OHIO AUDITOR OF STATE
KEITH FABER

COSHOCTON COUNTY CAREER CENTER
COSHOCTON COUNTY
JUNE 30, 2020 AND 2019

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COSHOCTON COUNTY
JUNE 30, 2020 AND 2019

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INDEPENDENT AUDITOR'S REPORT

Coshocton County Career Center
Coshocton County
23640 Airport Road
Coshocton, Ohio 43812

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Coshocton County Career Center, Coshocton County, Ohio (the Career Center), as of and for the years ended June 30, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the Career Center's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Coshocton County Career Center, as of June 30, 2020 and 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

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

As discussed in Note 21 to the financial statements for 2020 and in Note 20 to the financial statements for 2019, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Career Center. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's Discussion and Analysis* and Schedules of Net Pension and Other Post-Employment Benefit Liabilities and Assets and Pension and Other Post-Employment Benefit Contributions listed in the Table of Contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 7, 2021, on our consideration of the Career Center's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Career Center's internal control over financial reporting and compliance.

Keith Faber
Auditor of State
Columbus, Ohio

April 7, 2021

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

Financial Highlights

Key financial highlights for 2020 are as follows:

- Net position increased $301,581 which represents a 48 percent increase from 2019's restated balance.

- Capital assets increased $147,893 during fiscal year 2020.

- During the fiscal year, outstanding debt decreased from $128,426 to $110,080.

Using this Annual Report

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

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

Reporting the Career Center as a Whole

Statement of Net Position and the Statement of Activities

While the basic financial statements contain the large number of funds used by the Career Center to provide programs and activities, the view of the Career Center as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2020?" The *Statement of Net Position* and the *Statement of Activities* answer this question. These statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

Reporting the Career Center's Most Significant Funds

Fund Financial Statements

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

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

Proprietary Fund The Career Center maintains one type of proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Career Center's various functions. The Career Center uses an internal service fund to account for its health insurance benefits. Because this service predominately benefits governmental functions, it has been included within the governmental activities in the government-wide financial statements.

The Career Center as a Whole

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

Table 1
Net Position

	Governmental Activities		
	2020	Restated 2019	Change
Assets			
Current and Other Assets	$ 3,626,327	$ 4,201,799	$ (575,472)
Net OPEB Asset	229,919	227,765	2,154
Capital Assets	2,395,012	2,247,119	147,893
Total Assets	6,251,258	6,676,683	(425,425)
Deferred Outflows of Resources			
Pension & OPEB	788,550	1,035,479	(246,929)
Liabilities			
Current Liabilities	515,685	759,531	(243,846)
Long-Term Liabilities:			
Due Within One Year	32,703	34,754	(2,051)
Due in More Than One Year			
Pension & OPEB	4,394,309	4,453,702	(59,393)
Other Amounts	306,162	338,634	(32,472)
Total Liabilities	5,248,859	5,586,621	(337,762)
Deferred Inflows of Resources			
Property Taxes	1,358,477	1,889,717	(531,240)
Pension & OPEB	757,849	867,115	(109,266)
Total Deferred Inflows of Resources	2,116,326	2,756,832	(640,506)
Net Position			
Investment in Capital Assets	2,395,012	2,247,119	147,893
Restricted	619,448	560,274	59,174
Unrestricted	(3,339,837)	(3,434,351)	94,514
Total Net Position	$ (325,377)	$ (626,958)	$ 301,581

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

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

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

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

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

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. For STRS, the plan's fiduciary net OPEB position was sufficient to cover the plan's total OPEB liability resulting in a net OPEB asset for fiscal year 2020 that is allocated to each school based on its proportionate share. The retirement system is responsible for the administration of the pension and OPEB plans.

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

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

At year end, capital assets represented 38 percent of total assets. Capital assets include land, construction in progress, land improvements, buildings and improvements, furniture and equipment and vehicles. The investment in capital assets was $2,395,012 at June 30, 2020. These capital assets are used to provide services to students and are not available for future spending.

