MIAMI VALLEY CAREER TECHNOLOGY CENTER
MONTGOMERY COUNTY

SINGLE AUDIT

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Dave Yost • Auditor of State

MIAMI VALLEY CAREER TECHNOLOGY CENTER
MONTGOMERY COUNTY
JUNE 30, 2017

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JUNE 30, 2017

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INDEPENDENT AUDITOR'S REPORT

Miami Valley Career Technology Center
Montgomery County
6800 Hoke Road
Englewood, Ohio 45315

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Miami Valley Career Technology Center, Montgomery County, Ohio (the Center), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Center's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Miami Valley Career Technology Center, Montgomery County, Ohio, as of June 30, 2017, and the respective changes in financial position thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 18 to the financial statements, the July 1, 2016 net position was restated. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2017, on our consideration of the Center's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Center's internal control over financial reporting and compliance.

Dave Yost

Dave Yost
Auditor of State
Columbus, Ohio

December 11, 2017

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The discussion and analysis of Miami Valley Career Technology Center's financial performance provides an overall review of the Center's financial activities for the fiscal year ended June 30, 2017. The intent of this discussion and analysis is to look at the Center's financial performance as a whole; readers should also review the notes to the basic financial statements and the basic financial statements to enhance their understanding of the Center's performance.

Financial Highlights

Key financial highlights for 2017 are as follows:

- Net position of governmental activities increased $1,304,283 which represents a 4% increase from 2016.

- General revenues accounted for $31,926,376 in revenue or 83% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for $6,563,265 or 17% of total revenues of $38,489,641.

- The Center had $37,185,358 in expenses related to governmental activities; $6,563,265 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of $31,926,376 were also used to provide for these programs.

Overview of the Financial Statements

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

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

Government-wide Financial Statements

While this document contains the large number of funds used by the Center to provide programs and activities, the view of the Center as a whole looks at all financial transactions and asks the question, "How did we do financially during 2017?" The Government-wide Financial Statements answer this question. These statements include *all assets and deferred outflows of resources,* and *liabilities and deferred inflows of resources* using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

Fund Financial Statements

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

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

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

The Center as a Whole

As stated previously, the Statement of Net Position looks at the Center as a whole. Table 1 provides a summary of the Center's net position for fiscal year 2017 compared to fiscal year 2016:

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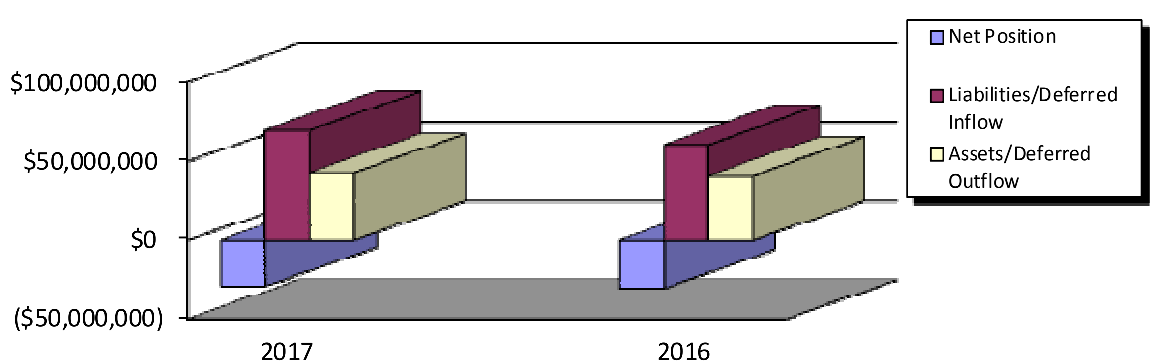
Table 1
Net Position

	Governmental Activities	
	2017	Restated 2016
Assets:		
Current and Other Assets	$27,444,455	$25,145,586
Capital Assets	15,386,946	15,713,507
Total Assets	42,831,401	40,859,093
Deferred Outflows of Resources:		
Deferred Charge on Refunding	607,818	645,807
Pension	10,951,527	5,666,846
Total Deferred Outflows of Resources	11,559,345	6,312,653
Liabilities:		
Other Liabilities	2,866,718	2,951,171
Long-Term Liabilities	66,863,108	57,686,421
Total Liabilities	69,729,826	60,637,592
Deferred Inflows of Resources:		
Property Taxes	12,217,420	12,549,543
Pension	1,733,186	4,578,580
Total Deferred Inflows of Resources	13,950,606	17,128,123
Net Position:		
Net Investment in Capital Assets	9,769,355	9,760,942
Restricted	736,953	811,223
Unrestricted	(39,795,994)	(41,166,134)
Total Net Position	($29,289,686)	($30,593,969)



Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2017, the Center's liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by $29,289,686.

At year-end, capital assets represented 36% of total assets. Capital assets include land, buildings and improvements, and equipment. Capital assets, net of related debt to acquire the assets at June 30, 2017, were $9,769,355. These capital assets are used to provide services to the students and are not available for future spending. Although the Center's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the Center's net position, $736,953 represents resources that are subject to external restriction on how they must be used. The external restriction will not affect the availability of fund resources for future use.

Current Assets increased from fiscal year 2016 mainly due to an increase in cash and investments at fiscal year 2017 compared to fiscal year 2016. Capital Assets decreased from fiscal year 2016 mainly due to depreciation expense being greater than current year additions. Total Liabilities increased mainly due to an increase in Net Pension Liabilities.

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Table 2 shows the changes in net position for fiscal years 2017 and 2016.

Table 2
Changes in Net Position

	Governmental Activities	
	2017	2016
Revenues:		
Program Revenues		
Charges for Services and Sales	$2,964,878	$3,076,764
Operating Grants, Contributions	3,598,387	2,958,961
General Revenues:		
Property Taxes	14,804,961	14,053,255
Grants and Entitlements	16,653,760	16,003,566
Other	467,655	475,105
Total Revenues	38,489,641	36,567,651
Program Expenses:		
Instruction	22,898,270	21,191,571
Support Services:		
Pupil and Instructional Staff	6,741,953	6,204,073
School Administration, General Administration, Fiscal and Business	3,578,167	3,352,369
Operations and Maintenance	3,217,948	3,470,470
Pupil Transportation	121,889	105,364
Central	382,135	344,645
Interest and Fiscal Charges	244,996	252,228
Total Program Expenses	37,185,358	34,920,720
Change in Net Position	1,304,283	1,646,931
Net Position - Beginning of Year, Restated	(30,593,969)	N/A
Net Position - End of Year	($29,289,686)	($30,593,969)

The Center's revenues are mainly from two sources. Property taxes levied for general purposes and grants and entitlements comprised 82% of the Center's revenues for governmental activities.

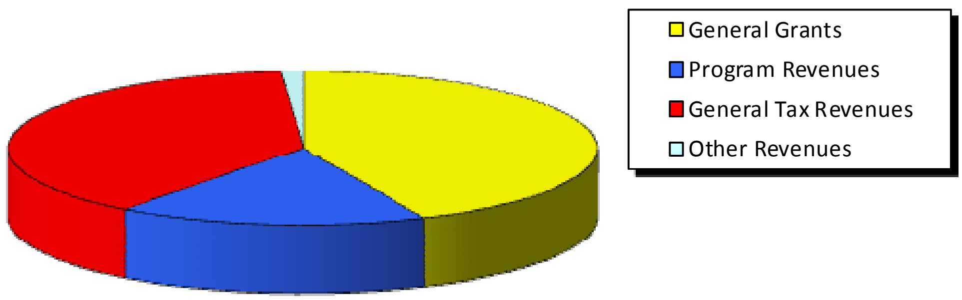
The Center depends greatly on property taxes as a revenue source. The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenues generated by a levy will not increase solely as a result of inflation. As an example, a homeowner with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

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

Property taxes made up 38% of revenues for governmental activities for the Center in fiscal year 2017. The Center's reliance upon tax revenues is demonstrated by the following graph:

Governmental Activities
Revenue Sources

	2017	Percentage
General Grants	$16,653,760	43.27%
Program Revenues	6,563,265	17.05%
General Tax Revenues	14,804,961	38.46%
Other Revenues	467,655	1.22%
Total Revenue Sources	$38,489,641	100.00%



Instruction comprises 61.6% of governmental program expenses. Support services expenses were 37.8% of governmental program expenses. All other expenses were .6%.

Grants and Entitlements increased in fiscal year 2017 as compared to fiscal year 2016 because the Center received more grant monies in 2017 compared to 2016.

