VANTAGE CAREER CENTER
VAN WERT COUNTY

REGULAR AUDIT

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

OHIO AUDITOR OF STATE
KEITH FABER

VANTAGE CAREER CENTER
VAN WERT COUNTY
JUNE 30, 2019

TABLE OF CONTENTS

VANTAGE CAREER CENTER
VAN WERT COUNTY
JUNE 30, 2019

TABLE OF CONTENTS
(Continued)

OHIO AUDITOR OF STATE
KEITH FABER

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

INDEPENDENT AUDITOR'S REPORT

Vantage Career Center
Van Wert County
818 North Franklin Street
Van Wert, Ohio 45891

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Vantage Career Center, Van Wert County, Ohio (the Career Center), as of and for the fiscal 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, each major fund, and the aggregate remaining fund information of the Vantage Career Center, Van Wert County, Ohio, as of June 30, 2019, and the respective changes in financial position thereof and the budgetary comparison for the General fund, thereof for the fiscal 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 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 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 9, 2019

The discussion and analysis of the Vantage Career Center (the "Career Center") 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 the notes to the basic financial statements to enhance their understanding of the Career Center's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2019 are as follows:

- In total, net position of governmental activities increased $2,006,524 which represents a 7.79% increase from fiscal year 2018's net position.

- General revenues accounted for $9,424,846 in revenue or 76.72% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for $2,859,331 or 23.28% of total revenues of $12,284,177.

- The Career Center had $10,277,653 in expenses related to governmental activities; only $2,859,331 of these expenses were offset by program specific charges for services, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of $9,424,846 were adequate to provide for these programs.

- The Career Center's major governmental funds are the general fund, bond retirement fund, and permanent improvement fund. The general fund had $8,948,864 in revenues and $7,625,048 in expenditures and other financing uses. The general fund's fund balance increased $1,323,816 from a balance of $11,195,089 to $12,518,905.

- The bond retirement fund had $1,173,224 in revenues and $1,316,160 in expenditures. The bond retirement fund's fund balance decreased $142,936 from $1,506,102 to $1,363,166.

- The permanent improvement fund had $780,600 in revenues and other financing sources and $513,117 in expenditures. The permanent improvement fund balance increased $267,483 from $1,228,772 to $1,496,255.

Using the Basic Financial Statements (BFS)

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 Career Center as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The statement of net position and statement of activities provide information about the activities of the whole 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. In the case of the Career Center, the general fund, bond retirement fund, and permanent improvement fund are by far the most significant funds, and the only governmental funds reported as major funds.

Reporting the Career Center as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the Career Center to provide programs and activities, the view of the Career Center as a whole looks at all financial transactions and asks the question, "How did we do financially during 2019?" The statement of net position and the statement of activities answer this question. These statements include all assets, deferred outflows, liabilities, deferred inflows, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the Career Center's net position and changes in net position. This change in net position is important because it tells the reader that, for the Career Center as a whole, the financial position of the Career Center has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the Career Center's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

In the statement of net position and the statement of activities, the governmental activities include the Career Center's programs and services, including instruction, support services, operation and maintenance of plant, pupil transportation, extracurricular activities and food service operations.

The Career Center's statement of net position and statement of activities can be found on pages 17-18 of this report.

Reporting the Career Center's Most Significant Funds

Fund Financial Statements

The analysis of the Career Center's major governmental funds begins on page 11. Fund financial reports provide detailed information about the Career Center's major funds. The Career Center uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the Career Center's most significant funds. The Career Center's major governmental funds are the general fund, bond retirement fund, and permanent improvement fund.

Governmental Funds

All of the Career Center's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Career Center's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is reconciled in the financial statements. The basic governmental fund financial statements can be found on pages 19-23 of this report.

Reporting the Career Center's Fiduciary Responsibilities

The Career Center acts in a trustee capacity as an agent for individuals, private organizations, other governmental units and/or other funds. These activities are reported in agency funds. All of the Career Center's fiduciary activities are reported in a separate statement of fiduciary assets and liabilities on page 24. These activities are excluded from the Career Center's other financial statements because the assets cannot be utilized by the Career Center to finance its operations.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 25-63 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Career Center's net pension liability and net OPEB liability/asset. The required supplementary information can be found on pages 66 through 81 of this report.

THIS SPACE INTENTIONALLY LEFT BLANK

The Career Center as a Whole

The table on the following page provides a summary of the Career Center's net position at June 30, 2019 and June 30, 2018.

Net Position

	Governmental Activities 2019	Governmental Activities 2018
Assets		
Current and other assets	$ 22,405,068	$ 21,143,031
Net OPEB asset	495,603	-
Capital assets, net	31,377,020	32,662,320
Total assets	54,277,691	53,805,351
Deferred Outflows of Resources		
Unamortized deferred charges on debt refunding	59,623	64,846
Pension	2,693,917	2,497,317
OPEB	214,401	79,044
Total deferred outflows of resources	2,967,941	2,641,207
Liabilities		
Current liabilities	871,004	798,292
Long-term liabilities:		
Due within one year	971,432	946,372
Due in more than one year:		
Net pension liability	8,636,641	8,403,414
Other amounts	11,968,654	12,839,905
Net OPEB liability	878,711	1,899,540
Total liabilities	23,326,442	24,887,523
Deferred Inflows of Resources		
Property taxes and PILOTs levied for next year	4,296,781	4,571,801
Pension	919,478	890,675
OPEB	923,545	323,697
Total deferred inflows of resources	6,139,804	5,786,173
Net position		
Net investment in capital assets	19,106,764	19,465,441
Restricted	4,462,082	4,262,390
Unrestricted (deficit)	4,210,540	2,045,031
Total net position	$ 27,779,386	$ 25,772,862

The net pension liability is reported pursuant to Governmental Accounting Standards Board (GASB) Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." The net other postemployment benefits (OPEB) liability/asset is reported pursuant to GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability, and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB and the net OPEB asset.

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

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

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

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the Career Center is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

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

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

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2019, the Career Center's assets and deferred outflows exceeded liabilities and deferred inflows by $27,779,386.

Deferred outflows related to pension decreased primarily due to changes in assumptions by the State Teachers Retirement System (STRS). See Note 13 for more detail.

Total assets include a net OPEB asset reported by STRS. See Note 14 for more detail. STRS did not report a net pension asset in the prior year.

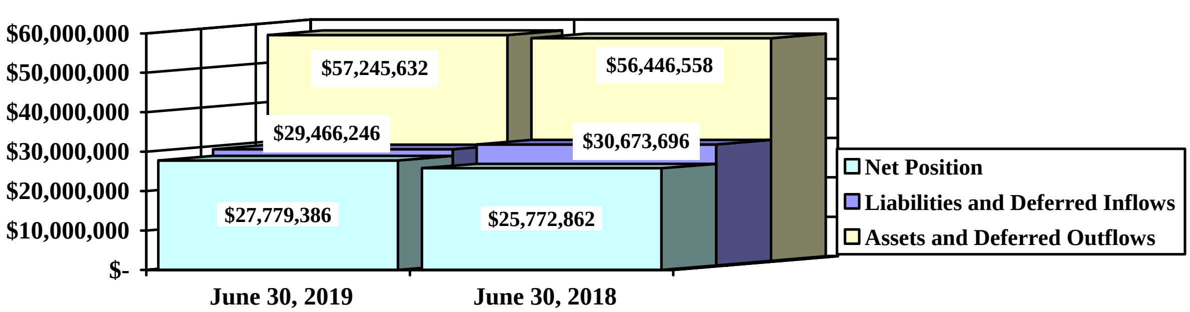
At year-end, capital assets represented 57.81% of total assets. Capital assets include land, land improvements, buildings and improvements, furniture and equipment and vehicles. The Career Center's net investment in capital assets at June 30, 2019, was $19,106,764. These capital assets are used to provide services to the students and are not available for future spending. Although the Career Center's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

Long-term liabilities decreased primarily due to a decrease in the net OPEB liability. These liabilities are outside of the control of the Career Center. The Career Center contributes its statutorily required contributions to the pension systems; however, it's the pension systems that collect, hold and distribute pensions and OPEB to Career Center employees, not the Career Center.

A portion of the Career Center's net position, $4,462,082, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position is $4,210,540.

The graph below shows the changes in net position at June 30, 2019 and June 30, 2018.

Governmental - Net Position



The table below shows the changes in net position for fiscal years 2019 and 2018.

Change in Net Position

	Governmental Activities 2019	Governmental Activities 2018
Revenues		
Program revenues:		
Charges for services and sales	$ 1,531,194	$ 1,146,219
Operating grants and contributions	1,328,137	1,052,128
General revenues:		
Property taxes	4,925,123	5,043,246
Payments in lieu of taxes	339,974	307,598
Grants and entitlements	3,722,619	3,783,105
Investment earnings	403,004	70,794
Miscellaneous	34,126	12,676
Total revenues	12,284,177	11,415,766
Expenses		
Program expenses:		
Instruction:		
Regular	45,154	48,670
Vocational	4,833,444	3,297,098
Adult education	634,169	351,297
Support services:		
Pupil	590,267	275,740
Instructional staff	806,717	389,124
Board of education	89,069	76,477
Administration	445,313	181,344
Fiscal	423,709	326,279
Business	27,426	26,114
Operations and maintenance	1,586,940	814,204
Pupil transportation	16,764	21,749
Central	123,012	130,282
Operation of non-instructional services:		
Other non-instructional services	-	607
Food service operations	186,146	181,197
Extracurricular activities	53,592	40,560
Interest and fiscal charges	415,931	442,734
Total expenses	10,277,653	6,603,476
Changes in net position	2,006,524	4,812,290
Net position at beginning of year	25,772,862	20,960,572
Net position at end of year	$ 27,779,386	$ 25,772,862

Governmental Activities

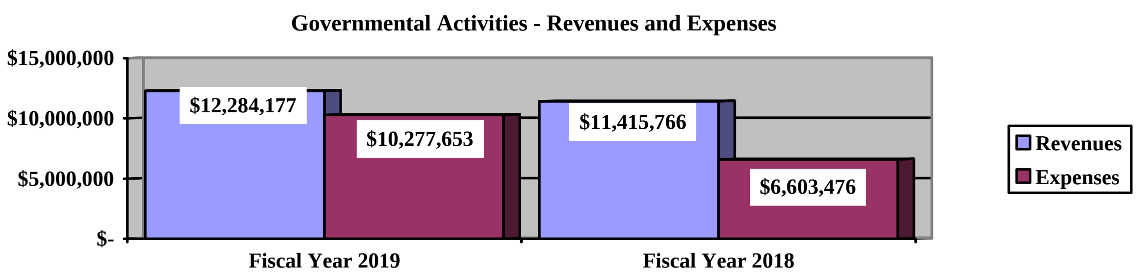
Net position of the Career Center's governmental activities increased $2,006,524. Total governmental expenses of $10,277,653 were offset by program revenues of $2,859,331 and general revenues of $9,424,846. Program revenues supported 27.82% of the total governmental expenses.

Overall, expenses of the governmental activities increased $3,674,177 or 55.64%. This increase is primarily the result of the STRS indefinitely suspending the Cost of Living Adjustment ("COLA") and the School Employee Retirement System (SERS) lowering the COLA from 3.00% to 2.50% in fiscal year 2018. These benefit changes caused a decrease to the net pension liability reported at June 30, 2018 and the subsequent expenses reported for fiscal year 2018 when compared to fiscal year 2017.