Current and other assets as well as deferred inflows of resources for property taxes decreased significantly during the fiscal year. Both of these decreases can be attributed to the Career Center's permanent improvement tax levy expiring. The Career Center will receive its final payments relating to this levy in the fall of calendar year 2020.

Current liabilities decreased significantly from fiscal year 2019 with the majority of this decrease attributable to contracts payable. For the current fiscal year, the Career Center had no contract payables. In the prior year the Career Center had significant payables for a parking lot and sidewalk.

A portion of the Career Center's net position, $619,448, represents resources that are subject to external restrictions on how they may be used. The balance of government-wide unrestricted net position was a deficit of $3,339,837.

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

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

Table 2
Changes in Net Position

	Governmental Activities		
	2020	2019	Change
Revenues			
Program Revenues:			
Charges for Services	$ 132,582	$ 123,383	$ 9,199
Operating Grants	532,641	452,565	80,076
Total Program Revenues	665,223	575,948	89,275
General Revenues:			
Property Taxes	2,181,848	1,929,644	252,204
Grants and Entitlements Not Restricted	1,825,807	1,854,585	(28,778)
Other	61,213	77,743	(16,530)
Total General Revenues	4,068,868	3,861,972	206,896
Total Revenues	4,734,091	4,437,920	296,171
Program Expenses			
Instruction:			
Regular	515,523	355,760	159,763
Special	172,950	129,368	43,582
Vocational	1,723,336	1,481,033	242,303
Other	1,904	1,934	(30)
Support Services:			
Pupils	150,578	115,771	34,807
Instructional Staff	340,035	241,132	98,903
Board of Education	33,503	44,131	(10,628)
Administration	270,350	217,173	53,177
Fiscal	255,906	250,943	4,963
Business	42,010	42,052	(42)
Operation and Maintenance of Plant	694,336	580,273	114,063
Pupil Transportation	11,678	9,047	2,631
Central	40,086	37,485	2,601
Operation of Non-Instructional Services:			
Food Service Operations	135,287	145,737	(10,450)
Other	0	112	(112)
Extracurricular Activities	40,043	12,729	27,314
Debt Service:			
Interest and Fiscal Charges	4,985	5,680	(695)
Total Expenses	4,432,510	3,670,360	762,150
Increase (Decrease) in Net Position	301,581	767,560	(465,979)
Net Position at Beginning of Year	(626,958)	(1,398,851)	771,893
Restatement - See Note 2	0	4,333	(4,333)
Net Position at End of Year	$ (325,377)	$ (626,958)	$ 301,581

Overall, program expenses increased significantly. The changes in program expenses are partially associated to changes in the Career Center's proportionate share of the net pension liability, net OPEB liability/asset and related accruals. As previously indicated, these items are explained in detail within their respective notes.

The Career Center's expenditures for operation and maintenance of plant increased significantly during the year as several repair and maintenance projects were completed. This added to the overall significant increase in program expenses.

Property tax revenue increased significantly during the fiscal year as the amount available for advance at the end of the fiscal year was significantly more than in the prior year.

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

Table 3
Governmental Activities

	Total Cost of Service		Net Cost of Service	
	2020	2019	2020	2019
Instruction:				
Regular	$ 515,523	$ 355,760	$ 478,100	$ 322,177
Special	172,950	129,368	78,257	43,369
Vocational	1,723,336	1,481,033	1,431,420	1,181,433
Other	1,904	1,934	1,904	1,934
Support Services:				
Pupils	150,578	115,771	104,680	115,771
Instructional Staff	340,035	241,132	318,854	236,858
Board of Education	33,503	44,131	33,503	41,631
Administration	270,350	217,173	270,350	217,173
Fiscal	255,906	250,943	255,767	250,870
Business	42,010	42,052	42,010	42,052
Operation and Maintenance of Plant	694,336	580,273	669,268	577,003
Pupil Transportation	11,678	9,047	11,678	9,047
Central	40,086	37,485	40,086	37,485
Operation of Non-Instructional Services:				
Food Service Operations	135,287	145,737	13,704	(912)
Other	0	112	0	112
Extracurricular Activities	40,043	12,729	12,721	12,729
Debt Service:				
Interest and Fiscal Charges	4,985	5,680	4,985	5,680
Total Expenses	$ 4,432,510	$ 3,670,360	$ 3,767,287	$ 3,094,412