Governmental Activities

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

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Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2017	2016	2017	2016
Instruction	$22,898,270	$21,191,571	($17,291,660)	($15,778,619)
Support Services:				
Pupil and Instructional Staff	6,741,953	6,204,073	(6,134,346)	(5,915,603)
School Administration, General Administration, Fiscal and Business	3,578,167	3,352,369	(3,447,298)	(3,243,113)
Operations and Maintenance	3,217,948	3,470,470	(3,176,718)	(3,413,205)
Pupil Transportation	121,889	105,364	(121,889)	(105,364)
Central	382,135	344,645	(205,579)	(179,848)
Extracurricular Activities	0	0	393	2,985
Interest and Fiscal Charges	244,996	252,228	(244,996)	(252,228)
Total Expenses	$37,185,358	$34,920,720	($30,622,093)	($28,884,995)

The Center's Funds

The Center has one major governmental fund: the General Fund. Assets of the general fund comprised $26,707,502 (97%) of the total $27,472,476 governmental funds assets.

General Fund: Fund balance at June 30, 2017 was $10,754,338, an increase in fund balance of $2,859,276 from 2016. The fund balance increased mostly due to an increase in cash and investments from 2016 to 2017.

General Fund Budgeting Highlights

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

During the course of fiscal year 2017, the Center amended its General fund budget several times; however no amendments were significant. The Center uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management. During the course of the year, the Center revised the Budget in an attempt to deal with unexpected changes in revenues and expenditures.

For the General Fund, final budget basis revenue was $31,956,517, compared to original budget estimates of $30,916,000. Of the $1,040,517 difference, most was due to an underestimation of taxes revenue and intergovernmental revenue in the original budget. Actual budgetary basis revenue was equal to final budget basis revenue of $31,956,517. Final budget basis expenditures were $31,152,032, compared to original budget estimates of $30,384,635. Of the $767,397 difference, most was due to underestimate of vocational instruction and operations and maintenance support services expenditures in the original budget. Actual budgetary basis expenditures of $30,147,019 were $1,005,013 less than final budget basis expenditures which was a result of the Center's overall monitoring of expenditures.

The Center's ending unobligated cash balance for the General Fund was $9,366,488.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2017, the Center had $15,386,946 invested in land, buildings and improvements and equipment. Table 4 shows fiscal year 2017 balances compared to fiscal year 2016:

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

	Governmental Activities	
	2017	2016 Restated
Land	$374,903	$374,903
Buildings and Improvements	13,824,430	14,469,463
Equipment	1,187,613	869,141
Total Net Capital Assets	$15,386,946	$15,713,507

The decrease in capital assets is due to depreciation expense exceeding current year additions.

See Note 5 to the basic financial statements for further details on the Center's capital assets.

Debt

At June 30, 2017, the Center had $6,344,523 in general obligation bonds outstanding, $340,000 due within one year. Table 5 summarizes debt outstanding:

Table 5
Outstanding Debt, at Year End

	Governmental Activities	
	2017	2016
General Obligation School Improvement Bonds	$530,000	$780,000
2015 Refunding of 2008 Bonds	4,565,000	4,645,000
2015 Refunding of 2008 - CABs Principal	442,994	442,994
2015 Refunding of 2008 - CABs Interest	119,114	54,064
Premium on Refunding Bonds of 2008 Bonds	687,415	730,378
	$6,344,523	$6,652,436

See Note 6 in the notes to the basic financial statements for further details on the Center's outstanding debt.

For the Future

Projected tax valuations for future tax years are below previous valuations due, in part, to slower growth of new construction. Total valuation for all eight counties served by the Center has dropped over 3% since 2007.

Montgomery County which makes up 60% of our total valuation, has seen a 0.7% increase over the past year.

Contacting the Center's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the Center's finances and to show the Center's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Treasurer at Miami Valley Career Technology Center, 6800 Hoke Road, Englewood, Ohio 45315.

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Miami Valley Career Technology Center, Ohio
Statement of Net Position
June 30, 2017

	Governmental Activities
Assets:	
Equity in Pooled Cash and Investments	$12,055,786
Receivables (Net):	
Taxes	15,107,930
Accounts	66,085
Interest	7,355
Intergovernmental	180,653
Prepaids	26,646
Nondepreciable Capital Assets	374,903
Depreciable Capital Assets, Net	15,012,043
Total Assets	42,831,401
Deferred Outflows of Resources:	
Deferred Charge on Refunding	607,818
Pension	10,951,527
Total Deferred Outflows of Resources	11,559,345
Liabilities:	
Accounts Payable	359,748
Accrued Wages and Benefits	2,491,984
Accrued Interest Payable	14,986
Long-Term Liabilities:	
Due Within One Year	717,391
Due In More Than One Year:	
Net Pension Liability	58,194,369
Other Amounts	7,951,348
Total Liabilities	69,729,826
Deferred Inflows of Resources:	
Property Taxes	12,217,420
Pension	1,733,186
Total Deferred Inflows of Resources	13,950,606
Net Position:	
Net Investment in Capital Assets	9,769,355
Restricted for:	
Capital Projects	517,420
State Grants	46,586
Federal Grants	172,947
Unrestricted	(39,795,994)
Total Net Position	($29,289,686)

See accompanying notes to the basic financial statements.

Miami Valley Career Technology Center, Ohio
Statement of Activities
For the Fiscal Year Ended June 30, 2017

		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	$1,171,947	$229,481	$0	($942,466)
Special	572,710	0	0	(572,710)
Vocational	17,857,416	11,010	823,770	(17,022,636)
Adult	3,296,197	2,682,764	1,859,585	1,246,152
Support Services:				
Pupil	1,799,171	0	0	(1,799,171)
Instructional Staff	4,942,782	0	607,607	(4,335,175)
General Administration	47,172	0	0	(47,172)
School Administration	1,972,472	0	130,869	(1,841,603)
Fiscal	1,129,577	0	0	(1,129,577)
Business	428,946	0	0	(428,946)
Operations and Maintenance	3,217,948	41,230	0	(3,176,718)
Pupil Transportation	121,889	0	0	(121,889)
Central	382,135	0	176,556	(205,579)
Extracurricular Activities	0	393	0	393
Interest and Fiscal Charges	244,996	0	0	(244,996)
Totals	$37,185,358	$2,964,878	$3,598,387	(30,622,093)

General Revenues:	
Property Taxes Levied for:	
General Purposes	14,804,961
Grants and Entitlements, Not Restricted	16,653,760
Unrestricted Contributions	194,862
Investment Earnings	49,084
Other Revenues	223,709
Total General Revenues	31,926,376
Change in Net Position	1,304,283
Net Position - Beginning of Year, Restated	(30,593,969)
Net Position - End of Year	($29,289,686)

See accompanying notes to the basic financial statements.

Miami Valley Career Technology Center, Ohio
Balance Sheet
Governmental Funds
June 30, 2017

	General	Other Governmental Funds	Total Governmental Funds
Assets:			
Equity in Pooled Cash and Investments	$11,471,465	$584,321	$12,055,786
Receivables (Net):			
Taxes	15,107,930	0	15,107,930
Accounts	66,085	0	66,085
Interest	7,355	0	7,355
Intergovernmental	0	180,653	180,653
Interfund	28,021	0	28,021
Prepaids	26,646	0	26,646
Total Assets	26,707,502	764,974	27,472,476
Liabilities:			
Accounts Payable	359,748	0	359,748
Accrued Wages and Benefits	2,491,984	0	2,491,984
Compensated Absences	169,832	0	169,832
Interfund Payable	0	28,021	28,021
Total Liabilities	3,021,564	28,021	3,049,585
Deferred Inflows of Resources:			
Property Taxes	12,217,420	0	12,217,420
Grants and Other Taxes	0	150,304	150,304
Unavailable	714,180	0	714,180
Total Deferred Inflows of Resources	12,931,600	150,304	13,081,904
Fund Balances:			
Nonspendable	26,646	0	26,646
Restricted	0	586,649	586,649
Assigned	557,890	0	557,890
Unassigned	10,169,802	0	10,169,802
Total Fund Balances	10,754,338	586,649	11,340,987
Total Liabilities, Deferred Inflows and Fund Balances	$26,707,502	$764,974	$27,472,476

See accompanying notes to the basic financial statements.