On an accrual basis, the Career Center reported $725,633 and ($2,786,635) in pension expense for fiscal year 2019 and 2018, respectively. In addition, the Career Center reported ($1,038,406) and ($305,193) in OPEB expense for fiscal year 2019 and 2018, respectively. The increase in both the net pension expense and the OPEB expense from fiscal year 2018 to fiscal year 2019 was $2,779,055. This increase is primarily the result of the benefit changes by the retirement systems. Fluctuations in the pension and OPEB expense makes it difficult to compare financial information between years. Pension and OPEB expense are components of program expenses reported on the statement of activities. The Career Center's total expenses for fiscal year 2019 are comparable to total fiscal year 2017 expenses.

The largest source of revenue comes from property taxes and unrestricted grants and entitlements, which account for 70.40% of total governmental revenues. Unrestricted grants and entitlements include monies received from the Ohio Department of Education, State foundation, and property tax relief such as homestead rollbacks and exemptions.

The graph below presents the Career Center's governmental activities revenues and expenses for fiscal years 2019 and 2018.



The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for fiscal years 2019 and 2018. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

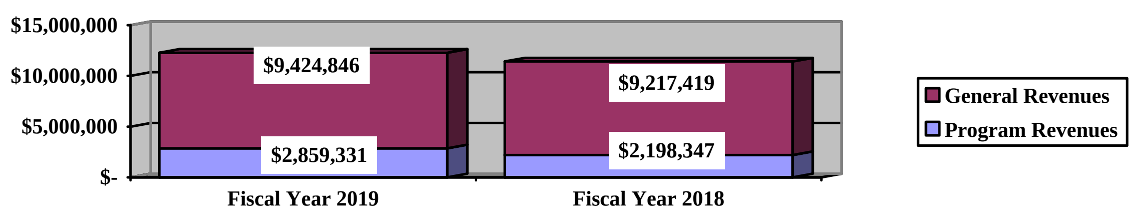
Governmental Activities

	Total Cost of Services 2019	Net Cost of Services 2019	Total Cost of Services 2018	Net Cost of Services 2018
Program expenses:				
Instruction:				
Regular	$ 45,154	$ 45,154	$ 48,670	$ 48,670
Vocational	4,833,444	3,064,936	3,297,098	1,982,373
Adult education	634,169	173,328	351,297	(22,102)
Support services:				
Pupil	590,267	378,242	275,740	112,388
Instructional staff	806,717	779,796	389,124	383,131
Board of Education	89,069	89,069	76,477	76,477
Administration	445,313	358,328	181,344	87,227
Fiscal	423,709	423,493	326,279	325,476
Business	27,426	14,557	26,114	15,060
Operations and maintenance	1,586,940	1,537,248	814,204	811,584
Pupil transportation	16,764	16,764	21,749	21,749
Central	123,012	103,780	130,282	106,591
Operations of non-instructional services				
Other non-instructional services	-	-	607	(301)
Food service operations	186,146	(35,896)	181,197	(26,488)
Extracurricular activities	53,592	53,592	40,560	40,560
Interest and fiscal charges	415,931	415,931	442,734	442,734
Total expenses	$ 10,277,653	$ 7,418,322	$ 6,603,476	$ 4,405,129

The dependence upon tax revenues during fiscal year 2019 for governmental activities is apparent, as 59.56% of 2019 instruction activities are supported through taxes and other general revenues. All governmental activities general revenue support was 72.18% in 2019.

The graph below presents the Career Center's governmental activities revenue for fiscal years 2019 and 2018.

Governmental Activities - General and Program Revenues



The Career Center's Funds

The Career Center's governmental funds (as presented on the balance sheet on page 19) reported a combined fund balance of $17,166,113, which is higher than last year's total of $15,633,136.

The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2019 and 2018.

	Fund Balance June 30, 2019	Fund Balance June 30, 2018	Change
General	$ 12,518,905	$ 11,195,089	$ 1,323,816
Bond Retirement	1,363,166	1,506,102	(142,936)
Permanent Improvement	1,496,255	1,228,772	267,483
Other Governmental	1,787,787	1,703,173	84,614
Total	$ 17,166,113	$ 15,633,136	$ 1,532,977

General Fund

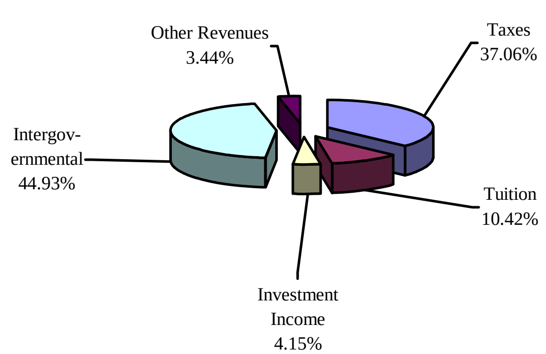
The Career Center's general fund balance increased $1,323,816 as the increase in revenues outpaced the increase in expenditures during the fiscal year.

The table that follows assists in illustrating the financial activities and fund balance of the general fund.

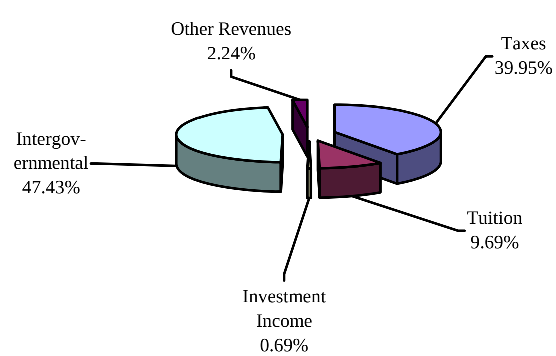
	2019 Amount	2018 Amount	Change
Revenues			
Taxes	$ 3,316,794	$ 3,302,520	0.43 %
Tuition	932,553	801,229	16.39 %
Interest earnings	371,023	57,053	550.31 %
Intergovernmental	4,020,657	3,920,334	2.56 %
Other revenues	307,837	185,230	66.19 %
Total	$ 8,948,864	$ 8,266,366	8.26 %

Tuition increased 16.39% due to increases in general vocational education. Interest earnings increased 550.31% due to an increase in certificate of deposit investments the Career Center had during fiscal year 2019. Other revenues increased by 66.19% primarily due to an $87,163 increase in contribution and donations during fiscal year 2019. All other revenue remained comparable to the prior fiscal year.

Revenues - Fiscal Year 2019



Revenues - Fiscal Year 2018

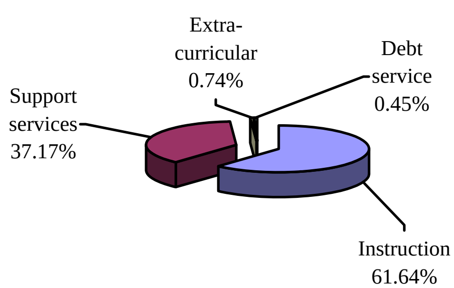


The table that follows assists in illustrating the expenditures of the general fund.

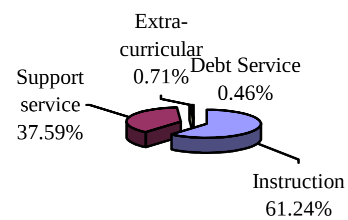
	2019 Amount	2018 Amount	Change
Expenditures			
Instruction	$ 4,503,468	$ 4,381,624	2.78 %
Support services	2,716,270	2,689,616	0.99 %
Extracurricular activities	54,040	50,996	5.97 %
Debt Service	32,700	32,700	- %
Total	$ 7,306,478	$ 7,154,936	2.12 %

Instructional expenditures increased 2.78% during the fiscal year due to an increase in vocational expenditures. All other expenditures remained comparable to the prior fiscal year.

Expenditures - Fiscal Year 2019



Expenditures - Fiscal Year 2018



Bond Retirement Fund

The bond retirement fund had $1,173,224 in revenues and $1,316,160 in expenditures. The bond retirement fund's fund balance decreased $142,936 from $1,506,102 to $1,363,166.

Permanent Improvement Fund

The permanent improvement fund had $780,600 in revenues and other financing sources and $513,117 in expenditures. The permanent improvement fund balance increased $267,483 from $1,228,772 to $1,496,255.

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 year 2019, the Career Center amended its general fund budget numerous times. The Career Center uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management.

For the general fund, final budgeted revenues and other financing sources were $8,800,000, which were $550,000 higher than original budget and other financing sources estimates of $8,250,000. Actual revenues and other financing sources were $8,712,160; this was $87,840 lower than final budgeted revenues and other financing sources.

General fund original appropriations (expenditures and other financing uses) were $7,624,594 which were $91,738 lower than final appropriations of $7,716,332. The actual budget basis expenditures and other financing uses for fiscal year 2019 totaled $7,594,399 which was $121,933 less than the final budgeted appropriations.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2019, the Career Center had $31,377,020 invested in land, land improvements, buildings/improvements, furniture/equipment and vehicles. The following table shows June 30, 2019 balances compared to June 30, 2018:

Capital Assets at June 30
(Net of Depreciation)

	Governmental Activities	
	2019	2018
Land	$ 40,000	$ 40,000
Land improvements	479,168	514,933
Building/improvements	27,863,323	28,491,890
Furniture/equipment	2,870,263	3,473,351
Vehicles	124,266	142,146
Total	$ 31,377,020	$ 32,662,320

See Note 8 to the basic financial statements for additional information on the Career Center's capital assets.

Debt Administration

At June 30, 2019 the Career Center had $69,354 in capital lease obligations outstanding and $11,829,992 in general obligation refunding bonds payable. Of this total, $956,753 is due within one year and $10,942,593 is due in greater than one year. The following table summarizes the general obligation bonds and lease obligations outstanding.

Outstanding Debt, at Year End

	Governmental Activities 2019	Governmental Activities 2018
General obligation refunding bonds	$ 11,829,992	$ 12,699,992
Capital lease obligations	69,354	93,490
Total	$ 11,899,346	$ 12,793,482

At June 30, 2019 the Career Center's voted legal debt margin was $132,643,081 with an unvoted debt margin of $1,591,972.

See Note 10 to the basic financial statements for additional information on the Career Center's debt administration.

Current Financial Related Activity

The Vantage Career Center is committed to maintaining the highest standards of education and service to our students, parents, and community.

Our Board of Education and administration closely monitor the financial outlook of the Career Center by forecasting. By utilizing this tool, the Career Center has been able to avoid financial difficulty.

The Career Center's enrollment for fiscal year 2019 increased. As the Career Center looks to the future, the Board of Education and administration are actively looking at marketing strategies as well as program offerings that will keep our enrollment increasing. The Career Center must provide education that meets the workforce needs and also provides the students with as many industry credentials as possible. The Career Center is partnered with MIAT and Northwest State Community College to offer classes to the adult students in Alternative Energy and Machine Trades. Internships at the high school level are being implemented with area employers. The high school is continuing to offer educational classes that prepare the student for the workforce as well as higher education.

In closing, the financial outlook for the Career Center at this time is stable. The Board of Education is committed to providing the best possible education for high school and adult students.

Contacting the Career Center's Financial Management

This financial report is designed to provide our citizens, 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 questions about this report or need additional financial information contact Ms. Laura Peters, Treasurer, Vantage Career Center, 818 North Franklin Street, Van Wert, Ohio 45891.

