See accompanying notes to the basic financial statements

Note 1 - Description of the Career Center and Reporting Entity

The Washington County Career Center is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of seven members, one from each of the following elected Boards of Education: Belpre City Board of Education, Marietta City Board of Education, Ohio Valley Educational Service Center, Fort Frye Local Board of Education, Frontier Local Board of Education, Warren Local Board of Education, and Wolf Creek Local Board of Education. The Career Center exposes students to job training leading to employment upon graduation from high school.

The Career Center was formed in 1967. The buildings are located on a 173.82 acre site and were opened for instruction in 1972. It is staffed by 21 classified employees and 32 certificated employees who provide services to 444 Washington County juniors and seniors, as well as to adult students through the adult education department evening classes and customized training for business and industry.

Reporting Entity

A reporting entity is composed of the stand-alone government, component units, and other organizations that are included to ensure that the financial statements of the Career Center are not misleading. The Career Center consists of all funds, departments, boards, and agencies that are not legally separate from the Career Center. For the 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; or the Career Center is obligated for the debt of 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 benefit to, or impose specific financial burdens on, the primary government. The Career Center has no component units.

The Career Center participates in the Metropolitan Educational Technology Association and the Coalition of Rural and Appalachian Schools, which are defined as jointly governed organizations. These organizations are presented in Note 18. They are also associated with the Ohio School Plan, the Ohio School Boards Association Workers’ Compensation Group Rating Plan, and the Ohio School Benefits Cooperative, which are defined as insurance purchasing pools. These organizations are presented in Note 19.

Note 2 - Summary of Significant Accounting Policies

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

A. Basis of Presentation

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

Government-wide Financial Statements The statement of net position and the statement of activities display information about the Career Center as a whole. These statements include the financial activities of the stand-alone government, except for fiduciary funds. The statements distinguish between those activities of the Career Center that are governmental in nature and those that are considered business-type activities. Governmental activities generally are financed through taxes, intergovernmental receipts, or other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of net position presents the financial condition of the governmental and business-type activities of the Career Center at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function 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 recipient of the goods or services offered by the program and grants, contributions, and interest that are restricted to meeting the operational or capital 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 business segment or 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 and enterprise 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. The fiduciary fund is reported by type.

B. Fund Accounting

The Career Center uses funds to maintain its financial records during the fiscal year. 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 three categories: governmental, proprietary, and fiduciary.

Governmental Funds Governmental funds are those through which most governmental functions typically 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 deferred outflows of resources, and liabilities and deferred inflows of resources is reported as fund balance. The Career Center's major governmental fund is the General Fund.

> ***General Fund*** The General Fund accounts for and reports 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.

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

Proprietary Fund Types Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. Proprietary funds are classified as enterprise or internal service. The Career Center has no internal service funds.

> ***Enterprise Fund*** Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The Career Center's only enterprise fund accounts for the operation of the Career Center's adult education program.

Fiduciary Fund Type Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Trust funds are used to account for assets held by the Career Center under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the Career Center's own programs. The Career Center's private purpose trust fund accounts for a program that assists students with expenses related to their education. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Career Center's agency fund accounts for student activities.

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 all liabilities associated with the operation of the Career Center are included on the statement of net position. The statement of activities presents increases (i.e. revenues) and decreases (i.e. 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 current liabilities are generally included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include 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 proprietary fund is accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of this fund are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the Career Center finances and meets the cash flow needs of its proprietary activity.

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. Proprietary and fiduciary funds also use the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, in the recording of deferred outflows/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 a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that 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.

Nonexchange transactions, in which the Career Center receives value without directly giving equal value in return, include property taxes and grants, entitlements, and donations. On the 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 year when the resources are required to be used or the 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 a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year end: property taxes available as an advance, interest, tuition, grants, 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 pension and OPEB plans. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 14 and 15.

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, 2019, but which were levied to finance fiscal year 2020 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 includes delinquent property taxes, intergovernmental revenues, and miscellaneous revenues. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities found on page 18. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 14 and 15)

Expenses/Expenditures On the accrual basis, expenses are recognized at the time they are incurred.

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. Cash and Cash Equivalents

To improve cash management, cash received by the Career Center is pooled. Monies for all funds, except for the cash with fiscal agents, are maintained in this pool. Individual fund integrity is maintained through the Career Center's records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the financial statements.

During fiscal year 2019, the Career Center was invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed 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 their 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 cost basis that provides an NAV per share that approximates fair value.

For fiscal year 2019, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, twenty-four hours advance notice is appreciated for deposits and withdrawals of $25 million or more. STAR Ohio reserves the right to limit the transactions to $100 million per day, requiring the excess amount to be transacted the following business day(s), but only to the $100 million limit. All accounts of the participant will be combined for these purposes.

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 2019 amounted to $144,978, which includes $61,278 assigned from other Career Center funds.

The Career Center utilizes a financial institution to service principal and interest payments. The balance in this account is presented on the balance sheet as "restricted investments with fiscal agents" and represents federal agency securities.

Investments of the cash management pool and investments with original maturities 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 not purchased from the pool are reported as investments.

F. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2019, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the fiscal year in which services are consumed.

G. Inventory

Inventories are presented at cost on a first-in, first-out basis and are expensed/expended when used. Inventory consists of materials and supplies held for consumption and donated and purchased food held for resale.

H. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary fund. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported on the fund financial statements. Capital assets utilized by the Adult Education Enterprise Fund are reported both in the business-type activity column of the government-wide statement of net position and in the fund.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. The Career Center was able to estimate the historical cost for the initial reporting of certain assets by back trending (i.e., estimating the current replacement cost of the asset to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). Donated capital assets are recorded at their acquisition values as of the date received. The Career Center maintains a capitalization threshold of one thousand dollars. The Career Center does not possess 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 land, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Description	Estimated Lives
Buildings and Improvements	75 - 100 years
Furniture and Equipment	5 - 48 years
Vehicles	5 - 23 years

I. Interfund Balances

On fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as "interfund receivables/payables". Intefund balance amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

Deferred inflows of resources and deferred outflows of resources from the change in internal proportionate share related to pension and OPEB items are eliminated in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts between governmental and business-type activities. These residual amounts are eliminated in the total column of the entity wide statement of net position.

J. Restricted Assets

Assets are reported as restricted assets when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other government, or imposed by law through constitutional provisions or enabling legislation. Restricted assets include amounts required by statute to be set-aside by the Career Center for unclaimed monies and cash held with fiscal agents for payment to the contractors under the Career Center's lease-purchase agreement.

K. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the Career Center will compensate the employees for the benefits through paid time off or some other means. The liability for vacation benefits is recorded as "vacation benefits payable", rather than long-term liabilities, as the balances are to be used by employees in the fiscal year following the fiscal year in which the benefit was earned.

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

L. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities, and long-term obligations payable from the enterprise fund are reported on the enterprise fund 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 and 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 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.

M. Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions/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. Internal Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Transfers between governmental activities are eliminated on the government-wide financial statements. Internal allocations of overhead expenses from one program to another or within the same program are eliminated on the statement of activities. Payments of interfund services provided and used are not eliminated.