Miami Valley Career Technology Center, Ohio
Reconciliation of Total Governmental Fund Balance to
Net Position of Governmental Activities
June 30, 2017

Total Governmental Fund Balance		$11,340,987
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets used in the operation of Governmental Funds		15,386,946
Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.		
Delinquent Property Taxes	714,180	
Intergovernmental	150,304	
		864,484
In the statement of net position interest payable is accrued when incurred; whereas, in the governmental funds interest is reported as a liability only when it will require the use of current financial resources.		(14,986)
Some liabilities reported in the statement of net position do not require the use of current financial resources and, therefore, are not reported as liabilities in governmental funds.		
Compensated Absences	(459,384)	
Special Term Benefits	(1,695,000)	
		(2,154,384)
Deferred charge on refunding associated with long-term liabilities that are not reported in the funds.		607,818
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions	10,951,527	
Deferred inflows of resources related to pensions	(1,733,186)	
		9,218,341
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Net Pension Liability	(58,194,369)	
Other Amounts	(6,344,523)	
		(64,538,892)
Net Position of Governmental Activities		($29,289,686)

See accompanying notes to the basic financial statements.

Miami Valley Career Technology Center, Ohio
Statement of Revenues, Expenditures
and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended June 30, 2017

	General	Other Governmental Funds	Total Governmental Funds
Revenues:			
Property and Other Taxes	$14,815,713	$0	$14,815,713
Tuition and Fees	2,917,537	0	2,917,537
Investment Earnings	49,084	0	49,084
Intergovernmental	17,218,085	3,043,334	20,261,419
Extracurricular Activities	393	0	393
Charges for Services	97,345	0	97,345
Other Revenues	213,433	0	213,433
Total Revenues	35,311,590	3,043,334	38,354,924
Expenditures:			
Current:			
Instruction:			
Regular	1,021,168	0	1,021,168
Special	527,073	0	527,073
Vocational	16,255,966	414,186	16,670,152
Adult	1,415,426	1,743,325	3,158,751
Support Services:			
Pupil	1,694,644	0	1,694,644
Instructional Staff	4,158,184	579,938	4,738,122
General Administration	45,302	0	45,302
School Administration	1,698,114	119,329	1,817,443
Fiscal	1,066,739	0	1,066,739
Business	406,608	0	406,608
Operations and Maintenance	3,155,582	0	3,155,582
Pupil Transportation	118,189	0	118,189
Central	178,730	176,556	355,286
Capital Outlay	7,271	429,739	437,010
Debt Service:			
Principal Retirement	0	330,000	330,000
Interest and Fiscal Charges	0	185,938	185,938
Total Expenditures	31,748,996	3,979,011	35,728,007
Excess of Revenues Over (Under) Expenditures	3,562,594	(935,677)	2,626,917
Other Financing Sources (Uses):			
Transfers In	0	703,318	703,318
Transfers (Out)	(703,318)	0	(703,318)
Total Other Financing Sources (Uses)	(703,318)	703,318	0
Net Change in Fund Balance	2,859,276	(232,359)	2,626,917
Fund Balance - Beginning of Year	7,895,062	819,008	8,714,070
Fund Balance - End of Year	$10,754,338	$586,649	$11,340,987

See accompanying notes to the basic financial statements.

Miami Valley Career Technology Center, Ohio
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2017

Net Change in Fund Balance - Total Governmental Funds		$2,626,917
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital asset additions as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of the difference between capital asset additions and depreciation in the current period.		
Capital assets used in governmental activities	518,702	
Depreciation Expense	(845,263)	
		(326,561)
Governmental funds report Center pension contributions as expenditures. However in the Statement of Activites, the cost of pension benefits earned net of employee contributions is reported as pension expense.		
Center pension contributions	3,099,180	
Cost of benefits earned net of employee contrbutions	(4,678,755)	
		(1,579,575)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Delinquent Property Taxes	(10,752)	
Intergovernmental	145,469	
		134,717
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		330,000
In the statement of activities interest expense is accrued when incurred; whereas, in governmental funds an interest expenditure is reported when due.		1,018
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Compensated Absences	192,843	
Special Term Benefits	(15,000)	
Amortization of Bond Premium	42,963	
Amortization of Deferred Charge on Refunding	(37,989)	
Bond Accretion	(65,050)	
		117,767
Change in Net Position of Governmental Activities		$1,304,283

See accompanying notes to the basic financial statements.

Miami Valley Career Technology Center, Ohio
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2017

	Private Purpose Trust	Agency
Assets:		
Equity in Pooled Cash and Investments	$13,093	$54,807
Total Assets	13,093	54,807
Liabilities:		
Accounts Payable	0	8,440
Other Liabilities	0	46,367
Total Liabilities	0	$54,807
Net Position:		
Held in Trust	13,093	
Total Net Position	$13,093	

See accompanying notes to the basic financial statements.

Miami Valley Career Technology Center, Ohio
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Fiscal Year Ended June 30, 2017

	Private Purpose Trust
Additions:	
Other	$0
Total Additions	0
Deductions:	
Scholarships	0
Total Deductions	0
Change in Net Position	0
Net Position - Beginning of Year	13,093
Net Position - End of Year	$13,093

See accompanying notes to the basic financial statements.

Note 1 - Summary of Significant Accounting Policies

Description of the Center

Miami Valley Career Technology Center (the Center) is a joint vocational school as defined by Section 3311.18 of the Ohio Revised Code and is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A vocational school exposes high school and adult students to academic preparation and job training which lead to employment and/or further education upon graduation from high school. Miami Valley Career Technology Center includes twenty-seven member school districts throughout Montgomery, Butler, Champaign, Darke, Miami, Preble, Shelby and Warren counties. The first official body designated as the Miami Valley Career Technology Center Board of Education was formed in November 1967, under the former name of the Montgomery County Joint Vocational School.

The Center operates under a board comprised of seventeen individuals. These individuals are elected to the board of the member school districts, and are then appointed by their respective boards, except in counties with few member school districts. These counties have the County Educational Service Center appoint the individual to the Board, instead of all member school districts in the county appointing the individual.

The Center is a jointly governed organization, legally separate from other organizations. The Board of Education of the Miami Valley Career Technology Center is not directly elected, although no other School district appoints a voting majority of the Board. None of the school districts that appoint Board members are financially accountable for the Miami Valley Career Technology Center.

The reporting entity is comprised of the jointly governed organization, component units and other organizations that are included to ensure that the financial statements of the Center are not misleading. The jointly governed organization consists of all funds, departments, boards and agencies that are not legally separate from the Center. For Miami Valley Career Technology Center, this includes general operations and student related activities of the Center.

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

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The Center is associated with five jointly governed organizations, one related organization, and one public entity risk pool. These organizations are:

Jointly Governed Organizations:
- Southwest Ohio Computer Association
- Southwestern Ohio Educational Purchasing Council
- Southwestern Ohio Instructional Technology Association
- Ohio Association of Career Tech Superintendents
- The Dayton Area Superintendent's Association

Related Organization:
- Miami Valley Career Technology Center Education Foundation

Public Entity Risk Pool:
- Southwestern Ohio Educational Purchasing Cooperative Workers' Compensation Group Rating Plan

Reporting Entity

In accordance with Governmental Accounting Standards Board [GASB] Statement 14, 39, and 61, the financial reporting entity consists of a primary government. The Center is a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments.

There are no component units combined with the Center for financial statement presentation purposes, and it is not included in any other governmental reporting entity. Consequently, the Center's financial statements include only the funds of those organizational entities for which its elected governing body is financially accountable. The Center's major operations include education, pupil transportation, and maintenance of Center facilities.

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

Measurement Focus

Government-wide Financial Statements

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

The government-wide statements are prepared using the economic resources measurement focus. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operation of the Center are included on the statement of net position. Fiduciary Funds are not included in entity-wide statements.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the Center's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and 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 Center, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the Center.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The private purpose trust fund is reported using the economic resources measurement focus.

Fund Accounting

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

Governmental Funds

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

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

Fiduciary Funds

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

Center under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the Center's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Center has a private purpose trust fund which accounts for scholarship programs for students. The Center has student activity, special trust, and Center agency funds which account for assets and liabilities generated by student managed, special trust, and post-secondary vocational education activities.

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. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows and outflows, and in the presentation of expenses versus expenditures.

Revenues – Exchange and Non-exchange Transactions

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

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

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year end: property taxes available for advance, grants and interest.

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, 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 Center deferred outflows of resources include pension and deferred charge on refunding. These deferred outflows are reported only on the government-wide statement of net position.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the Center, deferred inflows of resources include pension, property taxes, grants, and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2017, but which were levied to finance year 2018 operations. These amounts have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. Grants have been recorded as deferred inflows on the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet and represents delinquent property taxes. Deferred resources related to pension are reported on the government-wide statement of net position. For more pension related information, see Note 7.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. However, debt service expenditures, as well as any expenditures related to compensated absences, are recorded only when payment is due. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

Equity in Pooled Cash and Investments

Cash received by the Center is pooled for investment purposes. Interest in the pool is presented as "Equity in Pooled Cash and Investments" on the financial statements.