BASIC
FINANCIAL STATEMENTS

VANTAGE CAREER CENTER
VAN WERT COUNTY

STATEMENT OF NET POSITION
JUNE 30, 2019

	Governmental Activities
Assets:	
Equity in pooled cash and investments	$ 17,068,715
Receivables:	
Property taxes	4,836,235
Payment in lieu of taxes	308,262
Accounts.	2,106
Accrued interest	32,134
Intergovernmental	11,109
Prepayments	37,644
Materials and supplies inventory.	104,885
Inventory held for resale.	3,978
Net OPEB asset	495,603
Capital assets:	
Nondepreciable capital assets	40,000
Depreciable capital assets, net.	31,337,020
Capital assets, net	31,377,020
Total assets.	54,277,691
Deferred outflows of resources:	
Unamortized deferred charges on debt refunding	59,623
Pension	2,693,917
OPEB	214,401
Total deferred outflows of resources	2,967,941
Liabilities:	
Accounts payable.	92,902
Accrued wages and benefits payable	639,586
Intergovernmental payable	20,247
Pension and postemployment benefits payable . .	86,717
Accrued interest payable	31,552
Long-term liabilities:	
Due within one year.	971,432
Due in more than one year:	
Net pension liability	8,636,641
Other amounts due in more than one year . .	11,968,654
Net OPEB liability	878,711
Total liabilities	23,326,442
Deferred inflows of resources:	
Property taxes levied for the next fiscal year. . . .	3,988,519
Payment in lieu of taxes levied for the next fiscal year .	308,262
Pension	919,478
OPEB.	923,545
Total deferred inflows of resources	6,139,804
Net position:	
Net investment in capital assets	19,106,764
Restricted for:	
Capital projects	1,914,028
Classroom facilities maintenance	1,128,278
Debt service.	1,176,708
Locally funded programs	1,021
State funded programs.	40,000
Federally funded programs	6,305
Other purposes	195,742
Unrestricted	4,210,540
Total net position.	$ 27,779,386

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

VANTAGE CAREER CENTER
VAN WERT COUNTY

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 and Contributions	Governmental Activities
Governmental activities:				
Instruction:				
Regular	$ 45,154	$ -	$ -	$ (45,154)
Vocational	4,833,444	926,722	841,786	(3,064,936)
Adult/continuing.	634,169	333,275	127,566	(173,328)
Support services:				
Pupil.	590,267	32,915	179,110	(378,242)
Instructional staff	806,717	18,252	8,669	(779,796)
Board of education	89,069	-	-	(89,069)
Administration.	445,313	63,043	23,942	(358,328)
Fiscal.	423,709	216	-	(423,493)
Business.	27,426	12,869	-	(14,557)
Operations and maintenance	1,586,940	7,012	42,680	(1,537,248)
Pupil transportation.	16,764	-	-	(16,764)
Central	123,012	5,506	13,726	(103,780)
Operation of non-instructional services:				
Food service operations	186,146	131,384	90,658	35,896
Extracurricular activities.	53,592	-	-	(53,592)
Interest and fiscal charges	415,931	-	-	(415,931)
Total governmental activities	$ 10,277,653	$ 1,531,194	$ 1,328,137	(7,418,322)
General revenues:				
Property taxes levied for:				
General purposes				3,121,551
Debt service				1,019,660
Capital outlay				558,872
Classroom facilities.				225,040
Payments in lieu of taxes				339,974
Grants and entitlements not restricted to specific programs				3,722,619
Investment earnings				403,004
Miscellaneous				34,126
Total general revenues				9,424,846
Change in net position				2,006,524
Net position at beginning of year.				25,772,862
Net position at end of year				$ 27,779,386

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

VANTAGE CAREER CENTER
VAN WERT COUNTY

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019

	General	Bond Retirement	Permanent Improvement	Nonmajor Governmental Funds	Total Governmental Funds
Assets:					
Equity in pooled cash and investments	$ 12,602,772	$ 1,200,222	$ 1,412,391	$ 1,853,330	$ 17,068,715
Receivables:					
Property taxes	3,286,227	1,000,209	549,799	-	4,836,235
Payment in lieu of taxes	154,131	-	154,131	-	308,262
Accounts	-	-	-	2,106	2,106
Accrued interest	32,134	-	-	-	32,134
Intergovernmental	9,993	-	-	1,116	11,109
Prepayments	25,845	-	11,395	404	37,644
Materials and supplies inventory	104,033	-	-	852	104,885
Inventory held for resale	-	-	-	3,978	3,978
Total assets	$ 16,215,135	$ 2,200,431	$ 2,127,716	$ 1,861,786	$ 22,405,068
Liabilities:					
Accounts payable	$ 58,827	$ 300	$ 13,106	$ 20,669	$ 92,902
Accrued wages and benefits payable	596,940	-	-	42,646	639,586
Intergovernmental payable	19,647	-	-	600	20,247
Pension and postemployment benefits payable	77,749	-	-	8,968	86,717
Total liabilities	753,163	300	13,106	72,883	839,452
Deferred inflows of resources:					
Property taxes levied for the next fiscal year	2,710,853	821,791	455,875	-	3,988,519
Payment in lieu of taxes levied for the next fiscal year	154,131	-	154,131	-	308,262
Delinquent property tax revenue not available	49,814	15,174	8,349	-	73,337
Intergovernmental revenue not available.	9,993	-	-	1,116	11,109
Accrued interest not available	18,276	-	-	-	18,276
Total deferred inflows of resources	2,943,067	836,965	618,355	1,116	4,399,503
Fund balances:					
Nonspendable:					
Materials and supplies inventory	104,033	-	-	852	104,885
Prepaids	25,845	-	11,395	404	37,644
Restricted:					
Debt service	-	1,363,166	-	-	1,363,166
Capital improvements	-	-	1,484,860	409,424	1,894,284
Adult education	-	-	-	137,397	137,397
Classroom facilities maintenance	-	-	-	1,128,278	1,128,278
Food service operations	-	-	-	72,465	72,465
Other purposes	-	-	-	43,940	43,940
Committed:					
Capital improvements	-	-	-	3,087	3,087
Assigned:					
Student and staff support	2,874	-	-	-	2,874
Other purposes	292,948	-	-	-	292,948
Unassigned (deficit)	12,093,205	-	-	(8,060)	12,085,145
Total fund balances	12,518,905	1,363,166	1,496,255	1,787,787	17,166,113
Total liabilities, deferred inflows and fund balances	$ 16,215,135	$ 2,200,431	$ 2,127,716	$ 1,861,786	$ 22,405,068

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

VANTAGE CAREER CENTER
VAN WERT COUNTY

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2019

Total governmental fund balances		$ 17,166,113
Amounts reported for governmental activities on 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.		31,377,020
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Property taxes receivable	$ 73,337	
Accrued interest receivable	18,276	
Intergovernmental receivable	11,109	
Total		102,722
Unamortized premiums on bonds issued are not recognized in the funds.		(430,533)
Unamortized amounts on refundings are not recognized in the funds.		59,623
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(31,552)
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:		
Deferred outflows of resources - pension	2,693,917	
Deferred inflows of resources - pension	(919,478)	
Net pension liability	(8,636,641)	
Total		(6,862,202)
The net OPEB liability/asset is not due and payable in the current period; therefore, liability/asset and related deferred inflows are not reported in governmental funds.		
Deferred outflows - OPEB	214,401	
Deferred inflows - OPEB	(923,545)	
Net OPEB asset	495,603	
Net OPEB liability	(878,711)	
Total		(1,092,252)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
General obligation bonds	(12,000,072)	
Capital lease obligations	(69,354)	
Compensated absences	(440,127)	
Total		(12,509,553)
Net position of governmental activities		$ 27,779,386

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

VANTAGE CAREER CENTER
VAN WERT COUNTY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	General	Bond Retirement	Permanent Improvement	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
From local sources:					
Property taxes	$ 3,130,924	$ 1,023,424	$ 560,264	$ 225,040	$ 4,939,652
Payment in lieu of taxes	185,870	-	154,104	-	339,974
Tuition	932,553	-	-	447,337	1,379,890
Earnings on investments	371,023	20,456	-	212	391,691
Charges for services	-	-	-	131,384	131,384
Extracurricular	705	-	-	-	705
Classroom materials and fees	33,043	-	-	-	33,043
Rental income	7,554	-	-	6,000	13,554
Contributions and donations	200,213	-	-	-	200,213
Contract services	32,196	-	-	133	32,329
Other local revenues	34,126	-	-	6,003	40,129
Intergovernmental - state	4,020,657	129,344	58,250	238,760	4,447,011
Intergovernmental - federal	-	-	-	389,456	389,456
Total revenues	8,948,864	1,173,224	772,618	1,444,325	12,339,031
Expenditures:					
Current:					
Instruction:					
Regular	16,361	-	-	-	16,361
Vocational	4,487,107	-	244,459	147,896	4,879,462
Adult/continuing	-	-	33,500	690,590	724,090
Support services:					
Pupil	445,769	-	59	234,397	680,225
Instructional staff	584,074	-	161,126	39,520	784,720
Board of education	92,083	-	-	-	92,083
Administration	372,187	-	-	130,498	502,685
Fiscal	388,721	36,779	24,188	-	449,688
Business	27,426	-	-	-	27,426
Operations and maintenance	690,384	-	38,335	178,342	907,061
Pupil transportation	2,615	-	-	-	2,615
Central	113,011	-	-	23,005	136,016
Operation of non-instructional services:					
Food service operations	-	-	-	201,075	201,075
Extracurricular activities	54,040	-	-	-	54,040
Facilities acquisition and construction	-	-	-	32,958	32,958
Capital outlay	-	-	7,982	-	7,982
Debt service:					
Principal retirement	28,808	870,000	3,310	-	902,118
Interest and fiscal charges	3,892	409,381	158	-	413,431
Total expenditures	7,306,478	1,316,160	513,117	1,678,281	10,814,036
Excess (deficiency) of revenues over (under) expenditures	1,642,386	(142,936)	259,501	(233,956)	1,524,995
Other financing sources (uses):					
Transfers in	-	-	-	318,570	318,570
Transfers (out)	(318,570)	-	-	-	(318,570)
Capital lease transaction	-	-	7,982	-	7,982
Total other financing sources (uses)	(318,570)	-	7,982	318,570	7,982
Net change in fund balances	1,323,816	(142,936)	267,483	84,614	1,532,977
Fund balances at beginning of year	11,195,089	1,506,102	1,228,772	1,703,173	15,633,136
Fund balances at end of year	$ 12,518,905	$ 1,363,166	$ 1,496,255	$ 1,787,787	$ 17,166,113

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

VANTAGE CAREER CENTER
VAN WERT COUNTY

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES

Net change in fund balances - total governmental funds			$	1,532,977
Amounts reported for governmental activities in the statement of activities are different because:				
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.				
Capital asset additions	$	343,035		
Current year depreciation		(1,315,324)		
Total				(972,289)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.				(313,011)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.				
Property taxes		(14,529)		
Earnings on investments		11,313		
Intergovernmental		(51,638)		
Total				(54,854)
Repayment of bond and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position. Principal payments during the year were:				
Bonds		870,000		
Capital leases		32,118		
Total				902,118
Issuances of capital leases are recorded as other financing sources in the funds; however, in the statement of activities, they are not reported as other financing sources as they increase liabilities on the statement of net position.				(7,982)
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in less interest being reported in the statement of activities:				
Change in accrued interest payable		2,803		
Accreted interest on capital appreciation bonds		(37,791)		
Amortization of bond premiums		37,711		
Amortization of deferred charges		(5,223)		
Total				(2,500)
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.				660,203
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.				(725,633)
Contractually required OPEB contributions are reported as expenditures in governmental funds; however, the statement of activities reports these amounts as deferred outflows.				13,535
Except for amounts reported as deferred inflows/outflows, changes in the net OPEB liability/asset are reported as pension expense in the statement of activities.				1,038,406
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.				(64,446)
Change in net position of governmental activities			$	2,006,524