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

O. 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 fund balance category includes amounts that cannot be spent because they are not in spendable form, or are 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 are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions.
>
> ***Committed:*** The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action (resolution) of the Board of Education. Those 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 the use in satisfying those contractual requirements.
>
> ***Assigned:*** Amounts in the assigned fund balance 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. In the General Fund, assigned amounts represent intended uses established by the Board of Education or a Career Center official delegated that authority by resolution or State statute.

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

The Career Center applies restricted resources first when expenditures are 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 the amounts in any of the unrestricted fund balance classifications could be used.

P. Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

The Career Center applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Q. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the Career Center, these revenues are charges for services for adult education programs. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of the fund. Revenues and expenses not meeting this definition are reported as non-operating.

R. Extraordinary and Special Item

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.

S. 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.

T. Budgetary Process

All funds, other than the agency fund, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution, and the certificate of estimated resources, which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and set annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the fund level. The Treasurer maintains budgetary information at the function and object level and has the authority to allocate appropriations to the function and object level.

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

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

Note 3 - Fund Balances

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 governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balances	General	Other Governmental Funds	Total
Nonspendable:			
Prepaid Items	$44,653	$12	$44,665
Materials and Supplies Inventory	12,077	788	12,865
Unclaimed Monies	533	0	533
Total Nonspendable	57,263	800	58,063
Restricted for:			
Food Service Operations	0	112,028	112,028
State Grant Programs	0	3,157	3,157
Local Programs	0	299,876	299,876
Capital Projects	0	1,800	1,800
Total Restricted	0	416,861	416,861
Committed to:			
Capital Purchases	6,604	0	6,604
Scholarships	0	6,301	6,301
Total Committed	6,604	6,301	12,905
Assigned to:			
Fiscal Year 2020 Appropriations	99,865	0	99,865
Purchases on Order	16,291	0	16,291
Scholarships	6,532	0	6,532
Capital Improvements	0	358,345	358,345
Total Assigned	122,688	358,345	481,033
Unassigned (Deficit):	6,545,798	(11,400)	6,534,398
Total Fund Balances	$6,732,353	$770,907	$7,503,260

Note 4 - Changes in Accounting Principles

For fiscal year 2019, the Career Center implemented Governmental Accounting Standards Board (GASB) Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, and Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*,

For fiscal year 2019, the Career Center also implemented the Governmental Accounting Standards Board's (GASB) *Implementation Guide No. 2017-2*. These changes were incorporated in the Career Center's 2019 financial statements; however, there was no effect on beginning net position/fund balance.

GASB 88 improves the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. These changes were incorporated in the Career Center's 2019 financial statements; however, there was no effect on beginning net position.

GASB 89 establishes accounting requirements for interest cost incurred before the end of a construction period. These changes were incorporated in the Career Center's 2019 financial statements; however, there was no effect on beginning net position.

Note 5 - 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 Balances - Budget and Actual (Budget Basis) presented for the General Fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP (modified accrual) basis are as follows:

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

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

3. Encumbrances are treated as expenditures (budget basis) rather than as a commitment or assignment of fund balance (GAAP basis).

4 Budgetary revenues and expenditures of the Scholarship Fund are reclassified to the General Fund for GAAP reporting. There were no differences in fiscal year 2019.

5. Unreported cash, prepaid items, and negative cash advances to other funds are reported on the GAAP basis but not on the budgetary basis.

The following tables summarize the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the General Fund.

Net Change in Fund Balance

GAAP Basis	$559,898
Net Adjustment for:	
Revenue Accruals	(110,340)
Expenditure Accruals	45,053
Beginning of Fiscal Year:	
Prepaid Items	18,112
Unreported Items	5,370
Negative Cash Advances to Other Funds	185
End of Fiscal Year:	
Prepaid Items	(44,653)
Unreported Items	(17,681)
Negative Cash Advances to Other Funds	(24,372)
Encumbrances	(70,048)
Budget Basis	$361,524

Note 6 - Deposits and Investments

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

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the 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 must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

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

Protection of the Career Center's deposits is provided by the Federal Deposit Insurance Corporation (FDIC) 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.

Interim monies held by the Career Center can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, 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 obligation or security 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, and Government National Mortgage 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 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 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. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;

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

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

8. Certain bankers' 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.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the 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, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian. At year end, the Career Center had $300 in undeposited cash on hand which is included as part of "Equity in Pooled Cash and Cash Equivalents".

Investments

Investments are reported at fair value. As of June 30, 2019, the Career Center's $1,010,006 investment in STAR Ohio, the State Treasurer's Investment Pool, has an average maturity of 53.3 days. The Career Center's other investments are as follows:

Measurement/Investment	Measurement Amount	Maturity	Standard & Poor's Rating
Fair Value - Level Two Inputs			
Federal Agriculture Management Corporation Notes	$942,156	12/30/2019	not available

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 chart identifies the Career Center's recurring fair value measurements as of June 30, 2019. 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 The Career Center's investment policy addresses interest rate risk to the extent that it allows the Treasurer to invest funds to a maximum maturity of five years. The Treasurer cannot make investments which he does not reasonably believe can be held until the maturity date. State statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Career Center, and that an investment must be purchased with the expectation that it will be held to maturity. The stated intent of the policy is to avoid the need to sell securities prior to maturity.

Credit Risk The credit ratings for the Career Center's securities are listed above. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service and that the money market mutual fund be rated in the highest category at the time of the purchase by at least one nationally recognized standard rating service. The Career Center has no investment policy that would further limit its investment choices.

Custodial Credit Risk For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Career Center will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Career Center has no investment policy dealing with investment custodial credit risk beyond the requirement in state statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

Note 7 - 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 Career Center. Real property tax revenue received in calendar 2019 represents collections of calendar year 2018 taxes. Real property taxes received in calendar year 2019 were levied after April 1, 2018, on the assessed value listed as of January 1, 2018, the lien date. Assessed values for real property taxes are established by State statute at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar 2019 represents collections of calendar year 2018 taxes. Public utility real property taxes received in calendar year 2019 became a lien December 31, 2017, were levied after April 1, 2018 and are collected with real property taxes. Public utility real property is assessed at thirty-five 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 Washington, Athens, Morgan, and Noble Counties. The Washington County Auditor 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, 2019, are available to finance fiscal year 2019 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property and public utility taxes which are measurable as of June 30, 2019, 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 reflected 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 – property taxes.