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 deposits and repurchase agreements are reported at cost.

STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The Center measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2017, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding $25 million. STAR Ohio reserves the right to limit the transaction to $50 million, requiring the excess amount to be transacted the following business day(s), but only to the $50 million limit. All accounts of the participant will be combined for these purposes.

Following Ohio statutes, the Board has, by resolution, specified the funds to receive an allocation of interest earnings. There was $49,084 of interest revenue credited to the general fund during the fiscal year.

Capital Assets

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 fair market values as of the date received. The Center maintained a capitalization threshold of seven thousand five hundred dollars ($7,500). The Center does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of capital assets is also capitalized.

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

Description	Estimated Lives
Buildings and Improvements	15 - 40 years
Equipment	5 - 10 years

Pensions

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

Compensated Absences

The Center reports compensated absences in accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences." Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the Center will compensate the employees for the benefits through paid time off or some other means. The Center records a liability for accumulated unused vacation time, when earned, for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the vesting method. The entire compensated absence liability is reported on the government-wide financial statements.

For governmental fund financial statements, the expenditures for unpaid compensated absences are recognized when due. The related liability is recorded in the account "compensated absences" in the fund from which the employees who have accumulated unpaid leave are paid. Compensated absences are reported in governmental funds only if they have matured.

The Center's policies regarding compensated absences are determined by the state laws and/or negotiated agreements. In summary, the policies are as follows:

Vacation	Certified	Administrators	Non-Certificated
How Earned	Not Eligible	20 days per year or 2.08-2.50 per month	10-20 days for each service year depending on length of service
Maximum Accumulation	Not Applicable	Up to 2 years	Up to 1.5 years
Vested	Not Applicable	As Earned	As Earned
Termination Entitlement	Not Applicable	Paid upon termination	Paid upon termination
Sick Leave			
How Earned	1 1/4 days per month of employment (15 days per year)	1 1/4 days per month of employment (15 days per year)	1 1/4 days per month of employment (15 days per year)
Maximum Accumulation	295 days	295 days	295 days
Vested	As Earned	As Earned	As Earned
Termination Entitlement	1/4 paid upon retirement (up to 295 days) 15% beyond 295 days	30% paid upon retirement (up to 295 days) 20% beyond 295 days, but limited to 110 days	1/4 paid upon retirement (up to 295 days) 15% beyond 295 days

Net Position

Net position represents the difference between assets plus deferred outflows and liabilities plus deferred inflows. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the Center or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The Center applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available. Of the Center's $736,953 in restricted net position, none was restricted by enabling legislation.

Interfund Activity

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

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

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

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2017, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and expenditure/expense is reported in the year in which services are consumed.

Fund Balance

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

Nonspendable – resources that are not in spendable form (inventory) or have legal or contractual requirements to maintain the balance intact.

Restricted – resources that have external purpose restraints imposed on them by providers, such as creditors, grantors, or other regulators.

Committed – resources that can be used only for the specific purposes imposed by a formal action (board resolution) of the Center’s Board of Education. The Board of Education is the highest level of decision making authority for the Center. Those committed resources cannot be used for any other purpose unless the Center’s Board of Education removes or changes the specified use by taking the same type of action (board resolution) it employed to previously commit those resources.

Assigned – resources that are intended to be used for specific purposes as approved through the Center’s formal purchasing procedure by the Treasurer. In the general fund, assigned amounts represent intended uses established by policies of the Center’s Board of Education. The adoption of the board appropriation resolution is the established policy, which gives the authorization to assign resources for a specific purpose.

Unassigned – residual fund balance within the General Fund that is not restricted, committed, or assigned. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from incurred expenses for specific purposes exceeding amounts which had been restricted, committed or assigned for said purposes.

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

Estimates

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

Note 2 - Equity in Pooled Cash and Investments

The Center maintains a cash and investment pool used by all funds. Each fund type's portion of this pool is displayed on the statement of net position and balance sheet as "Equity in Pooled Cash and Investments."

State statute requires the classification of monies held by the Center into three categories:

Active Monies - Those monies required to be kept in a "cash" or "near cash" status for immediate use by the Center. Such monies must by law be maintained either as cash in the Center treasury, in depository accounts payable or withdrawable on demand.

Inactive Monies – Those monies not required for use within the current five year period of designated depositories. Ohio law permits inactive monies to be deposited or invested as certificates of deposit maturing not later than the end of the current period of designated depositories, or as savings or deposit accounts, including, but not limited to passbook accounts.

Interim Monies – 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. Ohio law permits interim monies to be invested or deposited in the following securities:

(1) Bonds, notes, or other obligations of or guaranteed by the United States, or those for which the faith of the United States is pledged for the payment of principal and interest.

(2) Bonds, notes, debentures, or other obligations or securities issued by any federal governmental agency.

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

(4) Interim deposits in the eligible institutions applying for interim monies to be evidenced by time certificates of deposit maturing not more than one year from date of deposit, or by savings or deposit accounts, including, but not limited to, passbook accounts.

(5) Bonds and other obligations of the State of Ohio.

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

(7) Commercial paper and banker's acceptances which meet the requirements established by Ohio Revised Code, Sec. 135.142.

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

Protection of the Center's deposits is provided by the Federal Deposit Insurance Corporation, 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 moneys 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 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.

Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Center's deposits may not be returned to it. The Center's policy for deposits is any balance not covered by depository insurance will be collateralized by the financial institutions with pledged securities. As of June 30, 2017, $1,527,151 of the Center's bank balance of $2,003,935 was exposed to custodial risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Center's name.

Ohio Revised Code Chapter 135, Uniform Depository Act, authorizes pledging of pooled securities in lieu of specific securities. Specifically, a designated public depository may pledge a single pool of eligible securities to secure repayment of all public monies deposited in the financial institution, provided that at all times the total value of the securities so pledged is at least equal to 105% of the total amount of all public deposits secured by the pool, including the portion of such deposits covered by any federal deposit insurance.

Investments

As of June 30, 2017, the Center had the following investments:

Investment Type	Fair Value	Fair Value Hierarchy	Weighted Average Maturity (Years)
Federal Home Loan Bank	$341,742	Level 2	3.96
Federal National Mortgage Association	1,174,595	Level 2	2.68
Federal Farm Credit Bank	1,358,964	Level 2	1.87
Commercial Paper	1,221,069	Level 2	0.52
Money Market Funds	6,804	N/A	0.00
STAR Ohio	6,045,447	N/A	0.12
Total Fair Value	$10,148,621		
Portfolio Weighted Average Maturity			0.83

The Center categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The above table identifies the Center's recurring fair value measurements as of June 30, 2017. STAR Ohio is reported at its share price (Net Asset value per share). All other investments of the Center are valued using quoted market prices.

Interest Rate Risk - In accordance with the investment policy, the Center manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to five years.

Credit Risk – It is the Center's policy to limit its investments that are not obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government to investments which have a credit quality rating of the top 2 ratings issued by nationally recognized statistical rating organizations. The Center's investments in Federal Home Loan Bank, Federal National Mortgage Association, and Federal Farm Credit Bank – Discount Note were rated AAA by Standard & Poor's and Aaa by Moody's Investors Service. Commercial Paper was rated A-1+ by Standard & Poor's ratings and P-1 by Moody's Investors Service. Investments in STAR Ohio were rated AAAm by Standard & Poor's. Money Market Funds were not rated.

Concentration of Credit Risk – The Center's investment policy allows investments in Federal Agencies or Instrumentalities. All investments were issued or guaranteed by the federal government. The Center has invested 3% in Federal Home Loan Bank, 12% in Federal National Mortgage Association, 12% in Commercial Paper, less than 1% in Money Market Funds, 13% in Federal Farm Credit Bank, and 60% in STAR Ohio.

Custodial Credit Risk is the risk that in the event of the failure of the counterparty, the Center will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the Center's securities are either insured and registered in the name of the Center or at least registered in the name of the Center.

Note 3 - Property Taxes

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

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. The Center receives property taxes from the County. The County Auditor periodically advances to the Center its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2017, are available to finance fiscal year 2018 operations. The amount available for advance can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents delinquent taxes outstanding and real property, personal property and public utility taxes which became measurable at June 30, 2017. Delinquent property taxes collected within 60 days are included as a receivable and tax revenue as of June 30, 2017 on the fund statements. The entire amount of delinquent taxes receivable is recognized as revenue on the government-wide financial statements. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is available to finance current year operations. The receivable is, therefore, offset by a credit to deferred inflows of resources – property taxes for that portion not intended to finance current year operations. The amount available as an advance at June 30, 2017, was $2,176,330 for General Fund and is recognized as revenue.