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

VANTAGE CAREER CENTER
VAN WERT COUNTY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
Revenues:				
From local sources:				
Property taxes	$ 3,328,413	$ 3,386,305	$ 3,231,344	$ (154,961)
Payment in lieu of taxes	34,212	32,000	185,870	153,870
Tuition	619,240	914,567	911,249	(3,318)
Earnings on investments	50,312	262,000	261,996	(4)
Classroom materials and fees	20,125	33,050	33,043	(7)
Rental income	4,528	6,550	6,533	(17)
Other local revenues	10,062	2,700	2,618	(82)
Intergovernmental - state	4,157,108	4,112,828	4,030,054	(82,774)
Total revenues	8,224,000	8,750,000	8,662,707	(87,293)
Expenditures:				
Current:				
Instruction:				
Regular	51,068	51,723	49,637	2,086
Vocational	4,319,755	4,375,149	4,252,318	122,831
Adult/continuing	49,303	49,935	-	49,935
Support services:				
Pupil	429,983	435,497	439,692	(4,195)
Instructional staff	550,004	557,057	575,552	(18,495)
Board of education	87,973	89,101	88,178	923
Administration	375,068	379,878	373,160	6,718
Fiscal	375,169	379,979	388,122	(8,143)
Operations and maintenance	705,199	714,242	684,554	29,688
Pupil transportation	5,585	5,657	2,288	3,369
Central	153,289	155,254	144,388	10,866
Extracurricular activities	51,595	52,257	52,900	(643)
Total expenditures	7,153,991	7,245,729	7,050,789	194,940
Excess of revenues over expenditures	1,070,009	1,504,271	1,611,918	107,647
Other financing sources (uses):				
Refund of prior year's expenditures	11,000	18,000	17,945	(55)
Transfers (out)	(470,603)	(470,603)	(543,610)	(73,007)
Sale of capital assets	15,000	32,000	31,508	(492)
Total other financing sources (uses)	(444,603)	(420,603)	(494,157)	(73,554)
Net change in fund balance	625,406	1,083,668	1,117,761	34,093
Fund balance at beginning of year	11,164,270	11,164,270	11,164,270	-
Prior year encumbrances appropriated	4,641	4,641	4,641	-
Fund balance at end of year	$ 11,794,317	$ 12,252,579	$ 12,286,672	$ 34,093

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

VANTAGE CAREER CENTER
VAN WERT COUNTY

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

		Agency
Assets:		
Equity in pooled cash and investments	$	58,446
Receivables:		
Accounts		100
Total assets	$	58,546
Liabilities:		
Held for employees medical and dental reimbursements	$	14,722
Due to students		43,824
Total liabilities	$	58,546

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 - DESCRIPTION OF THE CAREER CENTER

The Vantage Career Center (the "Career Center") was created under the provisions of Section 3311.18, of the Ohio Revised Code. The Career Center is operated under a Board of Education consisting of 1 member each from the participating Districts that are appointed by their Boards of Education. The Board currently consists of 11 members.

Career Centers provide job training for residents of participating Districts. The Career Center provides various courses of instruction at the high school and adult education level. These courses include office occupation education, computer technology, auto and construction trades and cosmetology. The Career Center also provides support services for the pupils, instructional staff, facilities acquisitions and construction services, operation and maintenance of plant, food services, extracurricular activities, and nonprogrammed services. It is staffed by 30 non-certified employees and 50 certified full-time teaching personnel, who provide services to 463 full-time equivalent students and 77 additional adult education personnel who service approximately 214 adult education students.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Career Center have been prepared in conformity with accounting principles generally accepted in the United States of America (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 Career Center's significant accounting policies are described below.

A. Reporting Entity

The reporting entity has been defined in accordance with GASB Statement No. 14, "The Financial Reporting Entity" as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units" and GASB Statement No. 61, "The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and No. 34". The reporting entity is composed of the primary government and component units. The primary government 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; or (3) 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 (4) 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. Certain organizations are also included as component units if the nature and significance of the relationship between the primary government and the organization is such that exclusion by the primary government would render the primary government's financial statements incomplete or misleading. Based upon the application of these criteria, the Career Center has no component units. The basic financial statements of the reporting entity include only those of the Career Center (the primary government).

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

The following organizations are described due to their relationship to the Career Center:

JOINTLY GOVERNED ORGANIZATIONS

Northwest Ohio Area Computer Services Cooperative (NOACSC)
The Career Center is a participant in the Northwest Ohio Area Computer Services Cooperative (NOACSC), which is a computer consortium. NOACSC is an association of public-school Career Centers within the boundaries of Allen, Auglaize, Hancock, Paulding, Putnam, and Van Wert counties, and the cities of St. Marys and Wapakoneta. The organization was formed for the purpose of applying modern technology (with the aid of computers and other electronic equipment) to administrative and instructional functions among member school Districts.

The Governing Board of NOACSC consists of two representatives from each county, elected by majority vote of all charter member school Districts within each county, plus one representative from the fiscal agent school Career Center. Financial information is available from Ray Burden, Director, at 4277 East Road, Elida, Ohio 45807.

The Career Center also participates in three group purchasing pools for insurance, described in Note 12.

B. Fund Accounting

The Career Center uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary. The Career Center does not have any proprietary funds.

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 and liabilities and deferred inflows is reported as fund balance.

The following are the Career Center's major governmental funds:

General fund - The general fund is used to account for and report all financial resources not accounted for and reported in another fund. The general fund balance is available for any purpose provided it is expended or transferred according to the general laws of Ohio.

Bond retirement fund - The bond retirement fund is used to account for the accumulation of restricted resources and payment of general obligation bond and note principal, interest and related costs.

Permanent improvement fund - A capital projects fund used to account for all transactions related to acquisition, construction, or improvement of capital facilities.

Other governmental funds of the Career Center are used to account for (a) financial resources that are restricted, committed, or assigned to expenditures for capital outlays including the acquisition or construction of capital facilities and other capital assets and (b) specific revenue sources that are restricted or committed to an expenditure for specified purposes other than debt service or capital projects.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

FIDUCIARY FUNDS

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the 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. 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, medical and dental reimbursements, and the direct loans funds.

C. Basis of Presentation and Measurement Focus

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

The government-wide statements are prepared using the economic resources measurement focus. This approach differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the Career Center's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Career Center. 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 - Fund financial statements report detailed information about the Career Center. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current deferred outflows and current liabilities and current deferred inflows, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

Agency funds do not report a measurement focus as they do not report operations.

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Fiduciary funds also use the accrual basis of accounting.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Revenues - Exchange and Nonexchange 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, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 6).

Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the 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, student fees and rentals.

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the Career Center, see Notes 13 and 14 for deferred outflows of resources related the Career Center's net pension liability and net OPEB liability/asset, respectively. In addition, deferred outflows of resources include a deferred charge on debt refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the Career Center, deferred inflows of resources include property taxes, payments in lieu of taxes and unavailable revenue. Property taxes and payments in lieu of 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 of resources on both the government-wide statement of net position and the 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, but is not limited to, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

For the Career Center, see Notes 13 and 14 for deferred inflows of resources related to the Career Center's net pension liability and net OPEB liability/asset, respectively. This deferred inflow of resources is only reported on the government-wide statement of net position.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The entitlement value of donated commodities received during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue.

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. Budgets

The Career Center is required by State statute to adopt an annual appropriated cash basis budget for all funds. The specific timetable for fiscal year 2019 is as follows:

Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The purpose of this budget document is to reflect the need for existing (or increased) tax rates.

By no later than January 20, the Board-adopted budget is filed with the Van Wert County Budget Commission for tax rate determination.

Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's certificate of estimated resources which states the projected revenue of each fund. Prior to July 1, the Career Center must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as a basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered balances from the preceding year as reported by the Career Center Treasurer. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the Career Center Treasurer. The budget figures, as shown in the accompanying budgetary statement, reflect the amounts set forth in the original and final certificate of estimated resources issued for fiscal year 2019.

By July 1, the annual appropriation resolution is legally enacted by the Board of Education at the fund level, which is the legal level of budgetary control. State statute permits a temporary appropriation to be effective until no later than October 1 of each year. Resolution appropriations by fund and object must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals.

Any revisions that alter the total of any fund and object appropriation must be approved by the Board of Education.

Formal budgetary integration is employed as a management control device during the year for all funds consistent with the general obligation bond indenture and other statutory provisions. All funds completed the year within the amount of their legally authorized cash basis appropriation.

Appropriations amounts are as originally adopted, or as amended by the Board of Education through the year by supplemental appropriations, which either reallocated or increased the original appropriated amounts. All supplemental appropriations were legally enacted by the Board prior to June 30, 2019. The budget figures, as shown in the accompanying budgetary statement, reflect the original and final appropriation amounts including all amendments and modifications.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Unencumbered appropriations lapse at year end. Encumbered appropriations are carried forward to the succeeding fiscal year and need not be reappropriated. Expenditures plus encumbrances may not legally exceed budgeted appropriations at the legal level of budgetary control.

F. Cash and Investments

To improve cash management, cash received by the Career Center is pooled in a central bank account. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the Career Center's records. Each fund's interest in the pool is presented as "equity in pooled cash and investments" on the basic financial statements.

During fiscal year 2019, investments were limited to negotiable and nonnegotiable certificates of deposits, Federal Home Loan Mortgage Corporation (FHLMC) Securities, Federal National Mortgage Association (FNMA) Securities, and U.S. Government money market mutual funds. Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts, such as nonnegotiable certificates of deposit, are reported at cost.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. By policy of the Career Center, investment earnings are assigned to the general fund. Interest revenue credited to the general fund during fiscal year 2019 amounted to $371,023, which includes $84,251 assigned from other funds.

For presentation on the basic financial statements, 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 considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

An analysis of the Career Center's investment account at year end is provided in Note 4.

G. Inventory

On government-wide and fund financial statements, purchased inventories are presented at the lower of cost or market and donated commodities are presented at their entitlement value. Inventories are recorded on a first-in, first-out basis and are expensed when used. Inventories are accounted for using the consumption method. At fiscal year end, because materials and supplies inventory are not available to finance future governmental fund expenditures, a nonspendable fund balance is recorded by an amount equal to the carrying value of the asset on the fund financial statements.

Inventory consists of expendable supplies held for consumption, donated food and purchased food.

H. Capital Assets

General capital assets are those related to government activities. 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 in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The Career Center maintains a capitalization threshold of $5,000. 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. The Career Center does not possess infrastructure.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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	Governmental Activities Estimated Lives
Land improvements	10 - 20 years
Buildings/improvements	20 - 50 years
Furniture/equipment	5 - 20 years
Vehicles	6 - 8 years

I. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "due from/due to other funds". These amounts are eliminated in the governmental activities column on the statement of net position. At June 30, 2019, there were no interfund balances outstanding.

J. Compensated Absences

Compensated absences of the Career Center consist of vacation leave and sick leave liability to the extent that payments to the employee for these absences are attributable to services already rendered and are not contingent on a specific event that is outside the control of the Career Center and the employee.

In accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences", a liability for vacation leave is accrued if a) the employees' rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination (severance) payments. A liability for severance is accrued using the vesting method; i.e., the liability is based on the sick leave accumulated at June 30, 2019, by those employees who are currently eligible to receive termination (severance) payments, as well as those employees expected to become eligible in the future. For purposes of establishing a liability for sick leave on employees expected to become eligible to retire in the future, all employees age 50 or greater with at least 10 years of service (including a minimum of 5 years of service with the Career Center); or 20 years' service at any age were considered.

The total liability for vacation and sick leave payments has been calculated using pay rates in effect at June 30, 2019 and reduced to the maximum payment allowed by labor contract and/or statute, plus any applicable additional salary related payments.