The amount available as an advance at June 30, 2019, was $240,369 and is recognized as revenue in the General Fund. The amount available as an advance to the General Fund at June 30, 2018, was $81,070. On an accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

The assessed values upon which the fiscal year 2019 taxes were collected are:

	2018 Second-Half Collections		2019 First-Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential And Other Real Estate	$1,196,274,430	78.29%	$1,198,329,150	74.77%
Public Utility Personal	331,677,190	21.71%	404,254,490	25.23%
Total	$1,527,951,620	100.00%	$1,602,583,640	100.00%
Tax Rate per $1,000 of assessed valuation	$1.80		$1.80	

Note 8 - Interfund Transfers and Balances

A. Balances

Internal Balances – Change in Proportionate Share

The Career Center uses an internal proportionate share to allocate its net pension/OPEB liability and corresponding deferred outflows/inflows of resources and pension/OPEB expense to its various funds. This allocation creates a change in internal proportionate share. The effects of the internal proportionate share are eliminated from the pension deferred outflows/inflows of resources in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts between governmental and business-type activities. These residual amounts are eliminated in the total column of the entity wide statement of net position, thus allowing the total column to present the change in proportionate share for the Career Center as a whole.

Eliminations made in the total column of the entity wide statement of net position related to pension include deferred outflows of resources for the business-type activities (related to the Adult Education Enterprise Fund) and deferred inflows of resources for the governmental type activities in the amount of $453,955.

Eliminations made in the total column of the entity wide statement of net position related to OPEB include deferred outflows of resources for the business-type activities (related to the Adult Education Enterprise Fund) and deferred inflows of resources for the governmental type activities in the amount of $56,311.

Other Internal Balances

Interfund balances at June 30, 2019, consist of the following individual fund receivables and payables:

	Interfund Receivable	Interfund Payable
General Fund	$24,372	$3,880
Other Nonmajor Governmental Funds:		
Food Service	3,380	0
Miscellaneous State Grants	0	920
Miscellaneous Federal Grants	0	24,372
Total Other Nonmajor Governmental Funds	3,380	25,292
Adult Education Enterprise Fund	1,420	0
Total All Funds	$29,172	$29,172

The interfund balances result deficit cash balances and due to lags between the dates interfund goods and services are provided, transactions were recorded in the accounting system, and payments between funds were made.

B. Transfers

The Career Center transferred $148,183 from the General Fund to the Permanent Improvement Capital Projects Fund to move unrestricted revenues collected in the General Fund to finance various projects.

Note 9 - Significant Commitments

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At fiscal year end, the amount of encumbrances expected to be honored upon performance by the vendor in the next fiscal year were as follows:

Governmental Activities:	
General Fund	$70,048
Business-Type Activity:	
Adult Education Enterprise Fund	14,221
Total	$84,269

Note 10 - Receivables

Receivables at June 30, 2019, consisted of property taxes, accounts, interfund, and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds. Delinquent property taxes deemed collectible by the County Auditor and recorded as a receivable in the amount of $62,383 may not be collected within one year. All other receivables are expected to be collected within one year. A summary of principal items of intergovernmental receivables follows:

	Amounts
Governmental Activities:	
Carl Perkins Adult	$8,220
Carl Perkins Secondary	23,896
ASPIRE Grant	6,273
Summer Youth Employment	5,455
Ohio Adult Diploma Grant	3,720
Career Exploration Camp Reimbursement	74,141
Workers Compenstaion Refund	4,083
Other Adjustments	1,173
Total Governmental Activities	126,961
Business-Type Activity:	
Tuition	4,073
Workers Compenstaion Refund	2,015
Total Business-Type Activites	6,088
Total	$133,049

Note 11 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2019, was as follows:

	Balance 6/30/2018	Additions	Deductions	Balance 6/30/2019
Governmental Activities:				
Capital Assets:				
Capital Assets not being depreciated:				
Land	$48,000	$41,120	$0	$89,120
Depreciable Capital Assets:				
Buildings and Improvements	8,114,315	0	0	8,114,315
Furniture and Equipment	3,802,882	493,166	(52,761)	4,243,287
Vehicles	110,310	0	0	110,310
Total Capital Assets being Depreciated	12,027,507	493,166	(52,761)	12,467,912
Less Accumulated Depreciation				
Buildings and Improvements	(3,088,134)	(182,349)	0	(3,270,483)
Furniture and Equipment	(2,604,027)	(257,542)	46,775	(2,814,794)
Vehicles	(88,530)	(4,245)	0	(92,775)
Total Accumulated Depreciation	(5,780,691)	(444,136) *	46,775	(6,178,052)
Total Capital Assets being Depreciated, Net	6,246,816	49,030	(5,986)	6,289,860
Governmental Activities Capital Assets, Net	$6,294,816	$90,150	($5,986)	$6,378,980

* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	$28,619
Vocational	176,732
Adult/Continuing	79,724
Support Services:	
Pupils	7,884
Instructional Staff	4,036
Administration	13,935
Fiscal	11,449
Operation and Maintenance of Plant	40,915
Central	75,846
Food Service	4,996
Total Depreciation Expense	$444,136

	Balance 6/30/2018	Additions	Deductions	Balance 6/30/2019
Business-Type Activity:				
Capital Assets:				
Buildings and Improvements	$787,289	$0	$0	$787,289
Furniture and Equipment	632,924	14,414	(14,400)	632,938
Vehicles	167,238	0	0	167,238
Total Capital Assets	1,587,451	14,414	(14,400)	1,587,465
Less Accumulated Depreciation				
Buildings and Improvements	(240,419)	(33,036)	0	(273,455)
Furniture and Equipment	(448,494)	(44,860)	10,272	(483,082)
Vehicles	(16,431)	(7,446)	0	(23,877)
Total Accumulated Depreciation	(705,344)	(85,342)	10,272	(780,414)
Business-Type Activity Capital Assets, Net	$882,107	($70,928)	($4,128)	$807,051

Note 12 - Risk Management

A. Property and Liability

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 2019, the Career Center contracted with the following insurance company for coverage:

Ohio School Plan. through	
Schwendeman Agency Inc.:	
Automobile Liability	$1,000,000
Comprehensive ($250 deductible)	
Collisions ($500 deductible)	
Building and Contents - replacement cost ($1,000 deductible)	36,056,478
Equipment Breakdown ($1,000 deductible)	36,056,478
General Liability:	
Each Occurrence	1,000,000
Aggregate Limit	3,000,000
Crime ($1,000 Deductible):	
Theft / Forgery or Alteration / Computer Fraud / Funds Transfer Fraud	$100,000
Fiduciary Liability ($2,500 Deductible):	
Each Occurrence	1,000,000
Aggregate Limit	3,000,000
Employers' Liability:	
Each Occurrence	1,000,000
Each Employee	1,000,000
Educational Legal Liability ($2,500 Deductible):	
Errors and Omissions/Aggregate	1,000,000/3,000,000
Employment Practices/Aggregate	1,000,000/3,000,000

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

B. Workers' Compensation

For fiscal year 2019, the Career Center participated in the Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool (Note 19). The intent of the GRP is to achieve the benefit of a reduced premium for the Career Center by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating Career Centers is calculated as one experience and a common premium rate is applied to all Career Centers in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Participation in the GRP is limited to Career Centers that can meet the GRP's selection criteria. The firm of CompManagement, Inc. provides administrative, cost control, and actuarial services to the GRP.