The dependence upon general revenues for governmental activities is apparent. Almost 85 percent of governmental activities are supported through taxes and other general revenues; such revenues are 86 percent of total governmental revenues. The community, as a whole, is by far the primary support for the Career Center students.

The total and net cost of services changes were primarily caused by the changes related to NPL/NOL/NOA, as previously discussed.

Governmental Funds

The Career Center's major funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of $4,727,659 and expenditures of $4,541,511.

The general fund's net change in fund balance for fiscal year 2020 was an increase of $136,805.

The permanent improvement fund's net change in fund balance for fiscal year 2020 was an increase of $51,984.

General Fund Budgeting Highlights

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

During the course of fiscal year 2020, the Career Center amended its general fund budget. The Career Center uses site-based budgeting and budgeting systems are designed to tightly control total site budgets but provide flexibility for site management.

Original Budget Compared to Final Budget During the course of fiscal year 2020, the Career Center amended its general fund budget for original appropriations due to recognized savings in vocational and pupil support service expenses. There was no need for the Career Center to make any significant changes to original estimated receipts.

Final Budget Compared to Actual Results For fiscal year 2020, there were no significant differences between final budgeted receipts and actual receipts. Actual expenditures and were significantly lower than final budgeted expenditures, as cost savings were recognized by the Career Center.

There were no significant variances to discuss within other financing sources and uses.

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Capital Assets and Debt Administration

Capital Assets

Table 4 shows fiscal year 2020 balances compared with 2019.

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

	Governmental Activities	
	2020	2019
Land	$ 28,429	$ 28,429
Construction in Progress	15,208	0
Land Improvements	284,610	270,018
Buildings and Improvements	1,484,686	1,506,470
Furniture and Equipment	537,420	408,389
Vehicles	44,659	33,813
Totals	$ 2,395,012	$ 2,247,119

See Note 7 for more information about the capital assets of the Career Center.

Debt

Table 5 summarizes fiscal year 2020 debt outstanding compared with 2019. See Note 12 for additional details.

Table 5
Outstanding Debt at Year End

	Governmental Activities	
	2020	2019
H.B. 264 Loan	$ 110,080	$ 128,426

Current Issues

The Coshocton County Career Center strives to be fiscally responsible so we can provide the necessary instruction for our students to be knowledgeable, highly skilled and able to compete in a global economy. The financial future has its challenges and the Career Center continues to closely monitor revenue and expenditures in accordance with its five-year forecast. The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures has impacted the current period and will continue to impact subsequent periods of the Career Center.

Contacting the Career Center's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Career Center's finances and to show the Career Center's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Tamara Hess, Treasurer of Coshocton County Career Center, 23640 Airport Road, Coshocton OH 43812.