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

In the governmental fund financial statements, compensated absences are reported to the extent that a known liability for an employee's retirement/resignation has been incurred by fiscal year end. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees are paid.

K. Accrued Liabilities and Long-Term Obligations

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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

L. 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 the governmental funds. The classifications are as follows:

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable.

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

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

Assigned - Amounts in the assigned 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 nor 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 policies of the Career Center Board of Education, which includes giving the Treasurer the authority to constrain monies for intended purposes.

Unassigned - Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is only used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

M. Net Position

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows. The net position component "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. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the Career Center or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The amount restricted for other purposes represents amounts restricted for food service, a special trust and adult education.

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

N. Prepayments

Certain payments to vendors reflect the costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. These items are reported as assets on the balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of the purchase and the expenditure/expense is reported in the year in which services are consumed.

O. Estimates

The preparation of the basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the basic financial statements and accompanying notes. Actual results may differ from those estimates.

P. Interfund Activity

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

Q. Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability, net OPEB asset, deferred outflows of resources and deferred inflows of resources related 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 position 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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

R. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. The Career Center had no extraordinary or special items during fiscal year 2019.

S. Bond Issuance Costs, Unamortized Bond Premiums and Discounts, and Deferred Charges on Debt Refunding

On both the government-wide financial statements and the fund financial statements, bond issuance costs are recognized in the period in which they are incurred.

On the government-wide financial statements, bond premiums and discounts are amortized over the term of the bonds using the straight-line method, which approximates the effective interest method. Bond premiums are presented as an addition to the face amount of the bonds and bond discounts are presented as a reduction to the face amount of the bonds. On the governmental fund financial statements, bond premiums and discounts are recognized in the period in which these items are incurred. The reconciliation between the face value of bonds and the amount reported on the statement of net position is presented in Note 10.

For current and advance refundings resulting in the defeasance of debt reported in the government-wide financial statements, the difference between the reacquisition price and the net carrying amount of the refunded debt is amortized as a component of interest expense. This accounting gain or loss on refunding is amortized over the remaining term of the old debt or the term of the new debt, whichever is shorter, and is presented on the statement of net position as a deferred inflow of resources or a deferred outflow of resources.

T. Fair Market Value

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.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For fiscal year 2019, the Career Center has implemented GASB Statement No. 83, "*Certain Asset Retirement Obligations*" and GASB Statement No. 88, "*Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*".

GASB Statement No. 83 addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability. The implementation of GASB Statement No. 83 did not have an effect on the financial statements of the Career Center.

GASB Statement No. 88 improves the information that is disclosed in notes to the basic 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. The implementation of GASB Statement No. 88 did not have an effect on the financial statements of the Career Center.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE – (Continued)

B. Deficit Fund Balances

Fund balances at June 30, 2019 included the following individual fund deficits:

Nonmajor funds	Deficit
Vocational Education	$ 8,060

The general fund is liable for any deficit in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances resulted from adjustments for accrued liabilities.

NOTE 4 - DEPOSITS AND INVESTMENTS

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

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the 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.

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

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

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

3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;

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

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

6. The State Treasurer's investment pool, the State Treasury Asset Reserve of Ohio (STAR Ohio);

7. Certain banker’s acceptance and commercial paper notes for a period not to exceed one hundred eighty days and two hundred seventy days, respectively, from the purchase date in an amount not to exceed forty percent of the interim monies available for investment at any one time; and,

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

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

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.

A. Cash on Hand

At fiscal year end, the Career Center had $885 in undeposited cash on hand which is included on the financial statements of the Career Center as part of “equity in pooled cash and investments”.

B. Deposits with Financial Institutions

At June 30, 2019, the carrying amount of all District deposits was $7,933,173 and the bank balance of all District deposits was $8,253,526. Of the bank balance, $6,596,542 was covered by the FDIC and $1,656,984 was potentially exposed to custodial credit risk discussed on the next page because the deposits were insured and could be uncollateralized.

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Custodial credit risk is the risk that, in the event of bank failure, the Career Center will not be able to recover deposits or collateral securities that are in the possession of an outside party. The Career Center has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the Career Center and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. Citizens National Bank is not a member of OPCS.

C. Investments

As of June 30, 2019, the Career Center had the following investments and maturities:

		Investment Maturities				
Measurement/ Investment type	Measurement Value	6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater than 24 months
Fair value:						
Money Market Mutual Funds	$ 533,017	$ 533,017	$ -	$ -	$ -	$ -
FHLMC	298,773	99,916	198,857	-	-	-
FNMA	671,546	124,818	198,980	248,775	98,973	-
Negotiable CDs	7,689,767	1,227,244	719,091	492,507	2,159,009	3,091,916
Total	$ 9,193,103	$ 1,984,995	$ 1,116,928	$ 741,282	$ 2,257,982	$ 3,091,916

The weighted average maturity of investments is 1.67 years.

The Career Center's investments in U.S. Government money market mutual funds are valued using quoted market prices in active markets (Level 1 inputs). The Career Center's investments in federal agency securities (FHLMC and FNMA) and negotiable CD's are valued using quoted prices in markets that not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly (Level 2 inputs).

Interest Rate Risk: Interest rate risk is the possibility that changes in interest rates will adversely affect the fair value of an investment. The Career Center's investment policy places a five-year limit on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk: The Career Center's federal agency securities were rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively. Standard & Poor's has assigned the U.S. government money market mutual funds an AAAm money market rating. The non-negotiable certificate of deposit was covered by the FDIC. The Career Center's investment policy does not specifically address credit risk beyond the adherence to all relevant sections of the Ohio Revised Code.

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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 federal agency securities are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agency, but not in the Career Center's name. The Career Center has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

Concentration of Credit Risk: The Career Center places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the Career Center at June 30, 2019:

Measurement/ Investment type	Measurement Value	% of Total
Fair value:		
Money Market Mutual Funds	$ 533,017	5.80
FHLMC	298,773	3.25
FNMA	671,546	7.30
Negotiable CDs	7,689,767	83.65
Total	$ 9,193,103	100.00

D. Reconciliation of Cash and Investments to the Statement of Net Position

The following is a reconciliation of cash as reported in the note above to cash as reported on the statement of net position as of June 30, 2019:

Cash and investments per note	
Carrying amount of deposits	$ 7,933,173
Investments	9,193,103
Cash on hand	885
Total	$ 17,127,161

Cash and investments per statement of net position	
Governmental activities	$ 17,068,715
Agency funds	58,446
Total	$ 17,127,161

NOTE 5 - INTERFUND TRANSACTIONS

Interfund transfers for the year ended June 30, 2019, consisted of the following, as reported on the fund financial statements:

Transfers from general fund to:	Amount
Nonmajor governmental fund	$ 318,570

NOTE 5 - INTERFUND TRANSACTIONS – (Continued)

Transfers are used to move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Interfund transfers between governmental funds are eliminated on the government-wide financial statements.

NOTE 6 - PROPERTY TAXES

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

Property taxes include amounts levied against all real property and public utility property. Real property tax revenues received in calendar year 2019 represent the collection of calendar year 2018 taxes. Real property taxes received in calendar year 2019 were levied after April 1, 2018, on the assessed values as of January 1, 2018, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. Public utility property tax revenues received in calendar year 2019 represent the collection of calendar year 2018 taxes. Public utility real and personal property taxes received in calendar year 2019 became a lien on December 31, 2017, were levied after April 1, 2018, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

The Career Center receives property taxes from Van Wert, Auglaize, Paulding, Mercer and Putnam Counties. The County Auditors periodically advances to the Career Center its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2019, are available to finance fiscal year 2019 operations. The amount available as an advance at June 30, 2019 was $525,560 in the general fund, $163,244 in the bond retirement fund and $85,575 in the permanent improvement fund. This amount is recorded as revenue. The amount available for advance at June 30, 2018 was $400,940 in the general fund, $124,442 in the bond retirement fund and $65,551 in the permanent improvement fund. The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and delinquent tangible personal property taxes which are measurable as of June 30, 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 reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows.

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

NOTE 6 - PROPERTY TAXES - (Continued)

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	$ 1,445,298,050	91.50	$ 1,453,320,610	91.29
Public utility personal	134,279,860	8.50	138,651,400	8.71
Total	$ 1,579,577,910	100.00	$ 1,591,972,010	100.00
Tax rate per $1,000 of assessed valuation	$4.50		$4.50	

NOTE 7 - RECEIVABLES

Receivables at June 30, 2019 consisted of property taxes, payments in lieu of taxes, accounts (billings for user charged services and student fees), intergovernmental grants and entitlements, and accrued interest. 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. A list of the principal items of receivables reported on the statement of net position follows:

Governmental activities:	
Property taxes	$ 4,836,235
Payment in lieu of taxes	308,262
Accounts	2,106
Intergovernmental	11,109
Accrued interest	32,134
Total receivables	$ 5,189,846

Receivables have been disaggregated on the face of the financial statements. All receivables are expected to be collected in the subsequent year.

THIS SPACE INTENTIONALLY LEFT BLANK

NOTE 8 - CAPITAL ASSETS

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

	Balance 06/30/2018	Additions	Deductions	Balance 06/30/2019
Governmental activities				
Capital assets, not being depreciated:				
Land	$ 40,000	$ -	$ -	$ 40,000
Total capital assets, not being depreciated	40,000	-	-	40,000
Capital assets, being depreciated:				
Land improvements	736,709	-	-	736,709
Buildings/improvements	32,073,250	13,050	-	32,086,300
Furniture/equipment	8,921,388	278,687	(923,366)	8,276,709
Vehicles	470,461	51,298	(21,000)	500,759
Total capital assets, being depreciated	42,201,808	343,035	(944,366)	41,600,477
Less: accumulated depreciation:				
Land improvements	(221,776)	(35,765)	-	(257,541)
Buildings/improvements	(3,581,360)	(641,617)	-	(4,222,977)
Furniture/equipment	(5,448,037)	(583,486)	625,077	(5,406,446)
Vehicles	(328,315)	(54,456)	6,278	(376,493)
Total accumulated depreciation	(9,579,488)	(1,315,324)	631,355	(10,263,457)
Governmental activities capital assets, net	$ 32,662,320	$ (972,289)	$ (313,011)	$ 31,377,020

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	$ 28,793
Vocational	497,893
Adult education	24,025
Support services:	
Instructional staff	33,958
Administration	7,069
Fiscal	647
Operations and maintenance	708,790
Pupil transportation	14,149
Total depreciation expense	$ 1,315,324

NOTE 9 - CAPITAL LEASES - LESSEE DISCLOSURE

In fiscal year 2014, the Career Center entered into a capitalized lease for a mailing machine. This lease agreement meets the criteria of a capital lease as defined by generally accepted accounting principles, which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the financial statements for the governmental funds and as a reduction to the liability for the principal portion on the government-wide financial statements. These expenditures are reported as function expenditures on the budgetary statements. As of June 30, 2019, the District has no obligation outstanding for this lease.

NOTE 9 - CAPITAL LEASES - LESSEE DISCLOSURE – (Continued)

In fiscal year 2016, the Career Center entered into a capitalized lease for copiers. This lease agreement meets the criteria of a capital lease as defined by generally accepted accounting principles, which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the financial statements for the governmental funds and as a reduction to the liability for the principal portion on the government-wide financial statements. These expenditures are reported as function expenditures on the budgetary statements.

In fiscal year 2019, the Career Center entered into a capitalized lease for a postage machine. This lease agreement meets the criteria of a capital lease as defined by generally accepted accounting principles, which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the financial statements for the governmental funds and as a reduction to the liability for the principal portion on the government-wide financial statements. These expenditures are reported as function expenditures on the budgetary statements.