The assessed value, by property classification, upon which taxes collected in 2017 were based as follows:

	Amount
Public Utility Personal	$269,150,860
Real Estate	6,632,289,100
Total	$6,901,439,960

Note 4 – Receivables

Receivables at June 30, 2017, consisted of taxes, accounts, interest, intergovernmental grants, and interfund. All receivables are considered collectible in full.

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Note 5 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2017, was as follows:

	Restated Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities:				
Capital Assets, not being depreciated:				
Land	$374,903	$0	$0	$374,903
Total capital assets, not being depreciated	374,903	0	0	374,903
Capital Assets, being depreciated:				
Buildings and Improvements	35,764,102	0	0	35,764,102
Equipment	6,299,619	518,702	102,607	6,715,714
Total capital assets being depreciated	42,063,721	518,702	102,607	42,479,816
Totals at Historical Cost	42,438,624	518,702	102,607	42,854,719
Less Accumulated Depreciation For:				
Buildings and Improvements	21,294,639	645,033	0	21,939,672
Equipment	5,430,478	200,230	102,607	5,528,101
Total Accumulated Depreciation	26,725,117	845,263	102,607	27,467,773
Total capital assets, net	$15,713,507	($326,561)	$0	$15,386,946

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	$98,327
Special	20,842
Vocational	660,078
Adult	13,026
Support Services:	
Instructional Staff	357
School Administration	19,973
Fiscal	1,737
Business	1,737
Operations and Maintenance	22,239
Central	6,947
Total Depreciation Expense	$845,263

Note 6 - Long-Term Liabilities

Governmental Activities:	Beginning Outstanding	Additions	Deductions	Ending Outstanding	Due In One Year
General Obligation Bonds:					
2008 School Improvement Bonds	$780,000	$0	$250,000	$530,000	$260,000
2015 Refunding of 2008 Bonds	4,645,000	0	80,000	4,565,000	80,000
2015 Refunding of 2008 Bonds - CABS - Principal	442,994	0	0	442,994	0
2015 Refunding of 2008 Bonds - CABs - Interest	54,064	65,050	0	119,114	0
Premium on Refunding of 2008 Bonds, Series 2015	730,378	0	42,963	687,415	0
Subtotal Bonds	6,652,436	65,050	372,963	6,344,523	340,000
Special Term Benefits Payable	1,680,000	80,000	65,000	1,695,000	30,000
Compensated Absences	869,266	107,764	347,814	629,216	347,391
Subtotal Bonds and Other Amounts	9,201,702	252,814	785,777	8,668,739	717,391
Net Pension Liability:					
STRS	42,770,029	8,247,772	0	51,017,801	0
SERS	5,714,690	1,461,878	0	7,176,568	0
Total Net Pension Liability	48,484,719	9,709,650	0	58,194,369	0
Total Long-Term Obligations	$57,686,421	$9,962,464	$785,777	$66,863,108	$717,391

In 2008 the Center issued $6,900,000 in bonds (school improvement) for the construction of a new building. The rate of the bonds range from 3.0%-5.5% and the bonds will mature on 12/01/2032.

On June 24, 2015 the Center issued $4,695,000 in Current Interest Bonds with an interest rate between 2.00% and 4.00% and $442,994 in Capital Appreciation Bonds all of which was used to partially advance refund $5,140,000 of the outstanding 2008 General Obligation Bonds with an interest rate between 4.00% and 4.25%. The net proceeds of $5,911,335 (after payment of underwriting fees, insurance and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited into an irrevocable trust with an escrow agent to provide all future debt service payments on the one bond issue. As a result, $5,140,000 of the 2008 General Obligation Bonds are considered to be defeased and the related liability for those bonds have been removed from the Statement of Net Position.

Compensated absences and special term benefits payable will be paid from the fund from which the person is paid. The 2008 School Improvement Bonds will be paid from the bond retirement fund.

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

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Fiscal Year	General Obligation Bonds			Capital Appreciation Bonds		
Ending June 30	Principal	Interest	Total	Principal	Interest	Total
2018	$340,000	$173,500	$513,500	$0	$0	$0
2019	350,000	160,637	510,637	0	0	0
2020	370,000	150,400	520,400	0	0	0
2021	365,000	143,050	508,050	0	0	0
2022	0	139,400	139,400	167,654	202,346	370,000
2023-2027	1,125,000	645,050	1,770,050	275,340	454,660	730,000
2028-2032	2,095,000	304,300	2,399,300	0	0	0
2033	450,000	9,000	459,000	0	0	0
Total	$5,095,000	$1,725,337	$6,820,337	$442,994	$657,006	$1,100,000

Note 7 - Defined Benefit Pension Plans

Net Pension Liability

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

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

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

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

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

Plan Description - School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire on or after August 1, 2017
Full Benefits	Any age with 30 years of service credit Age 65 with 5 years of service credit	Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit
Actuarially Reduced Benefits	Age 60 with 5 years of service credit Age 55 with 25 years of service credit	Age 62 with 10 years of service credit; or Age 60 with 25 years of service credit

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

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on year of service; 2.2 percent for the first thirty years of service and 2.5 percent for years of service credit over 30 or $86.00 multiplied by the years of service credit. Final average salary is the average of the highest three years of salary.

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

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the Center is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2017, the allocation to pension, death benefits, and Medicare B was 14.00 percent. None of the 14 percent contribution rate was allocated to the Health Care Fund.

The Center's contractually required contribution to SERS was $431,724 for fiscal year 2017. Of this amount $53,727 is reported as accrued wages and benefits.

Plan Description - State Teachers Retirement System (STRS)

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

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

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

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

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

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

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The statutory maximum employee contribution rate was increased one percent July 1, 2014, and will be increased one percent each year until it reaches 14 percent on July 1, 2016. For the fiscal year ended June 30, 2017, plan members were required to contribute 14 percent of their annual covered salary. The Center was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2017 contribution rates were equal to the statutory maximum rates.
The Center's contractually required contribution to STRS was $2,667,456 for fiscal year 2017. Of this amount $262,434 is reported as accrued wages and benefits.

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

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Center's proportion of the net pension liability was based on the Center's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	SERS	STRS	Total
Proportionate Share of the Net Pension Liability	$7,176,568	$51,017,801	$58,194,369
Proportion of the Net Pension Liability	0.09805290%	0.15241472%	
Pension Expense	1,021,229	3,657,526	4,678,755

At June 30, 2017, reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	$96,795	$2,061,364	$2,158,159
Changes of assumptions	479,075	0	479,075
Net difference between projected and actual earnings on pension plan investments	591,963	4,235,848	4,827,811
Changes in employer proportionate share of net pension liability	387,302	0	387,302
Center's contributions subsequent to the measurement date	431,724	2,667,456	3,099,180
Total Deferred Outflows of Resources	$1,986,859	$8,964,668	$10,951,527
Deferred Inflows of Resources			
Changes in employer proportionate share of net pension liability	$89,011	$1,644,175	$1,733,186
Total Deferred Inflows of Resources	$89,011	$1,644,175	$1,733,186

$3,099,180 reported as deferred outflows of resources related to pension resulting from Center contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ending June 30:	SERS	STRS	Total
2018	$441,342	$493,253	$934,595
2019	440,915	493,253	934,168
2020	413,703	2,118,667	2,532,370
2021	170,164	1,547,864	1,718,028
Total	$1,466,124	$4,653,037	$6,119,161

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, 2016, are presented below:

Wage Inflation	3.00 percent
Future Salary Increases, including inflation	3.50-18.20 percent
COLA or Ad Hoc COLA	3.00 percent
Investment Rate of Return	7.50 percent net of investments expense, including inflation
Actuarial Cost Method	Entry Age Normal

For post-retirement mortality, the table used in evaluating allowances to be paid is the 1994 Group Annuity Mortality Table set back one year for both men and women. Special mortality tables are used for the period after disability retirement. The most recent experience study was completed June 30, 2010.

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

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

Discount Rate

The total pension liability was calculated using the discount rate of 7.50 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.50 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the Center's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.50 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Center's proportionate share of the net pension liability	$9,501,328	$7,176,568	$5,230,646

Actuarial Assumptions - STRS

The total pension liability in the June 30, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

Actuarial assumptions used in the June 30, 2016, valuation are based on the results of an actuarial experience study, effective July 1, 2012.