Note 13 - Employee Benefits

A. Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees and administrators earn ten to twenty days of vacation per fiscal year, depending upon length of service. No more than two years of vacation is permitted to be carried forward and should be used in the fiscal year following accrual. Teachers do not earn vacation time. Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to 270 days. Upon retirement, employees receive payment equal to the percentages as stated below:

> One-fourth of their accrued but unused sick leave to a maximum 68 days for employees having less than fifteen years of service.
>
> Thirty percent of their accrued but unused sick leave to a maximum 81 days for employees having fifteen or more years of service.

B. Insurance

The Career Center provides medical/surgical insurance through Ohio School Benefits Cooperation for all eligible employees. The Career Center pays between 80 to 95 percent of the cost of both the individual plans and the monthly family coverage premiums, depending on the plan selected by the employee. Premiums are paid from the same funds that pay the employees' salaries.

The Career Center pays the total cost for life, dental, and vision insurance for its employees. Life insurance and accidental death and dismemberment insurance is provided through One America, dental insurance is provided through Delta Dental, and vision insurance is provided through Vision Service Plan.

Note 14 - Defined Benefit Pension Plans

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

A. Net Pension Liability/Net OPEB Liability

The net pension liability and the net OPEB liability (asset) reported on the statement of net position represent liabilities to employees for pensions and OPEB, respectively. Pensions/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 obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension/OPEB liability (asset) represent the Career Center's proportionate share of each pension/OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension/OPEB 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 these estimates 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 funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system'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 *net OPEB asset* or long-term *net pension/OPEB liability* on the accrual basis of accounting. Any liability for the contractually-required pension/OPEB 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 15 for the required OPEB disclosures.

Plan Description - School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

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

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

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

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, 2019, the allocation to pension, death benefits, and Medicare B was 13.5 percent. The remaining .5 percent was allocated to the Health Care Fund.

The Career Center's contractually required contribution to SERS was $168,342 for fiscal year 2019. Of this amount, $5,751 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 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. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 27 years of service, or 30 years of service regardless of age. Eligibility changes will be phased in until 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.

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. 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.

The Career Center's contractually required contribution to STRS was $511,402 for fiscal year 2019. Of this amount, $45,521 is reported as an intergovernmental payable.

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

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Career Center's proportion of the net pension liability was based on the Career Center's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	SERS	STRS	Total
Proportion of the Net Pension Liability Prior Measurement Date	0.03417730%	0.02969002%	
Proportion of the Net Pension Liability Current Measurement Date	0.03883650%	0.02977540%	
Change in Proportionate Share	0.00465920%	0.00008538%	
Proportionate Share of the Net Pension Liability	$2,224,240	$6,546,942	$8,771,182
Pension Expense	$292,260	$528,032	$820,292

At June 30, 2019, 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	$121,986	$151,123	$273,109
Changes of assumptions	50,228	1,160,242	1,210,470
Changes in proportionate Share and difference between Career Center contributions and proportionate share of contributions	163,867	4,791	168,658
Career Center contributions subsequent to the measurement date	168,342	511,402	679,744
Total Deferred Outflows of Resources	$504,423	$1,827,558	$2,331,981
Deferred Inflows of Resources			
Differences between expected and actual experience	$0	$42,755	$42,755
Net difference between projected and actual earnings on pension plan investments	61,626	396,999	458,625
Changes in Proportionate Share and Difference between Career Center contributions and proportionate share of contributions	20,658	203,768	224,426
Total Deferred Inflows of Resources	$82,284	$643,522	$725,806

$679,744 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 year ending June 30, 2020. 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:			
2020	$262,020	$460,629	$722,649
2021	83,670	280,339	364,009
2022	(72,994)	15,401	(57,593)
2023	(18,899)	(83,735)	(102,634)
Total	$253,797	$672,634	$926,431

Actuarial Assumptions - SERS

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

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

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2018, are presented below:

Inflation	3.00 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent
COLA or Ad Hoc COLA	2.5 percent
Investment Rate of Return	7.50 percent net of investment expense, including inflation
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)

Mortality rates were based on the 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 were based upon the 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 were based upon the 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.

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

The long-term return expectation for the Pension Plan 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 rebalanced uncorrelated asset classes.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	1.00 %	0.50 %
US Stocks	22.50	4.75
Non-US Stocks	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 total pension liability was calculated using the discount rate of 7.50 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.50 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 pension plan 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 net pension liability calculated using the discount rate of 7.50 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Career Center's proportionate share of the net pension liability	$3,133,007	$2,224,240	$1,462,296

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2018, 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
Payroll Increases	3 percent
Cost-of-Living Adjustments (COLA)	0.0 percent, effective July 1, 2017

Post-retirement mortality rates for healthy retirees 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. Post-retirement disabled 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. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the July 1, 2018 valuation are based on the results of an actuarial experience study for the period 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 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 %	

* 10 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, 2018. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. 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, 2018. Therefore, the long-term expected rate of return on pension plan investments of 7.45 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2018.

Sensitivity of the Career Center's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the Career Center's proportionate share of the net pension liability 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 rate:

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
Career Center's proportionate share of the net pension liability	$9,560,947	$6,546,942	$3,995,996

Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System / State Teachers Retirement System. As of June 30, 2019, one member of the Board of Education elected Social Security. The Board's liability is 6.2 percent of wages paid.

Note 15 - Defined Benefit OPEB Plans

See Note 14 for a description of the net OPEB liability

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 fiscal year 2019, .5 percent of covered payroll was made 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 2019, this amount was $21,600. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2019, the Career Center's surcharge obligation was $15,130.

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The Career Center's contractually required contribution to SERS was $21,365 for fiscal year 2019. Of this amount, $15,343 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, 2020. 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, 2019, STRS did not allocate any employer contributions to post-employment health care.

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

The net OPEB liability (asset) was measured as of June 30, 2018, 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	
Proportion of the Net OPEB Liability Prior Measurement Date	0.03455120%	0.02969002%	
Proportion of the Net OPEB Liability Current Measurement Date	0.03924800%	0.02977540%	
Change in Proportionate Share	0.00469680%	0.00008538%	
Proportionate Share of the:			Total
Net OPEB Liability	$1,088,845	$0	$1,088,845
Net OPEB (Asset)	$0	($478,461)	($478,461)
OPEB Expense	$65,964	($1,040,355)	($974,391)

At June 30, 2019, the Career Center reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	$17,774	$55,885	$73,659
Changes in proportionate Share and difference between Career Center contributions and proportionate share of contributions	100,945	3,043	103,988
Career Center contributions subsequent to the measurement date	21,365	0	21,365
Total Deferred Outflows of Resources	$140,084	$58,928	$199,012
Deferred Inflows of Resources			
Differences between expected and actual experience	$0	$27,877	$27,877
Changes of assumptions	97,825	651,940	749,765
Net difference between projected and actual earnings on OPEB plan investments	1,634	54,660	56,294
Changes in Proportionate Share and Difference between Career Center contributions and proportionate share of contributions	11,346	15,464	26,810
Total Deferred Inflows of Resources	$110,805	$749,941	$860,746

$21,365 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 year ending June 30, 2020. 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:			
2020	($27,600)	($124,080)	($151,680)
2021	(17,362)	(124,080)	(141,442)
2022	15,061	(124,080)	(109,019)
2023	15,756	(111,666)	(95,910)
2024	15,643	(107,311)	(91,668)
2025	6,416	(99,796)	(93,380)
Total	$7,914	($691,013)	($683,099)

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, 2018, are presented below:

Inflation	3.00 percent
Wage Increases	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	3.62 percent
Prior Measurement Date	3.56 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation	
Measurement Date	3.70 percent
Prior Measurement Date	3.63 percent
Medical Trend Assumption	
Medicare	5.375 to 4.75 percent
Pre-Medicare	7.25 to 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 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 timeframe. 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 SERS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 14.