Capital assets consisting of a mailing machine, a postage machine, and copiers have been capitalized in the amount of $177,628. This amount represents the fair market value of the mailing machine and copiers at the time of acquisition. A corresponding liability is recorded in the government-wide financial statements. Accumulated depreciation as of June 30, 2019 was $127,254 leaving a book value of $50,374. Principal payments in fiscal year 2019 totaled $28,808 paid by the general fund and $3,310 paid by the permanent improvement fund.

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

Fiscal Year Ending June 30,	Amount
2020	$ 34,500
2021	34,501
2022	1,800
2023	1,800
2024	900
Total minimum lease payments	73,501
Less: Interest	(4,147)
Present value of minimum lease payments	$ 69,354

NOTE 10 - LONG-TERM OBLIGATIONS

A. During fiscal year 2019, the following activity occurred in long-term obligations.

	Balance Outstanding 06/30/2018	Additions	Reductions	Balance Outstanding 06/30/2019	Amounts Due in One Year
Governmental activities:					
General obligation refunding bonds	$ 12,000,000	$ -	$ (870,000)	$ 11,130,000	$ 925,000
Capital appreciation bonds	699,992	-	-	699,992	-
Accreted interest	132,289	37,791	-	170,080	-
Net pension liability	8,403,414	270,091	(36,864)	8,636,641	-
Net OPEB liability	1,899,540	48,628	(1,069,457)	878,711	-
Capital lease obligations	93,490	7,982	(32,118)	69,354	31,753
Compensated absences	392,262	47,865	-	440,127	14,679
Total long-term obligations, governmental activities	$ 23,620,987	$ 412,357	$ (2,008,439)	22,024,905	$ 971,432
Add: Unamortized premium on refunding				430,533	
Total long-term obligations per Statement of Net Position				$ 22,455,438	

Net Pension Liability - See Note 13 for detail on the District's net pension liability. The District pays obligation related to employee compensation from the fund benefitting from their service.

Net OPEB Liability/Asset - See Note 14 for detail on the District's net OPEB liability. The District pays obligation related to employee compensation from the fund benefitting from their service.

Capital Leases: Capital leases will be paid from the general fund and the permanent improvement fund. See Note 9 for more detail.

Compensated absences are paid from the funds from which salaries are paid which include the general fund, adult education fund (a nonmajor governmental fund) and the vocational education fund (a non-major governmental fund).

Series 2014 Refunding Bonds - On July 9, 2014, the Career Center issued Series 2014 Refunding general obligation bonds to refund $15,990,000 of the Career Center's Series 2010 general obligation bonds. The issuance proceeds of $15,989,992 were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. This refunded debt is considered defeased (in-substance) and, accordingly, has been removed from the statement of net position. None of this refunded debt was outstanding at June 30, 2016.

The original issue was comprised of current interest serial refunding bonds, par value $8,264,000, and current interest term refunding bonds, par value $9,605,000. Interest payments on the current interest serial refunding bonds are due on June 1 and December 1 of each year until final maturity at December 1, 2037 at interest rates ranging from 0.6% to 6.37%. The current interest term refunding bonds bear an interest rate ranging from 1.0% to 4.0% with a final stated maturity at December 1, 2030.

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

The capital appreciation bonds mature on December 1, 2020 at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date at stated approximate yields to maturity of 2.450%. The accreted value at maturity for the capital appreciation bonds is $930,000. Total accreted interest of $170,080 has been included in the statement of net position.

The reacquisition price exceeded the net carrying amount of the old debt by $85,737. This amount is amortized as a deferred outflow of resources over the remaining term of the refunding debt, which is equal to the life of the new debt issued.

Principal and interest payments to retire the long-term obligations are as follows:

Fiscal Year	Current Interest Bonds			Capital Appreciation Bonds		
Ended June 30,	Principal	Interest	Total	Principal	Interest	Total
2020	$ 925,000	$ 377,119	$ 1,302,119	$ -	$ -	$ -
2021	-	362,556	362,556	699,992	230,008	930,000
2022	920,000	347,157	1,267,157	-	-	-
2023	945,000	317,582	1,262,582	-	-	-
2024	965,000	284,106	1,249,106	-	-	-
2025 - 2029	5,185,000	873,131	6,058,131	-	-	-
2030 - 2031	2,190,000	72,197	2,262,197	-	-	-
Total	$ 11,130,000	$ 2,633,848	$ 13,763,848	$ 699,992	$ 230,008	$ 930,000

B. Legal Debt Margin

The Ohio Revised Code provides that voted net general obligation debt of the Career Center shall never exceed 9% of the total assessed valuation of the Career Center. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the Career Center. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the Career Center. The assessed valuation used in determining the Career Center’s legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the Career Center’s legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The effects of these debt limitations at June 30, 2019, are a voted debt margin of $132,643,081 (including available funds of $1,195,592) and an unvoted debt margin of $1,591,972.

NOTE 11 - EMPLOYEE BENEFITS

Compensated Absences

The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. A limited amount of staff who earn vacation benefits are able to buy-out 5 days of their vacation balance each year of their contract. Teachers do not earn vacation time.

NOTE 11 - EMPLOYEE BENEFITS – (Continued)

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 210 days for all personnel. Upon retirement, payment is made for 25% of 200 of the accrued sick leave days up to 50 days. Prior to July 1, 2007, incentive days could be earned based on the number of unused sick days in a school year. Employees who accumulated incentive days prior to July 1, 2007, will retain those days but not be able to earn more days after July 1, 2007. Upon retirement, payment is made on incentive days up to a maximum of 29 days.

NOTE 12 - RISK MANAGEMENT

The Career Center is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Career Center maintains comprehensive commercial insurance coverage for real property, building contents, vehicles, public official bonds, and professional liability. Vehicle policies include liability coverage for bodily injury and property damage.

Settled claims resulting from these risks have not exceeded the commercial insurance coverage in any of the past three fiscal years. There has been no significant reduction in amounts of insurance coverage from fiscal year 2018.

GROUP PURCHASING POOLS

Better Business Bureau of Central Ohio Inc, and Sheakley
The Career Center participates in a Group Experience Rating Agreement for workers' compensation as established under Ohio Revised Code. The Group Experience Rating Program was established as a group insurance discounting pool. The Group Experience Rating Program is intended to reduce Workers Compensation costs for the participants. The program is a discounting program that pools all the participating entities performance into one pool. Once the pool’s performance is determined, discounts are given back to the entities by the Bureau of Workers Compensation. The time period of refunds is two years beyond the year of claims. The Participation in the Group Experience Rating Program is limited to educational entities that can meet the group’s selection criteria. Each participant must apply annually. The Group Experience Rating Program provides the participants with a centralized program for processing, analysis and management of workers’ compensation claims and a risk management program to assist in developing safer work environments. Each participant must pay its premiums, enrollment or other fees, and perform its obligations in accordance with the terms of the agreement. Each year, the participating schools pay an enrollment fee to the Group Experience Rating Program to cover the costs of administering the program.

Schools of Ohio Risk Sharing Authority
The Career Center participates in the Schools of Ohio Risk Sharing Authority Board (SORSA), an insurance purchasing pool. SORSA’s business affairs are conducted by a nine member Board of directors consisting of a President, Vice President, Secretary, Treasurer and five delegates. SORSA was created to provide joint self-insurance coverage and to assist members to prevent and reduce losses and injuries to the Career Center’s property and person. It is intended to provide liability and property insurance at reduced premiums for the participants. SORSA is organized as a nonprofit corporation under provisions of Ohio Revised Code 2744.

Van Wert Area School Insurance Group (VWASIG)
The Career Center is a member of the VWASIG, a cooperative group of Van Wert County schools established to provide life insurance and pay medical/surgical, prescription drug, and dental benefits of employees and their covered dependents. The medical insurance program operates under the control of a Board of Trustees representing the member schools and is administered by Anthem through a Third Party Administrator, Huntington Insurance. Van Wert City School serves as the fiscal agent.

NOTE 12 - RISK MANAGEMENT (Continued)

Post employment health care is provided to plan participants or their beneficiaries through the respective retirement systems discussed in Note 14. As such, no funding provisions are required by the Career Center.

NOTE 13 - DEFINED BENEFIT PENSION PLANS

Net Pension Liability

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

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

The 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 are financed; however, the Career Center does receive the benefit of employees' services in exchange for compensation including pension.

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

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

Plan Description - School Employees Retirement System (SERS)

Plan Description - The 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.

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire after August 1, 2017
Full benefits	Age 65 with 5 years of services credit: or 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; or 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% for the first thirty years of service and 2.5% for years of service credit over 30. Final average salary is the average of the highest three years of salary.

Effective January 1, 2018, SERS cost-of-living adjustment (COLA) changed from a fixed 3% annual increase to one based on the Consumer Price Index (CPI-W) with a cap of 2.5% and a floor of 0%. SERS also has the authority to award or suspend the COLA, or to adjust the COLA above or below CPI-W. SERS suspended the COLA increases for 2018, 2019 and 2020 for current retirees, and confirmed their intent to implement a four-year waiting period for the state of a COLA for future retirees.

Funding Policy - Plan members are required to contribute 10% of their annual covered salary and the Career Center is required to contribute 14% 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% for plan members and 14% 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%. The remaining 0.5% of the employer contribution rate was allocated to the Health Care Fund.

The Career Center's contractually required contribution to SERS was $150,837 for fiscal year 2019. Of this amount, $18,989 is reported pension and postemployment benefits payable.

Plan Description - State Teachers Retirement System (STRS)

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

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307. The DB Plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation will be 2.2% of final average salary for the five highest years of earnings multiplied by all years of service. Effective July 1, 2017, the cost-of-living adjustment was reduced to zero. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 26 years of service, or 31 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.

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

The DC Plan allows members to place all their member contributions and 9.53% of the 14% employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.47% of the 14% 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% of the 14% member rate goes to the DC Plan and the remaining 2% is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity after termination of employment at age 50 or later.

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

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

Funding Policy - Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For fiscal year 2019, plan members were required to contribute 14% of their annual covered salary. The Career Center was required to contribute 14%; the entire 14% was the portion used to fund pension obligations. The fiscal year 2019 contribution rates were equal to the statutory maximum rates.

The Career Center’s contractually required contribution to STRS was $509,366 for fiscal year 2019. Of this amount, $59,077 is reported as pension and postemployment benefits 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 projected contributions of all participating entities.

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

Following is information related to the proportionate share and pension expense:

	SERS	STRS	Total
Proportion of the net pension liability prior measurement date	0.03166630%	0.02741050%	
Proportion of the net pension liability current measurement date	0.03239160%	0.03084223%	
Change in proportionate share	0.00072530%	0.00343173%	
Proportionate share of the net pension liability	$ 1,855,127	$ 6,781,514	$ 8,636,641
Pension expense	$ 120,966	$ 604,667	$ 725,633

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	$ 101,745	$ 156,539	$ 258,284
Changes of assumptions	41,894	1,201,812	1,243,706
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	27,947	503,777	531,724
Contributions subsequent to the measurement date	150,837	509,366	660,203
Total deferred outflows of resources	$ 322,423	$ 2,371,494	$ 2,693,917

	SERS	STRS	Total
Deferred inflows of resources			
Differences between expected and actual experience	$ -	$ 44,288	$ 44,288
Net difference between projected and actual earnings on pension plan investments	51,400	411,222	462,622
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	41,599	370,969	412,568
Total deferred inflows of resources	$ 92,999	$ 826,479	$ 919,478

$660,203 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.