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

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

* 10 year annualized geometric nominal returns include the real rate of return and inflation of 2.5 percent, and does not include investment expenses. The total fund long-term expected return reflects diversification among the asset classes and therefore is not a weighted average return of the individual asset classes.

Discount Rate

The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2016. 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, 2016. Therefore, the long-term expected rate of return on pension plan investments of 7.75 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2016.

Sensitivity of the Center's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

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

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
Center's proportionate share of the net pension liability	$67,798,512	$51,017,801	$36,862,282

Changes Between Measurement Date and Report Date

In March 2017, the STRS Board adopted certain assumption changes which will impact their annual actuarial valuation prepared as of June 30, 2017. The most significant change is a reduction in the discount rate from 7.75 percent to 7.45 percent. In April 2017, the STRS Board voted to suspend cost of living adjustments granted on or after July 1, 2017. Although the exact amount of these changes is not known, the overall decrease to the net pension liability is expected to be significant.

Note 8 - Post Employment Benefits

School Employees Retirement System

Health Care Plan Description – Sections 3309.375 and 3309.69 of the Ohio Revised Code permit SERS to offer health care benefits to eligible retirees and beneficiaries. SERS' Retirement Board reserves the right to change or discontinue any health plan or program. SERS offers several types of health plans from various vendors, including HMOs, PPOs, Medicare Advantage and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively.

The Ohio Revised Code provides the statutory authority to fund SERS' postemployment benefits through employer contributions. Active members do not make contributions to the postemployment benefit plan.

The Health Care Fund was established under, and is administered in accordance with Internal Revenue Code 105(e). Each year after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer 14% contribution to the Health Care Fund in accordance with the funding policy. For the year ended June 30, 2017, the health care allocation is 0.00%. 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. By statute no employer shall pay a health care surcharge greater than 2.0% 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 2017, the minimum compensation level was established at $23,500. The surcharge, added to the unallocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The Center's contributions assigned to health care for the years ended June 30, 2017, 2016, and 2015 were $0, $0, and $28,347, respectively.

The SERS Retirement Board establishes 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.

The financial reports of SERS' Health Care plan are included in its Comprehensive Annual Financial Report. That report can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

State Teachers Retirement System

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

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. All benefit recipients, for the most recent year, pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For fiscal year 2017, STRS did not allocate any employer contributions to post-employment health care. The Center's contributions for health care for the fiscal years ended June 30, 2017, 2016, and 2015 were $0, $0, and $0, respectively.

Note 9 - Employee Benefits

Special Termination Benefits

Employees who retire June 30, 2017, with at least 10 years experience were given a special termination benefit. For employees with at least ten years of service with the Center, the benefit was $8,000 for certified and classified employees. For employees with at least twenty years of service with the Center, the benefit was $10,000 for certified and classified employees. The employee must have at least ten years of service with the Center, and the final five years must be consecutive and be in a paid status immediately prior to retirement. Also, the benefit is only available for those employees who first become eligible to retire during fiscal year 2016-2018. Notice of retirement must be given by March 30 for the special termination benefit to be payable. The benefit will be paid by January 31st of the next calendar year after said proof has been submitted. In this calculation, employees with an attendance percentage of 94.5% will use a multipler of 100%. All others will be calculated at their actual percentage rounded to the nearest one hundredth.

Insurance Benefits

The Center provides life insurance and accidental death and dismemberment insurance to full-time employees through Prudential Group Insurance. Medical/surgical benefits are provided through United Health Care. Dental insurance is provided through Delta Dental.

Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. As of June 30, 2017, six members of the Board of Education have elected Social Security. The Board's liability is 6.2% of wages paid.

Note 10 - Contingent Liabilities

Grants

The 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 is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds.

However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements included herein or on the overall financial position of the Center as of June 30, 2017.

Litigation

The Center's attorney estimates that all other potential claims against the Center not covered by insurance resulting from all other litigation would not materially affect the financial statements of the Center.

Foundation Funding

Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Effective for the 2014-2015 school year, traditional schools 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 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, 2017 Foundation funding for the Center; therefore, the financial statement impact is not determinable at this time. ODE and management believe this will result in either a receivable to or liability of the Center.

Note 11 - Jointly Governed Organizations, Related Organization, and Public Entity Risk Pool

Jointly Governed Organizations

Southwest Ohio Computer Association

Southwest Ohio Computer Association (SWOCA) is a computer consortium. SWOCA is an association of public school districts within the boundaries of Butler, Warren, and Preble Counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions amoung member school districts. The governing board of SWOCA consists of one representative from each district plus one representative from the fiscal agent. The board exercises total control over the operations of the Association including budgeting, appropriating, contracting and designating management. Each member's degree of control is limited to its representation of the Board. During fiscal year

2017, the Center paid SWOCA $48,953. Financial information can be obtained from the Executive Director, at 3611 Hamilton-Middletown Road, Hamilton, Ohio 45011.

Southwestern Ohio Educational Purchasing Council

The Southwestern Ohio Educational Purchasing Council (SOEPC) is a purchasing council made up of about 132 school districts in 18 counties. The purpose of the council is to obtain prices for quality merchandise and services commonly used by schools. All member districts are obligated to pay all fees, charges, or other assessments as established by the SOEPC.

Each member district has one voting representative. Title to any and all equipment, furniture and supplies purchased by the SOEPC is held in trust for the member district by the Fiscal Agent. Any district withdrawing from the SOEPC shall forfeit its claim to any and all SOEPC assets. One year prior notice is necessary for withdrawal from the group. During this time, the withdrawing member is liable for all member obligations. Payments to SOEPC are made from the General Fund. During fiscal year 2017, the fee was waived for all EPC districts. To obtain financial information, write to the Southwestern Ohio Educational Purchasing Council, 303 Corporate Center Drive, Suite 208, Vandalia, Ohio 45377-1171.

Southwestern Ohio Instructional Technology Association

The Southwestern Ohio Instructional Technology Association (SOITA) is a not-for-profit corporation formed under Section 1702.01 of the Ohio Revised Code. The purpose of the corporation is to serve the educational needs of the area through television programming for the advancement of educational programs.

The Board of Trustees is comprised of twenty-one representatives of SOITA member schools or institutions. Nineteen representatives are elected from within the counties by the qualified members within the counties, i.e. Auglaize, Butler, Champaign, Clark, Clinton, Darke, Fayette, Greene, Hamilton, Logan, Mercer, Miami, Montgomery, Preble, Shelby, and Warren. Montgomery, Greene and Butler Counties elect two representatives per area. All others elect one representative per area. All superintendents except for those from educational service centers vote on the representatives after nominating committee nominates individuals to run. One at-large non-public representative is elected by the non-public school SOITA members from within the State assigned SOITA service area. One at-large higher education representative is elected by higher education SOITA members from within the State assigned SOITA service area.

All member districts are obligated to pay all fees, charges, or other assessments as established by the SOITA. Upon dissolution, the net position shall be distributed to the federal, state or local government for a public purpose. Payments to SOITA are made from the General Fund. During fiscal year 2017, the Center did not make any payments to SOITA. To obtain financial information, write to the Southwestern Ohio Instructional Technology Association, 1205 E. Fifth Street, Dayton, Ohio 45402.

Ohio Association of Career Tech Superintendents

The Ohio Association of Career Tech Superintendents (OACTS) is a not-for-profit organization. The purpose of the OACTS is to encourage and foster the ideal of vocational education as a worthy and integral part of the total educational system. The governing body of the organization is the Executive

Committee. The Executive Committee consists of the Board of Directors and officers. The Board of Directors consists of five members selected by the membership of OACTS. Members of the Board of Directors serve staggered three year terms. The Board of Directors is responsible for electing officers of the organization. Officers include a President, a Vice-President, a Secretary and a Treasurer. All member Centers are required to pay membership fees. Payments to OACTS are made from the General Fund. During fiscal year 2017, the Center paid $6,806 for services performed during the fiscal year. To obtain financial information, write to the Ohio Association of Career Tech Superintendents, 6628 Wild Rose Lane, Westerville, OH 43082.

The Dayton Area Superintendent's Association

The Dayton Area Superintendent's Association (DASA) is an organization formed by area school Superintendents. The purpose of the organization is to serve as a forum for practicing superintendents to present problems, seek solutions, reach consensus and take appropriate action to resolve issues. The organization also shares information among its members and provides, on a contractual basis, in service education for the school management team.