Discount Rate The discount rate used to measure the total OPEB liability at June 30, 2018 was 3.70 percent. The discount rate used to measure total OPEB liability prior to June 30, 2018 was 3.63 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the state statute contribution rate of 2.00 percent of projected covered employee payroll each year, which includes a 1.50 percent payroll surcharge and 0.50 percent of 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. Therefore, the long-term expected rate of return on OPEB plan assets was used to present value the projected benefit payments through the fiscal year ending June 30, 2024 and the Fidelity General Obligation 20-year Municipal Bond Index rate of 3.62 percent, as of June 30, 2018 (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 of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.70%) and higher (4.70%) than the current discount rate (3.70%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.25% decreasing to 3.75%) and higher (8.25% decreasing to 5.75%) than the current rate.

	1% Decrease (2.70%)	Current Discount Rate (3.70%)	1% Increase (4.70%)
Career Center's proportionate share of the net OPEB liability	$1,321,228	$1,088,845	$904,842

	1% Decrease (6.25 % decreasing to 3.75%)	Current Trend Rate (7.25 % decreasing to 4.75%)	1% Increase (8.25 % decreasing to 5.75%)
Career Center's proportionate share of the net OPEB liability	$878,499	$1,088,845	$1,367,383

Actuarial Assumptions – STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2018, actuarial valuation are presented below:

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
Payroll Increases	3 percent
Discount Rate of Return	7.45 percent
Health Care Cost Trends	
Medical	
Pre-Medicare	6 percent initial, 4 percent ultimate
Medicare	5 percent initial, 4 percent ultimate
Prescription Drug	
Pre-Medicare	8 percent initial, 4 percent ultimate
Medicare	-5.23 initial, 4 percent ultimate

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.

Actuarial assumptions used in the June 30, 2018, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

Since the Prior Measurement Date, 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 based on the methodology defined under GASB *Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)*. Valuation year per capita health care costs were updated.

Also since the prior measurement date, 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 were scheduled to be discontinued beginning January 1, 2020. However, in June of 2019, the STRS Board voted to extend the current Medicare Part B partial reimbursement for one year.

The STRS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 14.

Discount Rate The discount rate used to measure the total OPEB liability was 7.45 percent as of June 30, 2018. The blended discount rate used to measure the total OPEB liability was 4.13 percent as of June 30, 2017. The projection of cash flows used to determine the discount rate assumes STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these 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 used to measure the total OPEB liability as of June 30, 2018. The blended discount rate of 4.13 percent, which represents the long-term expected rate of return of 7.45 percent for the funded benefit payments and the Bond Buyer 20-year municipal bond rate of 3.58 percent for the unfunded benefit payments, was used to measure the total OPEB liability as of June 30, 2017.

Sensitivity of the Career Center's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate The following table represents the net OPEB asset as of June 30, 2018, 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 asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
Career Center's proportionate share of the net OPEB asset	($410,085)	($478,461)	($535,926)

	1% Decrease	Current Trend Rate	1% Increase
Career Center's proportionate share of the net OPEB asset	($532,682)	($478,461)	($423,394)

Note 16 - Long-Term Obligations

The changes in the Career Center's long-term obligations during the fiscal year consist of the following:

	Principal Outstanding 6/30/18	Additions	Reductions	Principal Outstanding 6/30/19	Amounts Due in One Year
Governmental Activities:					
Qualified Zone Academy Bonds - Direct Plaement - 0% July 1, 2007, $1,225,000	$1,225,000	$0	$0	$1,225,000	$0
Capital Leases	404,995	0	95,099	309,896	99,086
Net Pension Liability:					
STRS	5,571,813	0	727,076	4,844,737	0
SERS	1,368,153	122,088	0	1,490,241	0
Total Net Pension Liability	6,939,966	122,088	727,076	6,334,978	0
Net OPEB Liability:					
STRS	915,133	0	915,133	0	0
SERS	621,267	108,260	0	729,527	0
Total Net OPEB Liability	1,536,400	108,260	915,133	729,527	0
Sick Leave Benefits	594,662	70,641	40,622	624,681	0
Total Governmental Activities	$10,701,023	$300,989	$1,777,930	$9,224,082	$99,086
Business-Type Activity:					
Net Pension Liability:					
STRS	$1,481,115	$221,090	$0	$1,702,205	$0
SERS	673,866	60,133	0	733,999	0
Total Net Pension Liability	2,154,981	281,223	0	2,436,204	0
Net OPEB Liability:					
STRS	243,262	0	243,262	0	0
SERS	305,996	53,322	0	359,318	0
Total Net OPEB Liability	549,258	53,322	243,262	359,318	0
Sick Leave Benefits	50,532	6,180	2,064	54,648	0
Total Business-Type Activities	$2,754,771	$340,725	$245,326	$2,850,170	$0

Capital leases will be paid from the General Fund. Sick leave benefits will be paid from the General Fund, the Food Service and Miscellaneous Federal Grants Special Revenue Funds, and the Adult Education Enterprise Fund. There are no repayment schedules for the net pension and net OPEB liabilities. However, employee pension contributions are made from the following funds: the General Fund, the Food Service and Miscellaneous Federal Grants Special Revenue Funds, and the Adult Education Enterprise Fund. For additional information related to the net pension and net OPEB liabilities, see Notes 14 and 15.

On July 1, 2007, the Career Center issued $1,225,000 qualified zone academy (direct placement) bonds (QZAB), in accordance with Section 226 of the Taxpayer Relief Act of 1997 (Public Law 105-34), for roof repairs. The QZAB matures in 2022, with the entire principal balance coming due at maturity. The QZAB does not bear interest and is secured with collateral representing the Career Center’s two instructional buildings with an estimated market value of $2,672,880 which was based on the assessed property value as of February, 2019. To satisfy escrow requirements of the program, the Career Center placed $1,225,000 in a debt service sinking escrow account for future payment of the bonds with US Bank, the fiscal agent. The escrow account will be invested with all of the proceeds to be used for the final payoff of the bonds in 2022. Along with the investment earnings of the escrow account, the Career Center is required to place $68,249, annually into the debt service sinking escrow account that will be used for the final bond repayment in 2022. The value of the escrow account is recorded as restricted investments with fiscal agents in the General Fund. The bonds contain provisions that in an event of default, (1) the Career Center will promptly return possession of the personal property or vacate the property, at the fiscal agent's option; or (2) the fiscal agent can sell its interest in the property; or (3) the amounts in escrow will be paid immediately.