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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	$ 129,606	$ 534,845	$ 664,451
2021	25,627	374,080	399,707
2022	(60,880)	88,755	27,875
2023	(15,766)	37,969	22,203
Total	$ 78,587	$ 1,035,649	$ 1,114,236

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:

Wage inflation	3.00%
Future salary increases, including inflation	3.50% to 18.20%
COLA or ad hoc COLA	2.50%, on and after April 1, 2018, COLA's for future retirees will be delayed for three years following commencement
Investment rate of return	7.50% net of investments expense, including inflation
Actuarial cost method	Entry age normal (level percent of payroll)

For 2018, the 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% of male rates, and 110% of female rates. Mortality among disabled members was based upon the RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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 using a building-block approach and assumes a time horizon, as defined in SERS' *Statement of Investment Policy*. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes.

The target allocation and best estimates of arithmetic real rates of return for each major assets class are summarized in the following table:

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

Discount Rate - The total pension liability was calculated using the discount rate of 7.50%. 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%). 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%, 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%), or one percentage point higher (8.50%) 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	$ 2,613,086	$ 1,855,127	$ 1,219,629

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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:

	July 1, 2018
Inflation	2.50%
Projected salary increases	12.50% at age 20 to 2.50% at age 65
Investment rate of return	7.45%, net of investment expenses, including inflation
Payroll increases	3.00%
Cost-of-living adjustments (COLA)	0.0%, effective July 1, 2017

For the July 1, 2018, actuarial valuation, post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% 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% of rates for males and 100% 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 Ohio's investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

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

*10-Year geometric nominal returns, which include the real rate of return and inflation of 2.25% 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.

**The Target Allocation percentage is effective as of July 1, 2017. Target weights will be phased in over a 24-month period concluding on July 1, 2019.

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

Discount Rate **-** The discount rate used to measure the total pension liability was 7.45% as of June 30, 2018. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2018. Therefore, the long-term expected rate of return on pension plan investments of 7.45% 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%, 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%) or one-percentage-point higher (8.45%) 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	$ 9,903,508	$ 6,781,514	$ 4,139,169

NOTE 14 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability/Asset

The net OPEB liability/asset reported on the statement of net position represents a liability/asset to employees for OPEB. OPEB is a component of exchange transactions–between an employer and its employees—of salaries and benefits for employee services. 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 OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net OPEB liability/asset represents the Career Center's proportionate share of each OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan's fiduciary net position. The net 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.

The 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 OPEB are financed; however, the Career Center does receive the benefit of employees' services in exchange for compensation including OPEB.

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability/asset. Resulting adjustments to the net OPEB liability/asset would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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% of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2019, 0.5% 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% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2019, the Career Center's surcharge obligation was $7,948.

The surcharge added to the allocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The Career Center's contractually required contribution to SERS was $13,535 for fiscal year 2019. Of this amount, $8,651 is reported as pension and postemployment benefits 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.

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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% of covered payroll. For the fiscal year ended June 30, 2019, STRS did not allocate any employer contributions to post-employment health care.

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

	SERS	STRS	Total
Proportion of the net OPEB liability prior measurement date	0.03093010%	0.02741050%	
Proportion of the net OPEB liability/asset current measurement date	0.03167360%	0.03084223%	
Change in proportionate share	0.00074350%	0.00343173%	
Proportionate share of the net OPEB liability	$ 878,711	$ -	$ 878,711
Proportionate share of the net OPEB asset	$ -	$ (495,603)	$ (495,603)
OPEB expense	$ 26,204	$ (1,064,610)	$ (1,038,406)

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	$ 14,344	$ 57,888	$ 72,232
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	6,343	122,291	128,634
Contributions subsequent to the measurement date	13,535	-	13,535
Total deferred outflows of resources	$ 34,222	$ 180,179	$ 214,401

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

	SERS	STRS	Total
Deferred inflows of resources			
Differences between expected and actual experience	$ -	$ 28,875	$ 28,875
Net difference between projected and actual earnings on pension plan investments	1,318	56,619	57,937
Changes of assumptions	78,945	675,298	754,243
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	32,287	50,203	82,490
Total deferred inflows of resources	$ 112,550	$ 810,995	$ 923,545

$13,535 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/asset 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	$ (49,303)	$ (115,507)	$ (164,810)
2021	(37,886)	(115,507)	(153,393)
2022	(1,732)	(115,507)	(117,239)
2023	(1,172)	(102,650)	(103,822)
2024	(1,260)	(98,134)	(99,394)
Thereafter	(510)	(83,511)	(84,021)
Total	$ (91,863)	$ (630,816)	$ (722,679)

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.

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

Wage inflation	3.00%
Future salary increases, including inflation	3.50% to 18.20%
Investment rate of return	7.50% net of investments expense, including inflation
Municipal bond index rate:	
Measurement date	3.62%
Prior measurement date	3.56%
Single equivalent interest rate, net of plan investment expense, including price inflation:	
Measurement date	3.70%
Prior measurement date	3.63%
Medical trend assumption:	
Medicare	5.375 to 4.75%
Pre-Medicare	7.25 to 4.75%

Mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and Scale BB, 120% of male rates and 110% of female rates. RP-2000 Disabled Mortality Table with 90% for male rates and 100% 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%, 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 target asset allocation and best estimates of arithmetic real rates of return for each major asset class, as used in the June 30, 2015 five-year experience study, are summarized as follows:

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

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

Discount Rate - The discount rate used to measure the total OPEB liability at June 30, 2018 was 3.70%. The discount rate used to measure total OPEB liability prior to June 30, 2018 was 3.63%. 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% of projected covered employee payroll each year, which includes a 1.50% payroll surcharge and 0.50% 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, 2026. 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, 2025 and the Fidelity General Obligation 20-year Municipal Bond Index rate of 3.62%, 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. A municipal bond rate of 3.56% was used as of June 30, 2017. 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	$ 1,066,247	$ 878,711	$ 730,218

	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 Canter's proportionate share of the net OPEB liability	$ 708,959	$ 878,711	$ 1,103,494

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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, compared with July 1, 2017, are presented below:

	July 1, 2018		July 1, 2017
Inflation	2.50%		2.50%
Projected salary increases	12.50% at age 20 to 2.50% at age 65		12.50% at age 20 to 2.50% at age 65
Investment rate of return	7.45%, net of investment expenses, including inflation		7.45%, net of investment expenses, including inflation
Payroll increases	3.00%		3.00%
Cost-of-living adjustments (COLA)	0.00%		0.00%, effective July 1, 2017
Discounted rate of return	7.45%		N/A
Blended discount rate of return	N/A		4.13%
Health care cost trends			6 to 11% initial, 4.50% ultimate
	Initial	Ultimate	
Medical			
Pre-Medicare	6.00%	4.00%	
Medicare	5.00%	4.00%	
Prescription Drug			
Pre-Medicare	8.00%	4.00%	
Medicare	-5.23%	4.00%	

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% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% 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% of rates for males and 100% 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.

Assumption Changes Since the Prior Measurement Date - The discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% 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.

Benefit Term Changes Since the Prior Measurement Date - The subsidy multiplier for non-Medicare benefit recipients was increased from 1.90% to 1.944% 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.

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

*10-Year geometric nominal returns, which include the real rate of return and inflation of 2.25% 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.

** The Target Allocation percentage is effective as of July 1, 2017. Target weights will be phased in over a 24-month period concluding on July 1, 2019.

Discount Rate - The discount rate used to measure the total OPEB asset was 7.45% as of June 30, 2018. A discount rate used to measure the total OPEB liability was 4.13% 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% was used to measure the total OPEB asset as of June 30, 2018.

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%, 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%) or one percentage point higher (8.45%) 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	$ 424,778	$ 495,603	$ 555,128

	1% Decrease	Current Trend Rate	1% Increase
Career Center's proportionate share of the net OPEB asset	$ 551,768	$ 495,603	$ 438,564

NOTE 15 - BUDGETARY BASIS OF ACCOUNTING

While 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 and disbursements.

The statement of revenues, expenditures and changes in fund balance - budget and actual (non-GAAP budgetary basis) presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

(a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);

(b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);

(c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis); and,

(d) Some funds are included in the general fund (GAAP basis) but have separate legally adopted budgets (budget basis).

The adjustments necessary to convert the results of operations for the year on the budget basis to the GAAP basis for the general fund is as follows:

Net Change in Fund Balance

	General fund
Budget basis	$ 1,117,761
Net adjustment for revenue accruals	30,719
Net adjustment for expenditure accruals	(12,082)
Net adjustment for other sources/uses	175,587
Funds budgeted elsewhere *	11,086
Adjustment for encumbrances	745
GAAP basis	$ 1,323,816

* Certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes the endowment fund, special rotary fund and the public-school support fund.

NOTE 16 - CONTINGENCIES

A. Grants

The Career Center receives significant financial assistance from numerous federal, State and local 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 Career Center. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial position of the Career Center.

NOTE 16 – CONTINGENCIES – (Continued)

B. Litigation

The Career Center is of the opinion that any current or future claims will either result in a favorable outcome or be covered by current insurance policies, so as not to materially affect the overall financial position of the Career Center.

C. Foundation Funding

Career Center Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Effective for the 2018-2019 school year, traditional Career Centers must comply with minimum hours of instruction, instead of a minimum number of school days each year. The funding formula the Ohio Department of Education (ODE) is legislatively required to follow will continue to adjust as enrollment information is updated by the Career Center, which can extend past the fiscal year-end. As of the date of this report, ODE has not finalized the impact of enrollment adjustments to the June 30, 2019 Foundation funding for the Career Center; therefore, the financial statement impact is not determinable at this time. ODE and management believe this will result in either a receivable to or liability of the Career Center.

NOTE 17 - SET-ASIDES

The Career Center is required by State law to annually set-aside certain general fund revenue amounts, as defined by statutory formula, for the acquisition and construction of capital improvements. Amounts not spent by the end of the fiscal year or offset by similarly restricted resources received during the year must be held in cash at fiscal year-end. This amount must be carried forward to be used for the same purpose in future years. Expenditures exceeding the set-aside requirement may not be carried forward to the next fiscal year.

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

		Capital Improvements
Set-aside balance June 30, 2018		$ -
Current year set-aside requirement		86,036
Current year offsets		(86,036)
Total		$ -
Balance carried forward to fiscal year 2020		$ -
	9	$ -

NOTE 18 - OTHER COMMITMENTS

The Career Center utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed, or assigned classifications of fund balance. At year end, the Career Center's commitments for encumbrances in the governmental funds were as follows:

Fund	Year-End Encumbrances
General	$ 685
Permanent improvement	61,511
Other governmental	43,500
Total	$ 105,696

NOTE 19 - TAX ABATEMENTS ENTERED INTO BY OTHER GOVERNMENTS

Van Wert County entered into property tax abatement agreements with local businesses under Enterprise Zone tax abatement agreements. Enterprise zones are designated areas of land in which businesses can receive tax incentives in the form of tax exemptions on eligible new investment. The Enterprise Zone Program provides tax exemptions for a portion of the value of new real property when the investment is made in conjunction with a project that includes job creation or job retention. These tax abatements reduce assessed value by a percentage agreed upon by all parties that authorize these types of agreements. The agreements affect the property tax receipts collected and distributed to the Career Center. Under the agreements, the Career Center's property taxes were reduced by $48,686 during fiscal year 2019. Similarly, Putnam County and Paulding County tax abatement agreements affect the property tax receipts collected and distributed to the Career Center. Under the agreements for Putnam County, the Career Center's property taxes were reduced by $11,000 during fiscal year 2019. Under the agreements for Paulding County, the Career Center's property taxes were reduced by $5,756 during fiscal year 2019.