Membership in the organization is open to the greater Dayton area school system superintendents, assistant superintendents, directors, and professional staff members of institutions of higher education, and/or Region IX of the Buckeye Association of School Administrators. Region IX presently includes Champaign, Clark, Darke, Greene, Miami, Montgomery, Preble, Shelby, and Warren Counties. The Executive Committee is comprised of eight representatives of DASA member schools or institutions. The members of the Executive Committee are elected annually in each county. The County Superintendent of each county is responsible for the nomination and election of their representative.

All member schools are obligated to pay all dues and fees established by the Executive Committee. During fiscal year 2017, the Center paid DASA $500 for membership dues. To obtain financial information, write to The Dayton Area Superintendent's Association, 200 S. Keowee Street, Dayton, OH 45402.

Related Organization

Miami Valley Career Technology Center Education Foundation

The Miami Valley Career Technology Center Education Foundation is a legally separate body politic. The board members of the Miami Valley Career Technology Center Education Foundation are appointed by the Center. The Center is not able to impose its will on the Miami Valley Career Technology Center Education Foundation and no financial benefit and/or burden relationship exists. The Miami Valley Career Technology Education Foundation is responsible for approving its own budgets, appointing personnel and accounting and finance related activities. To obtain financial information write to the Miami Valley Career Technology Center Education Foundation, the Treasurer, at 6800 Hoke Road, Englewood, Ohio 45315-9740.

Public Entity Risk Pool

Southwestern Ohio Educational Purchasing Cooperative Workers' Compensation Group Rating Plan

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

Note 12 - Risk Management

Property and Liability

The Center is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the current fiscal year, the Center contracted with Phelan Insurance for general, property, and vehicle liability insurance. Coverages provided are as follows:

Building and Contents-replacement cost ($2,500 deductible)	$85,739,000
Crime Insurance ($500 deductible)	50,000
Automobile Liability ($1,000 deductible)	1,000,000
Uninsured Motorists ($1,000 deductible)	1,000,000
General Liability	
Per occurrence	1,000,000
Aggregate	2,000,000

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

Note 13 - Fund Balance Reserves for Set-Asides

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

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

	Capital Acquisition
Set Aside Reserve Balance as of June 30, 2016	$0
Current Year Set Aside Requirements	360,724
Qualified Disbursements	(572,039)
Set Aside Reserve Balance as of June 30, 2017	($211,315)
Restricted Cash as of June 30, 2017	$0

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

Note 14 - Interfund Transactions

Interfund transactions at June 30, 2017, consisted of the following interfund receivables and payables, and transfers in and transfers out:

	Interfund		Transfers	
	Receivable	Payable	In	Out
General Fund	$28,021	$0	$0	$703,318
Other Governmental Funds	0	28,021	703,318	0
Total All Funds	$28,021	$28,021	$703,318	$703,318

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

Note 15 – Fund Balances

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

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Fund Balances	General	Other Governmental Funds	Total
Nonspendable:			
Prepaids	$26,646	$0	$26,646
Total Nonspendable	26,646	0	26,646
Restricted for:			
Data Communications	$0	$20,712	$20,712
Miscellaneous State Grants	0	25,874	25,874
Adult Basic Education	0	2,328	2,328
Vocational Education	0	10	10
Improving Teacher Quality	0	9,330	9,330
Miscellaneous Federal Grants	0	10,975	10,975
Building	0	517,420	517,420
Total Restricted	0	586,649	586,649
Assigned to:			
Encumbrances	532,057	0	532,057
Public School Support	833	0	833
Budgetary Resource	25,000	0	25,000
Total Assigned	557,890	0	557,890
Unassigned (Deficit)	10,169,802	0	10,169,802
Total Fund Balance	$10,754,338	$586,649	$11,340,987

Note 16 – Implementation of New Accounting Principles

For the fiscal year ended June 30, 2017, the District has implemented Governmental Accounting Standards Board (GASB) Statement No. 77, *Tax Abatement Disclosures*, and GASB Statement No. 80, *Blending Requirements For Certain Component Units – An Amendment of GASB No. 14.*

GASB Statement No. 77 establishes improved financial reporting by giving users of financial statements essential information that is not consistently or comprehensively reported to the public at present. Disclosure of information about the nature and magnitude of tax abatements will make these transactions more transparent to financial statement users. As a result, users will be better equipped to understand (1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations and (2) the impact those abatements have on a government's financial position and economic condition. The implementation of GASB Statement No 77 did not have an effect on the financial statements of the Center.

GASB Statement No. 80 amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units*. The implementation of GASB Statement No. 80 did not have an effect on the financial statements of the Center.

Note 17 – Tax Abatements entered Into By Other Governments

Other governments entered into property tax abatement agreements with property owners under the Ohio Community Reinvestment Area ("CRA") and Enterprise Zone Agreement ("EZA") programs with the taxing districts of the Center. The CRA program is a directive incentive tax exemption program benefiting property owners who renovate or construct new buildings. Under this program, the other governments designated areas to encourage revitalization of the existing housing stock and the development of new structures. The EZA program is an economic development tool administered by municipal and county governments that provides real and personal property tax exemptions to businesses making investments in the community. Within the taxing districts of the Center, The City of Brookville and The Village of Lewisburg have entered into CRA agreements and Tipp City has entered into an EZA agreement. Under these agreements the Center's property taxes were reduced. The Center received a $2,844 lump sum payment in association with part of the forgone property tax revenue in Tipp City.

Note 18 – Prior Period Adjustment

During fiscal year 2017, the Center had a capital asset appraisal performed. As a result of the appraisal, the capital assets needed to be restated.

The restatement of capital assets had the following effect on net position as reported June 30, 2016:

Net position June 30, 2016	($22,988,892)
Adjustments:	
Restatement of Net Capital Assets	(7,605,077)
Restated Net Position June 30, 2016	($30,593,969)

Note 19 – Subsequent Event

On November 7, 2017, voters approved a bond issue and tax levy allowing the Center to issue bonds in the principal amounts of $34,566,783 to pay the local share of school construction under the State of Ohio Vocational Facilities Assistance Program, and $95,490,959 to pay for improvements to facilities, including renovations, additions, equipment, technology, furnishings, and site improvements, as well as an additional property tax not to exceed 0.34 mills for enlarging, improving, rebuilding, erecting, and equipping of buildings, including maintenance of classroom facilities. At the November 14, 2017 meeting, the Board authorized the Center to issue bonds in an amount not to exceed $130,057,742.

REQUIRED SUPPLEMENTARY INFORMATION

Miami Valley Career Technology Center
Required Supplementary Information
Schedule of the Center's Proportionate Share of the Net Pension Liability
State Teachers Retirement System of Ohio
Last Four Fiscal Years (1)

	2017	2016	2015	2014
Center's Proportion of the Net Pension Liability	0.15241472%	0.15475599%	0.16124385%	0.16124385%
Center's Proportionate Share of the Net Pension Liability	$51,017,801	$42,770,029	$39,220,085	$46,592,892
Center's Covered-Employee Payroll	$17,873,221	$17,896,064	$17,741,946	$19,373,469
Center's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	285.44%	238.99%	221.06%	240.50%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.80%	72.10%	74.70%	69.30%

(1) - Information prior to 2014 is not available

Note- Amounts presented as of the Center's measurement date which is the prior fiscal year end.

Miami Valley Career Technology Center
Required Supplementary Information
Schedule of the Center's Proportionate Share of the Net Pension Liability
School Employees Retirement System of Ohio
Last Four Fiscal Years (1)

	2017	2016	2015	2014
Center's Proportion of the Net Pension Liability	0.09805290%	0.10015060%	0.08729000%	0.08729000%
Center's Proportionate Share of the Net Pension Liability	$7,176,568	$5,714,690	$4,417,697	$5,192,411
Center's Covered-Employee Payroll	$3,490,886	$3,672,040	$2,562,085	$2,816,336
Center's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	205.58%	155.63%	172.43%	184.37%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.98%	69.16%	71.70%	65.52%

(1) - Information prior to 2014 is not available

Note- Amounts presented as of the Center's measurement date which is the prior fiscal year end.