The overall debt margin of the Career Center as of June 30, 2019, was $144,196,769, with an unvoted debt margin of $1,602,186.

Note 17 - Capital Leases - Lessee Disclosure

In prior years, the Career Center entered into agreements for heating and cooling systems upgrades. Such agreements are, in substance, lease purchases and are reflected as capital lease obligations in the financial statements. Capital lease payments are reflected as debt service expenditures in the financial statements for the Governmental Funds for $95,099. The capital lease obligations represent the present value of the net future minimum lease payments on all capital leases.

	Governmental Activities
Total Property under Capital Lease	$1,470,246
Less Accumulated Depreciation	(651,807)
Total June 30, 2019	$818,439

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of June 30, 2019.

Fiscal	Governmental Activities	
Year	Principal	Interest
2020	$99,086	$11,843
2021	103,240	7,688
2022	107,570	3,360
Total	$309,896	$22,891

Note 18 - Jointly Governed Organizations

A. Metropolitan Educational Technology Association (META)

The Career Center participates in the Metropolitan Educational Technology Association (META), formed from the merger of the Metropolitan Educational Council (MEC) and the Southeastern Ohio Voluntary Education Cooperative (SEOVEC) during fiscal year 2016, which is a jointly governed organization, created as a regional council of governments pursuant to Chapter 167 of the Ohio Revised Code. META operates as, and has all the powers of, a data acquisition site/information technology center pursuant to applicable provisions of the Ohio Revised Code. The organization was formed for the purpose of identifying, developing, and providing to members and nonmembers innovative educational and technological services and products, as well as expanded opportunities for cooperative purchasing. The General Assembly of META consists of one delegate from every member school district. The delegate is the superintendent of the school district or the superintendent's designee. The degree of control exercised by any participating school district is limited to its representation on the General Assembly. The General Assembly exercises total control over the operation of META including budgeting, appropriating, contracting, and designating management. During 2019, the Career Center paid $42,009 for services with META/MEC/SEOVEC. Financial information can be obtained from Metropolitan Educational Technology Association at 100 Executive Drive, Marion, Ohio 43302.

B. Coalition of Rural and Appalachian Schools

The Coalition of Rural and Appalachian Schools (CORAS) is a jointly governed organization composed of over 130 school districts and other educational institutions in the 35-county region of Ohio designated as Appalachia. The Coalition is operated by a board which is composed of seventeen members. One elected and one appointed from each of the seven regions into which the 35 Appalachian counties are divided; and three from Ohio University College of Education. The board exercised total control over the operations of CORAS including budgeting, appropriating, contracting, and designating management. Each participant's control is limited to its representation on the board. The Coalition provides various in-service training programs for school district administrative personnel; gathers data regarding the level of education provided to children in the region; cooperates with other professional groups to assess and develop programs designed to meet the needs of member districts; and provides staff development programs for school district personnel. The Coalition is not dependent on the continued participation of the Career Center and the Career Center does not maintain an equity interest in or financial responsibility for the Coalition. During fiscal year 2019, the Career Center made a payment of $325 for a membership fee. Financial information may be obtained from the Coalition of Rural and Appalachian Schools at Lindley Hall Room 200, Ohio University, Athens, Ohio 45701.

Note 19 - Insurance Purchasing Pools

A. Ohio School Plan

The Career Center participates in the Ohio School Plan (OSP), an insurance purchasing pool. The Ohio School Plan (OSP) is created and organized pursuant to and as authorized by Section 2744.081 of the Ohio Revised Code. The OSP is an unincorporated, non-profit association of its members and an instrumentality for each member for the purpose of enabling members of the Plan to provide for a formalized, joint insurance purchasing program to maintain adequate insurance protection, risk management programs, and other administrative services. The OSP's business and affairs are conducted by a thirteen member Board of directors consisting of school district superintendents and treasurers, as well as the president of Harcum-Hyre Insurance Agency, Inc. and a partner of the Hylant Group, Inc. Hylant Group, Inc. is the Administrator of the OSP and is responsible for processing claims. Harcum-Hyre Insurance Agency, Inc. is the sales and marketing representative, which establishes agreements between OSP and member schools.

B. Ohio School Boards Association Workers' Compensation Group Rating Plan

The Career Center participates in the Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by a three member Board of directors consisting of the President, the President-Elect, and the Immediate Past President of the OSBA. The Executive Director of the OSBA, or his designee, serves as coordinator of the program. Each year, the participating Career Centers pay an enrollment fee to the GRP to cover the costs of administering the program.

C. Ohio School Benefits Cooperative

The Career Center participates in the Ohio School Benefits Cooperative, a claims servicing and group purchasing pool. The Ohio School Benefits Cooperative (OSBC) is created and organized pursuant to and as authorized by Section 9.833 of the Ohio Revised Code. OSBC is governed by a nine member Board of Directors, all of whom must be school district and/or educational service center administrators. The Muskingum Valley Educational Service Center serves as the fiscal agent for OSBC. OSBC is an unincorporated, non-profit association of its members which was created for the purpose of enabling members of the Plan to maximize benefits and/or reduce costs of medical, prescription drug, vision, dental, life and/or other group insurance coverage for their employees, and the eligible dependents and designated beneficiaries of such employees.

Participants pay an initial $500 membership fee to OSBC. OSBC offers two options to participants. The first option is that participants may enroll in the joint insurance purchasing program for medical, prescription drug, vision dental and/or life insurance. A second option is available for self-insured participants that provides for the purchase of stop loss insurance coverage through OSBC's third party administrator. The Career Center participates in the first option. The OSBC's business and affairs are conducted by a nine member Board of Directors consisting of school district and/or educational service center administrators elected by the members of the OSBC. Medical Mutual/Antares is the Administrator of the OSBC.

Note 20 - Contingencies

A. Grants

The Career Center received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are 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, 2019.

B. Litigation

The Career Center is currently not party to legal proceedings.

C. School Foundation

Career Center 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 2018 are not finalized. As a result, the impact of future FTE adjustments on the fiscal year 2019 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.

Note 21 - 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 fiscal year end or offset by similarly restricted resources received during the fiscal year must be held in cash at fiscal year end and carried forward to be used for the same purposes in future fiscal years. In prior fiscal years, the Career Center was also required to set-aside money for textbooks.

Effective April 10, 2001, through Amended Substitute Senate Bill 345, the requirement for Career Centers to establish and appropriate money for the budget stabilization was deleted from law. A Career Center may still establish reserve balance accounts consistent with Section 5705.13, Revised Code, if it so chooses; however, the requirement is no longer mandatory. In addition, any money on hand in a Career Center's budget reserve set-aside as of April 10, 2001, may at the discretion of the board be returned to the district's General Fund or may be left in the account and used by the board to offset any budget deficit the district may experience in future years. The bill placed special conditions on any Bureau of Workers' Compensation monies remaining in the budget reserve.