Putnam County entered into property tax abatement agreements with property owners under The Ohio Community Reinvestment Area ("CRA") program. The CRA program is a directive incentive tax exemption program benefiting property owners who renovate or construct new buildings. Under this program, the County designates areas to encourage revitalization of the existing housing stock and the development of new structures. These tax abatements reduce assessed value by a percentage agreed upon by all parties that authorize these types of agreements. The agreements affect the property tax receipts collected and distributed to the Career Center. Under the agreements, the Career Center's property taxes were reduced by $66,780 during fiscal year 2019. Similarly, Paulding County tax abatement agreements affect the property tax receipts collected and distributed to the Career Center. Under the agreements for Paulding County, the Career Center's property taxes were reduced by $12,151 during fiscal year 2019.

THIS PAGE IS INTENTIONALLY LEFT BLANK

REQUIRED SUPPLEMENTARY INFORMATION

VANTAGE CAREER CENTER
VAN WERT COUNTY

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE CAREER CENTER'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST SIX FISCAL YEARS

	2019	2018	2017	2016
Career Center's proportion of the net pension liability	0.03239160%	0.03166630%	0.03295150%	0.03297390%
Career Center's proportionate share of the net pension liability	$ 1,855,127	$ 1,891,991	$ 2,411,746	$ 1,881,523
Career Center's covered payroll	$ 1,094,178	$ 1,026,129	$ 1,018,307	$ 1,007,560
Career Center's proportionate share of the net pension liability as a percentage of its covered payroll	169.55%	184.38%	236.84%	186.74%
Plan fiduciary net position as a percentage of the total pension liability	71.36%	69.50%	62.98%	69.16%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

	2015	2014
	0.03438600%	0.03438600%
	$ 1,740,256	$ 2,044,825
	$ 999,185	$ 997,514
	174.17%	204.99%
	71.70%	65.52%

VANTAGE CAREER CENTER
VAN WERT COUNTY

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CAREER CENTER'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST SIX FISCAL YEARS

	2019	**2018**	**2017**	**2016**
Career Center's proportion of the net pension liabilit	0.03084223%	0.02741050%	0.02872470%	0.02968271%
Career Center's proportionate share of the net pension liability	$ 6,781,514	$ 6,511,423	$ 9,615,023	$ 8,203,433
Career Center's covered payroll	$ 3,534,143	$ 3,034,129	$ 3,007,279	$ 3,152,345
Career Center's proportionate share of the net pension liability as a percentage of its covered payroll	191.89%	214.61%	319.73%	260.23%
Plan fiduciary net position as a percentage of the total pension liability	77.31%	75.30%	66.80%	72.10%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2015	2014
0.03020401%	0.03020401%
$ 7,346,661	$ 8,751,294
$ 3,086,015	$ 3,155,085
238.06%	277.37%
74.70%	69.30%

VANTAGE CAREER CENTER
VAN WERT COUNTY

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CAREER CENTER PENSION CONTRIBUTIONS
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST TEN FISCAL YEARS

	2019	2018	2017	2016
Contractually required contribution	$ 150,837	$ 147,714	$ 143,658	$ 142,563
Contributions in relation to the contractually required contribution	(150,837)	(147,714)	(143,658)	(142,563)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Career Center's covered payroll	$ 1,117,311	$ 1,094,178	$ 1,026,129	$ 1,018,307
Contributions as a percentage of covered payroll	13.50%	13.50%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2015		2014		2013		2012		2011		2010	
$	130,836	$	138,487	$	138,056	$	135,217	$	132,287	$	138,148
	(130,836)		(138,487)		(138,056)		(135,217)		(132,287)		(138,148)
$	-	$	-	$	-	$	-	$	-	$	-
$	1,007,560	$	999,185	$	997,514	$	1,005,331	$	1,052,403	$	1,020,295
	13.18%		13.86%		13.84%		13.45%		12.57%		13.54%

VANTAGE CAREER CENTER
VAN WERT COUNTY

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CAREER CENTER PENSION CONTRIBUTIONS
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST TEN FISCAL YEARS

	2019	2018	2017	2016
Contractually required contribution	$ 509,366	$ 494,780	$ 424,778	$ 421,019
Contributions in relation to the contractually required contribution	(509,366)	(494,780)	(424,778)	(421,019)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Career Center's covered payroll	$ 3,638,329	$ 3,534,143	$ 3,034,129	$ 3,007,279
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2015	2014	2013	2012	2011	2010
$ 433,565	$ 401,182	$ 410,161	$ 444,766	$ 501,760	$ 511,657
(433,565)	(401,182)	(410,161)	(444,766)	(501,760)	(511,657)
$ -	$ -	$ -	$ -	$ -	$ -
$ 3,152,345	$ 3,086,015	$ 3,155,085	$ 3,421,277	$ 3,859,692	$ 3,935,823
14.00%	13.00%	13.00%	13.00%	13.00%	13.00%

VANTAGE CAREER CENTER
VAN WERT COUNTY

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE CAREER CENTER'S PROPORTIONATE SHARE OF
THE NET OPEB LIABILITY
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST THREE FISCAL YEARS

	2019	2018	2017
Career Center's proportion of the net OPEB liability	0.03167360%	0.03093010%	0.03304059%
Career Center's proportionate share of the net OPEB liability	$ 878,711	$ 830,083	$ 941,779
Career Center's covered payroll	$ 1,094,178	$ 1,026,129	$ 1,018,307
Career Center's proportionate share of the net OPEB liability as a percentage of its covered payroll	80.31%	80.89%	92.48%
Plan fiduciary net position as a percentage of the total OPEB liability	13.57%	12.46%	11.49%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

VANTAGE CAREER CENTER
VAN WERT COUNTY

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE CAREER CENTER'S PROPORTIONATE SHARE OF
THE NET OPEB LIABILITY/ASSET
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST THREE FISCAL YEARS

	2019	2018	2017
Career Center's proportion of the net OPEB liability/asset	0.03084223%	0.02741050%	0.02872470%
Career Center's proportionate share of the net OPEB liability/(asset)	$ (495,603)	$ 1,069,457	$ 1,536,204
Career Center's covered payroll	$ 3,534,143	$ 3,034,129	$ 3,007,279
Career Center's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	14.02%	35.25%	51.08%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	176.00%	47.10%	37.33%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

VANTAGE CAREER CENTER
VAN WERT COUNTY

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CAREER CENTER OPEB CONTRIBUTIONS
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST TEN FISCAL YEARS

	2019	2018	2017	2016
Contractually required contribution	$ 13,535	$ 17,308	$ 11,289	$ 15,208
Contributions in relation to the contractually required contribution	(13,535)	(17,308)	(11,289)	(15,208)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Career Center's covered payroll	$ 1,117,311	$ 1,094,178	$ 1,026,129	$ 1,018,307
Contributions as a percentage of covered payroll	1.21%	1.58%	1.10%	1.49%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2015	2014	2013	2012	2011	2010
$ 18,905	$ 13,001	$ 15,300	$ 19,872	$ 15,049	$ 24,743
(18,905)	(13,001)	(15,300)	(19,872)	(15,049)	(24,743)
$ -	$ -	$ -	$ -	$ -	$ -
$ 1,007,560	$ 999,185	$ 997,514	$ 1,005,331	$ 1,052,403	$ 1,020,295
1.88%	1.30%	1.53%	1.98%	1.43%	2.43%

VANTAGE CAREER CENTER
VAN WERT COUNTY

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CAREER CENTER OPEB CONTRIBUTIONS
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST TEN FISCAL YEARS

	2019	2018	2017	2016
Contractually required contribution	$ -	$ -	$ -	$ -
Contributions in relation to the contractually required contribution	-	-	-	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Career Center's covered payroll	$ 3,638,329	$ 3,534,143	$ 3,034,129	$ 3,007,279
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2015		2014		2013		2012		2011		2010	
$	-	$	31,004	$	31,551	$	34,213	$	39,858	$	39,858
	-		(31,004)		(31,551)		(34,213)		(39,858)		(39,858)
$	-	$	-	$	-	$	-	$	-	$	-
$	3,152,345	$	3,086,015	$	3,155,085	$	3,421,277	$	3,859,692	$	3,935,823
	0.00%		1.00%		1.00%		1.00%		1.00%		1.00%

PENSION

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for fiscal years 2014-2017. For fiscal year 2018, SERS changed from a fixed 3% annual increase to a Cost of Living Adjustment (COLA) based on the changes in the Consumer Price Index (CPI-W), with a cap of 2.5% and a floor of 0%. There were no changes in benefit terms from the amounts previously reported for fiscal year 2019.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2016. For fiscal year 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) Rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females, (f) mortality among service retired members, and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, (g) mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement and (h) the discount rate was reduced from 7.75% to 7.50%. There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2018-2019.

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for fiscal years 2014-2017. For fiscal year 2018, STRS decreased the Cost of Living Adjustment (COLA) to zero. There were no changes in benefit terms from amounts previously reported for fiscal year 2019.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2017. For fiscal year 2018, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long term expected rate of return was reduced from 7.75% to 7.45%, (b) the inflation assumption was lowered from 2.75% to 2.50%, (c) the payroll growth assumption was lowered to 3.00%, (d) total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation (e) the healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016 and (f) rates of retirement, termination and disability were modified to better reflect anticipated future experience. There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2019.

(Continued)

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms: There were no changes in benefit terms from the amounts previously reported for fiscal years 2017-2019.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017. For fiscal year 2018, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement, and disability were updated to reflect recent experience, (e) mortality among active members was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females, (f) mortality among service retired members, and beneficiaries was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, (g) mortality among disabled members was updated to the following: RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement, (h) the municipal bond index rate increased from 2.92% to 3.56% and (i) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 2.98% to 3.63%. For fiscal year 2019, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate increased from 3.63% to 3.70%, (b) the health care cost trend rate for Medicare were changed from a range of 5.50%-5.00% to a range of 5.375%-4.75% and Pre-Medicare were changed from a range of 7.50%-5.00% to a range of 7.25%-4.75%, (c) the municipal bond index rate increased from 3.56% to 3.62% and (i) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 3.63% to 3.70%.

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms: There were no changes in benefit terms from the amounts previously reported for fiscal year 2017. For fiscal year 2018, STRS reduced the subsidy multiplier for non-Medicare benefit recipients from 2.1% to 1.9% per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019. For fiscal year 2019, STRS increased the subsidy multiplier for non-Medicare benefit recipients from 1.9% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017. For fiscal year 2018, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.26% to 4.13% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB), (b) the long term expected rate of return was reduced from 7.75% to 7.45%, (c) valuation year per capita health care costs were updated, and the salary scale was modified, (d) 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 and (e) 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 following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB) and (b) decrease in trend rates from 6.00%-11.00 initial; 4.50% ultimate down to Medical Pre-Medicare 6.00% and Medicare 5.00% initial; 4.00% ultimate and Prescription Drug Pre-Medicare 8.00% and Medicare (5.23%) initial; 4.00% ultimate.

This page intentionally left blank.

OHIO AUDITOR OF STATE
KEITH FABER

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

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

Vantage Career Center
Van Wert County
818 North Franklin Street
Van Wert, Ohio 45891

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Vantage Career Center, Van Wert County, (the Career Center) as of and for the fiscal 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 9, 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 opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Career Center's internal control. Accordingly, we have not opined on it.

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

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

Compliance and Other Matters

As part of reasonably assuring whether the Career Center's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the 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

Keith Faber
Auditor of State
Columbus, Ohio

December 9, 2019

OHIO AUDITOR OF STATE
KEITH FABER

VANTAGE CAREER CENTER

VAN WERT 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 31, 2019