Miami Valley Career Technology Center
Required Supplementary Information
Schedule of Center Contributions
State Teachers Retirement System of Ohio
Last Ten Fiscal Years

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Contractually Required Contribution	$2,667,456	$2,502,251	$2,505,449	$2,306,453	$2,518,551	$2,413,929	$2,707,193	$2,679,348	$2,674,250	$2,684,955
Contributions in Relation to the Contractually Required Contribution	(2,667,456)	(2,502,251)	(2,505,449)	(2,306,453)	(2,518,551)	(2,413,929)	(2,707,193)	(2,679,348)	(2,674,250)	(2,684,955)
Contribution Deficiency (Excess)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Center Covered-Employee Payroll	$19,053,257	$17,873,221	$17,896,064	$17,741,946	$19,373,469	$18,568,684	$20,824,561	$20,610,369	$20,571,153	$20,653,500
Contributions as a Percentage of Covered-Employee Payroll	14.00%	14.00%	14.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%

Miami Valley Career Technology Center
Required Supplementary Information
Schedule of Center Contributions
School Employees Retirement System of Ohio
Last Ten Fiscal Years

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Contractually Required Contribution	$431,724	$488,724	$483,975	$355,105	$389,781	$366,363	$468,822	$458,134	$457,079	$456,222
Contributions in Relation to the Contractually Required Contribution	(431,724)	(488,724)	(483,975)	(355,105)	(389,781)	(366,363)	(468,822)	(458,134)	(457,079)	(456,222)
Contribution Deficiency (Excess)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Center Covered-Employee Payroll	$3,083,743	$3,490,886	$3,672,040	$2,562,085	$2,816,336	$2,723,888	$3,729,689	$3,383,559	$4,645,112	$4,645,845
Contributions as a Percentage of Covered-Employee Payroll	14.00%	14.00%	13.18%	13.86%	13.84%	13.45%	12.57%	13.54%	9.84%	9.82%

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	$13,983,217	$14,453,840	$14,453,840	$0
Tuition and Fees	24,292	25,110	25,110	0
Investment Earnings	88,517	91,496	91,496	0
Intergovernmental	16,677,921	17,239,237	17,239,237	0
Charges for Services	6,281	6,492	6,492	0
Other Revenues	135,772	140,342	140,342	0
Total Revenues	30,916,000	31,956,517	31,956,517	0
Expenditures:				
Current:				
Instruction:				
Regular	1,040,240	1,066,512	1,032,105	34,407
Special	509,237	522,099	505,255	16,844
Vocational	16,033,042	16,437,972	15,907,658	530,314
Support Services:				
Pupil	1,667,622	1,709,740	1,654,581	55,159
Instructional Staff	3,996,558	4,097,495	3,965,304	132,191
General Administration	53,682	55,038	53,262	1,776
School Administration	1,751,418	1,795,651	1,737,721	57,930
Fiscal	1,005,766	1,031,168	997,901	33,267
Business	446,437	457,713	442,946	14,767
Operations and Maintenance	3,543,338	3,632,829	3,515,628	117,201
Pupil Transportation	136,101	139,539	135,037	4,502
Central	173,795	178,185	172,436	5,749
Capital Outlay	27,399	28,091	27,185	906
Total Expenditures	30,384,635	31,152,032	30,147,019	1,005,013
Excess of Revenues Over (Under) Expenditures	531,365	804,485	1,809,498	1,005,013
Other Financing Sources (Uses):				
Transfers (Out)	(537,176)	(550,743)	(532,975)	17,768
Total Other Financing Sources (Uses)	(537,176)	(550,743)	(532,975)	17,768
Net Change in Fund Balance	(5,811)	253,742	1,276,523	1,022,781
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	8,089,965	8,089,965	8,089,965	0
Fund Balance - End of Year	$8,084,154	$8,343,707	$9,366,488	$1,022,781

See accompanying notes to the required supplementary information.

Note 1 – Budgetary Process

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Career Technology Center Treasurer. The amounts reported as the original budgeted amounts on the budgetary schedules reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary schedules reflect the amounts on the final amended certificate of estimated resources issued during the fiscal year 2017.

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

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

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

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

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

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

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

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

Net Change in Fund Balance

	General
GAAP Basis	$2,859,276
Revenue Accruals	(6,411,835)
Expenditure Accruals	5,277,061
Transfers Out	170,343
Encumbrances	(818,629)
Funds Budgeted Elsewhere	200,307
Budget Basis	$1,276,523

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MIAMI VALLEY CAREER TECHNOLOGY CENTER
MONTGOMERY COUNTY

SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

FEDERAL GRANTOR ***Pass Through Grantor*** **Program / Cluster Title**	**Federal CFDA Number**	**Pass Through Entity Identifying Number**	**Federal Receipts**	**Passed Through to Subrecipients**	**Total Federal Expenditures**
U.S. DEPARTMENT OF EDUCATION					
Passed Through the Ohio Board of Regents					
Adult Education - Basic Grants to States	84.002	V002A160036	$750,224	$32,095	$721,972
Direct Program					
Student Financial Aid Cluster					
Federal Pell Grant Program	84.063	N/A	746,216		746,216
Federal Direct Student Loans	84.268	N/A	1,431,846		1,431,846
Total Student Financial Aid Cluster			2,178,062		2,178,062
Passed Through Ohio Department of Education					
Career and Technical Education - Basic Grants to States	84.048	V048A160035	1,063,518		1,063,518
Supporting Effective Instruction State Grants	84.367	S367A160034	6,680		6,680
Total U.S. Department of Education			3,998,484	32,095	3,970,232
Total Federal Financial Assistance			$3,998,484	$32,095	$3,970,232

The accompanying notes are an integral part of this schedule.

MIAMI VALLEY CAREER TECHNOLOGY CENTER
MONTGOMERY COUNTY

NOTES TO THE SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Receipts and Expenditures of Federal Awards (the Schedule) includes the federal award activity of Miami Valley Career Technology Center (the Center's) under programs of the federal government for the year ended June 30, 2017. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Center, it is not intended to and does not present the financial position or changes in net position of the Center.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures and receipts reported on the Schedule are reported on the cash basis of accounting. Such expenditures and receipts are recognized following, as applicable, either the cost principles contained in OMB Circular A-87 *Cost Principles for State, Local, and Indian Tribal Centers* (codified in 2 CFR Part 225), or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The Center has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE C – SUBRECIPIENTS

The Center passes certain federal awards received from the Ohio Board of Regents to other governments or not-for-profit agencies (sub-recipients). As Note B describes, the Center reports receipts and expenditures of Federal awards to sub-recipients when paid in cash.

As a sub-recipient, the Center has certain compliance responsibilities, such as monitoring its sub-recipients to help assure they use these sub-awards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that sub-recipients achieve the award's performance goals.

NOTE D – LOAN PROGRAMS WITH CONTINUING COMPLIANCE REQUIREMENTS

The federal loan programs listed subsequently are administered directly by the Center, and balances and transactions relating to these programs are included in the Center's basic financial statements. Loans outstanding at the beginning of the year and loans made during the year are included in the federal expenditures presented in the Schedule. The balances of loans outstanding at June 30, 2017 consist of:

CFDA Number	Program/Cluster Name	Outstanding Balance at June 30, 2017
84.268	Federal Direct Student Loans / Student Financial Aid Cluster	-0-

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

Miami Valley Career Technology Center
Montgomery County
6800 Hoke Road
Englewood, Ohio 45315

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Miami Valley Career Technology Center, Montgomery County, (the Center) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Center's basic financial statements and have issued our report thereon dated December 11, 2017, wherein we noted that the Center restated its July 1, 2016 net position.

Internal Control Over Financial Reporting

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

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

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

One First National Plaza, 130 W. Second St., Suite 2040, Dayton, Ohio 45402
Phone: 937-285-6677 or 800-443-9274 Fax: 937-285-6688
www.ohioauditor.gov

Compliance and Other Matters

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

Purpose of this Report

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

Dave Yost

Dave Yost
Auditor of State
Columbus, Ohio

December 11, 2017

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

Miami Valley Career Technology Center
Montgomery County
6800 Hoke Road
Englewood, Ohio 45315

To the Board of Education:

Report on Compliance for the Major Federal Program

We have audited the Miami Valley Career Technology Center's (the Center) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect the Miami Valley Career Technology Center's major federal program for the year ended June 30, 2017. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the Center's major federal program.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to opine on the Center's compliance for the Center's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the Center's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on the Major Federal Program

In our opinion, the Miami Valley Career Technology Center complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended June 30, 2017.

Report on Internal Control Over Compliance

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

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

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

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

Dave Yost
Auditor of State
Columbus, Ohio

December 11, 2017

SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2017

1. SUMMARY OF AUDITOR'S RESULTS

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

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

MIAMI VALLEY
CAREER TECHNOLOGY CENTER

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR 200.511(b)
JUNE 30, 2017

Finding Number	Finding Summary	Status	Additional Information
2016-001	Significant Deficiency – Financial statement misstatements	Partially Corrected	Material misstatements have been corrected. The district is collaborating with Plattenburg & Associates and the State Auditor's office to ensure the calculation methods are uniform.

MIAMI VALLEY CAREER TECHNOLOGY CENTER

MONTGOMERY 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
JANUARY 4, 2018