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

	Capital Improvements
Set-aside Balance as of June 30, 2018	$0
Current Year Set-aside Requirement	82,444
Offsetting Credits	(148,183)
Qualifying Disbursements	(72,890)
Total	($138,629)
Set-aside Balance Carried Forward to Future Fiscal Years	$0

The Career Center had qualifying disbursements and offsets during the fiscal year that reduced the set-aside amount below zero. The excess in the capital maintenance set-aside may not be carried forward to reduce the set-aside requirement in future years.

Note 22 - Fund Deficits

The Federal Grants Special Revenue Fund had a deficit fund balance as of June 30, 2019, of $11,400. The deficit is the result of over-expended grant resources and accrued liabilities. The General Fund provides transfers to cover deficit balances in the special revenue fund; however, this is done when cash is needed rather than when accruals occur.

This page intentionally left blank.

Washington County Career Center, Ohio

Required Supplementary Information

Schedule of the Career Center's Proportionate Share of the Net Pension Liability

School Employees Retirement System of Ohio

*Last Six Fiscal Years (1)**

	2019	2018	2017	2016	2015	2014
Career Center's Proportion of the Net Pension Liability	0.0388365%	0.0341773%	0.0348402%	0.0342126%	0.0325420%	0.0325420%
Career Center's Proportionate Share of the Net Pension Liability	$2,224,240	$2,042,019	$2,549,981	$1,952,205	$1,646,932	$1,935,169
Career Center's Covered Payroll	$1,253,363	$1,119,029	$1,065,064	$1,032,845	$944,863	$871,954
Career Center's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payrol	177.46%	182.48%	239.42%	189.01%	174.30%	221.93%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	71.36%	69.50%	62.98%	69.16%	71.70%	65.52%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2014 is not available. An additional column will be added each fiscal year.

*Amounts presented for each fiscal year were determined as of the Career Center's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information

Washington County Career Center, Ohio
Required Supplementary Information
Schedule of the Career Center's Proportionate Share of the Net Pension Liability
State Teachers Retirement System of Ohio
*Last Six Fiscal Years (1)**

	2019	2018	2017	2016	2015	2014
Career Center's Proportion of the Net Pension Liability	0.02977540%	0.02969002%	0.03009484%	0.03118112%	0.03122511%	0.03122511%
Career Center's Proportionate Share of the Net Pension Liability	$6,546,942	$7,052,928	$10,073,651	$8,617,549	$7,595,027	$9,047,147
Career Center's Covered Payroll	$3,403,971	$3,265,714	$3,427,493	$3,256,807	$3,189,300	$3,353,531
Career Center's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	192.33%	215.97%	293.91%	264.60%	238.14%	269.78%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.30%	75.30%	66.80%	72.10%	74.70%	69.30%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2014 is not available. An additional column will be added each fiscal year.

*Amounts presented for each fiscal year were determined as of the Career Center's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information

Washington County Career Center, Ohio

Required Supplementary Information

Schedule of the Career Center's Proportionate Share of the Net OPEB Liability

School Employees Retirement System of Ohio

Last Three Fiscal Years (1)

	2019	2018	2017
Career Center's Proportion of the Net OPEB Liability	0.03924800%	0.03455120%	0.03525290%
Career Center's Proportionate Share of the Net OPEB Liability	$1,088,845	$927,263	$1,004,838
Career Center's Covered Payroll	$1,253,363	$1,119,029	$1,065,064
Career Center's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	86.87%	82.86%	94.35%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	13.57%	12.46%	11.49%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available. An additional column will be added each fiscal year.

*Amounts presented for each fiscal year were determined as of the Career Center's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information

Washington County Career Center, Ohio

Required Supplementary Information

Schedule of the Career Center's Proportionate Share of the Net OPEB Liability (Asset)

State Teachers Retirement System of Ohio

Last Three Fiscal Years (1)

	2019	2018	2017
Career Center's Proportion of the Net OPEB Liability	0.02977540%	0.02969002%	0.03009484%
Career Center's Proportionate Share of the Net OPEB Liability (Asset)	($478,461)	$1,158,395	$1,609,480
Career Center's Covered Payroll	$3,403,971	$3,265,714	$3,427,493
Career Center's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	-14.06%	35.47%	46.96%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset	176.00%	47.10%	37.30%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available. An additional column will be added each fiscal year.

*Amounts presented for each fiscal year were determined as of the Career Center's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information

This page intentionally left blank.

Washington County Career Center, Ohio
Required Supplementary Information
Schedule of the Career Center's Contributions
School Employees Retirement System of Ohio
Last Ten Fiscal Years

	2019	2018	2017	2016
Net Pension Liability				
Contractually Required Contribution	$168,342	$169,204	$156,664	$149,109
Contributions in Relation to the Contractually Required Contribution	(168,342)	(169,204)	(156,664)	(149,109)
Contribution Deficiency (Excess)	$0	$0	$0	$0
Career Center Covered Payroll (1)	$1,246,978	$1,253,363	$1,119,029	$1,065,046
Pension Contributions as a Percentage of Covered Payroll	13.50%	13.50%	14.00%	14.00%
Net OPEB Liability				
Contractually Required Contribution (2)	$21,365	$26,797	$18,226	$17,607
Contributions in Relation to the Contractually Required Contribution	(21,365)	(26,797)	(18,226)	(17,607)
Contribution Deficiency (Excess)	$0	$0	$0	$0
OPEB Contributions as a Percentage of Covered Payroll	1.71%	2.14%	1.63%	1.65%
Total Contributions as a Percentage of Covered Payroll (2)	15.21%	15.64%	15.63%	15.65%

(1) The Career Center's covered payroll is the same for Pension and OPEB.
(2) Includes Surcharge

See accompanying notes to the required supplementary information

2015	2014	2013	2012	2011	2010
$136,129	$130,958	$120,678	$114,698	$101,323	$111,845
(136,129)	(130,958)	(120,678)	(114,698)	(101,323)	(111,845)
$0	$0	$0	$0	$0	$0
$1,032,845	$944,863	$871,954	$852,772	$806,071	$826,033
13.18%	13.86%	13.84%	13.45%	12.57%	13.54%
$26,398	$14,954	$13,094	$17,993	$24,102	$16,686
(26,398)	(14,954)	(13,094)	(17,993)	(24,102)	(16,686)
$0	$0	$0	$0	$0	$0
2.56%	1.58%	1.50%	2.11%	2.99%	2.02%
15.74%	15.44%	15.34%	15.56%	15.56%	15.56%

Washington County Career Center, Ohio
Required Supplementary Information
Schedule of the Career Center's Contributions
State Teachers Retirement System of Ohio
Last Ten Fiscal Years

	2019	2018	2017	2016
Net Pension Liability				
Contractually Required Contribution	$511,402	$476,556	$457,200	$479,849
Contributions in Relation to the Contractually Required Contribution	(511,402)	(476,556)	(457,200)	(479,849)
Contribution Deficiency (Excess)	$0	$0	$0	$0
Career Center Covered Payroll (1)	$3,652,871	$3,403,971	$3,265,714	$3,427,493
Pension Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%
Net OPEB Liability (Asset)				
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
OPEB Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%
Total Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%

(1) The Career Center's covered payroll is the same for Pension and OPEB.

See accompanying notes to the required supplementary information

2015	2014	2013	2012	2011	2010
$455,953	$414,609	$435,959	$480,773	$469,839	$450,686
(455,953)	(414,609)	(435,959)	(480,773)	(469,839)	(450,686)
$0	$0	$0	$0	$0	$0
$3,256,807	$3,189,300	$3,353,531	$3,698,254	$3,614,146	$3,466,815
14.00%	13.00%	13.00%	13.00%	13.00%	13.00%
$0	$31,893	$33,535	$36,983	$36,141	$34,668
0	(31,893)	(33,535)	(36,983)	(36,141)	(34,668)
$0	$0	$0	$0	$0	$0
0.00%	1.00%	1.00%	1.00%	1.00%	1.00%
14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

This page intentionally left blank.

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 percent was used.

Beginning with fiscal year 2017, amounts reported incorporate changes in assumptions used by SERS in calculating the total pension liability in the latest actuarial valuation. These assumptions compared with those used in fiscal year 2016 and prior are presented below:

	Fiscal Year 2017	Fiscal Year 2016 and Prior
Wage Inflation	3.00 percent	3.25 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent	4.00 percent to 22.00 percent
Investment Rate of Return	7.50 percent net of investments expense, including inflation	7.75 percent net of investments expense, including inflation

Beginning with fiscal year 2017, mortality assumptions use mortality rates that are based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females. Amounts reported for fiscal year 2016 and prior, use mortality assumptions that are based on the 1994 Group Annuity Mortality Table set back one year for both men and women. Special mortality tables were used for the period after disability retirement.

Changes in Assumptions - STRS

Beginning with fiscal year 2018, amounts reported incorporate changes in assumptions and changes in benefit terms used by STRS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in fiscal year 2017 and prior are presented below:

	Fiscal Year 2018	Fiscal Year 2017 and Prior
Inflation	2.50 percent	2.75 percent
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65	12.25 percent at age 20 to 2.75 percent at age 70
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation	7.75 percent, net of investment expenses, including inflation
Payroll Increases	3 percent	3.5 percent
Cost-of-Living Adjustments (COLA)	0.0 percent, effective July 1, 2017	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, ,2013, or later, 2 percent COLA commences on fifth anniversary of retirement date.

Beginning with fiscal year 2018, post-retirement mortality rates for healthy retirees 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. Post-retirement disabled 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. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

For fiscal year 2017 and prior actuarial valuation, mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males' ages are set-back two years through age 89 and no set-back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89, and no set back from age 90 and above.

Net OPEB Liability

Changes in Assumptions – SERS

Amounts reported for fiscal year 2018 incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

Municipal Bond Index Rate:	
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 2018	3.63 percent
Fiscal year 2017	2.98 percent

Changes in Assumptions – STRS

For fiscal year 2018, the discount rate was increased from 3.26 percent to 4.13 percent based on the methodology defined under GASB *Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)* and the long term expected rate of return was reduced from 7.75 percent to 7.45 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.

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.

Changes in Benefit Terms – STRS OPEB

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 2020.

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.

This page intentionally left blank.

WASHINGTON COUNTY CAREER CENTER
WASHINGTON COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019

FEDERAL GRANTOR *Pass Through Grantor* **Program / Cluster Title**	**Federal CFDA Number**	**Pass Through Entity Identifying Number**	**Total Federal Expenditures**
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through Ohio Department of Education			
Child Nutrition Cluster:			
Non-Cash Assistance (Food Distribution):			
National School Lunch Program	10.555	2018/2019	14,987
Cash Assistance:			
School Breakfast Program	10.553	2018/2019	33,704
National School Lunch Program	10.555	2018/2019	87,238
Cash Assistance Subtotal			120,942
Total Child Nutrition Cluster			135,929
Total U.S. Department of Agriculture			135,929
U.S. DEPARTMENT OF EDUCATION			
Direct Program			
Student Financial Assistance Cluster:			
Federal Pell Grant Program	84.063	2019	307,015
Total Student Financial Assistance Cluster			307,015
Passed Through Ohio Department of Education			
Adult Education - Basic Grants to State	84.002	2018	1,311
		2019	53,900
Total Adult Education - Basic Grants to State			55,211
Career and Technical Education - Basic Grants to States	84.048	2018	29,717
		2019	237,201
Total Career and Technical Education - Basic Grants to States			266,918
Small Rural School Achievement Grant	84.358	2017	2,018
		2018	32,585
		2019	43,274
Total Small Rural School Achievement Grant			77,877
Total U.S. Department of Education			707,021
APPALACHIAN REGIONAL COUNCIL			
Passed Through Buckeye Hills Regional Council			
Appalachian Area Development	23.002	2018	38,780
Total Appalachian Regional Council			38,780
Total Expenditures of Federal Awards			**$881,730**

The accompanying notes are an integral part of this Schedule.

WASHINGTON COUNTY CAREER CENTER
WASHINGTON COUNTY

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED JUNE 30, 2019

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Washington County Career Center (the Career Centers) under programs of the federal government for the year ended June 30, 2019. 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, changes in net position, or cash flows 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 fair value. The Career Center allocated donated food commodities to the respective programs that benefitted from the use of those donated food commodities.

OHIO AUDITOR OF STATE
KEITH FABER

53 Johnson Road
The Plains, Ohio 45780-1231
(740) 594-3300 or (800) 441-1389
SoutheastRegion@ohioauditor.gov

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

Washington County Career Center
Washington County
21740 State Route 676
Marietta, Ohio 45750

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Washington County Career Center, Washington County, Ohio (the Career Center), as of and for the year ended June 30, 2019, 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 11, 2019.

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) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the 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 determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the 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 11, 2019

OHIO AUDITOR OF STATE
KEITH FABER

53 Johnson Road
The Plains, Ohio 45780-1231
(740) 594-3300 or (800) 441-1389
SoutheastRegion@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

Washington County Career Center
Washington County
21740 State Route 676
Marietta, Ohio 45750

To the Board of Education:

Report on Compliance for the Major Federal Program

We have audited the Washington County Career Center, Washington County, Ohio (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 Career Center's major federal program for the year ended June 30, 2019. 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 program.

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 Washington County 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 year ended June 30, 2019.

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 11, 2019

WASHINGTON COUNTY CAREER CENTER
WASHINGTON COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2019

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):**	Federal Pell Grant Program (PELL) – CFDA #84.063
(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?**	Yes

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

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

This page intentionally left blank.

OHIO AUDITOR OF STATE
KEITH FABER

WASHINGTON COUNTY CAREER CENTER

WASHINGTON COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
DECEMBER 26, 2019

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370
www.ohioauditor.gov