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

	Governmental Activities
Assets	
Equity in Pooled Cash and Investments	$ 1,525,491
Cash and Cash Equivalents with Fiscal Agent	350,045
Materials and Supplies Inventory	9,345
Receivables:	
Intergovernmental	23,569
Property Taxes	1,717,877
Net OPEB Asset	229,919
Nondepreciable Capital Assets	43,637
Depreciable Capital Assets (Net)	2,351,375
Total Assets	6,251,258
Deferred Outflows of Resources	
Pension	727,007
OPEB	61,543
Total Deferred Outflows of Resources	788,550
Liabilities	
Accounts Payable	22,766
Accrued Wages and Benefits	340,616
Intergovernmental Payable	48,233
Accrued Vacation Leave Payable	15,154
Claims Payable	27,529
Unearned Revenue	61,387
Long Term Liabilities:	
Due Within One Year	32,703
Due In More Than One Year:	
Net Pension Liability	4,019,734
Net OPEB Liability	374,575
Other Amonts Due in More Than One Year	306,162
Total Liabilities	5,248,859
Deferred Inflows of Resources	
Property Taxes Levied for the Next Year	1,358,477
Pension	312,224
OPEB	445,625
Total Deferred Inflows of Resources	2,116,326
Net Position	
Investment in Capital Assets	2,395,012
Restricted For:	
Capital Outlay	593,051
Other Purposes	26,397
Unrestricted	(3,339,837)
Total Net Position	$ (325,377)

See accompanying notes to the basic financial statements.

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

	Expenses	Program Revenues: Charges for Services and Sales	Program Revenues: Operating Grants, Contributions and Interest	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental Activities				
Instruction:				
Regular	$ 515,523	$ 37,423	$ 0	$ (478,100)
Special	172,950	0	94,693	(78,257)
Vocational	1,723,336	33,674	258,242	(1,431,420)
Other	1,904	0	0	(1,904)
Support Services:				
Pupils	150,578	0	45,898	(104,680)
Instructional Staff	340,035	0	21,181	(318,854)
Board of Education	33,503	0	0	(33,503)
Administration	270,350	0	0	(270,350)
Fiscal	255,906	139	0	(255,767)
Business	42,010	0	0	(42,010)
Operation and Maintenance of Plant	694,336	628	24,440	(669,268)
Pupil Transportation	11,678	0	0	(11,678)
Central	40,086	0	0	(40,086)
Operation of Non-Instructional Services:				
Food Service Operations	135,287	35,980	85,603	(13,704)
Extracurricular Activities	40,043	24,738	2,584	(12,721)
Debt Service:				
Interest and Fiscal Charges	4,985	0	0	(4,985)
Total	$ 4,432,510	$ 132,582	$ 532,641	(3,767,287)

General Revenues	
Property Taxes Levied for:	
General Purposes	1,519,296
Debt Service	22,605
Capital Outlay	639,947
Grants and Entitlements Not Restricted to Specific Programs	1,825,807
Investment Earnings	33,989
Miscellaneous	27,224
Total General Revenues	4,068,868
Change in Net Position	301,581
Net Position Beginning of Year (Restated - See Note 2)	(626,958)
Net Position End of Year	$ (325,377)

See accompanying notes to the basic financial statements.

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

	General	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and Investments	$ 1,010,297	$ 471,883	$ 43,311	$ 1,525,491
Materials and Supplies Inventory	9,345	0	0	9,345
Receivables:				
Intergovernmental	0	0	23,569	23,569
Property Taxes	1,425,247	270,721	21,909	1,717,877
Total Assets	$ 2,444,889	$ 742,604	$ 88,789	$ 3,276,282
Liabilities				
Accounts Payable	$ 18,495	$ 4,271	$ 0	$ 22,766
Accrued Wages and Benefits	312,160	0	28,456	340,616
Intergovernmental Payable	43,675	0	4,558	48,233
Total Liabilities	374,330	4,271	33,014	411,615
Deferred Inflows of Resources				
Property Taxes Levied for the Next Year	1,125,161	211,407	21,909	1,358,477
Unavailable Revenue	38,514	7,897	2,554	48,965
Total Deferred Inflows of Resources	1,163,675	219,304	24,463	1,407,442
Fund Balances				
Nonspendable	9,411	0	0	9,411
Restricted	0	519,029	23,776	542,805
Committed	6,892	0	13,690	20,582
Assigned	195,396	0	0	195,396
Unassigned	695,185	0	(6,154)	689,031
Total Fund Balances	906,884	519,029	31,312	1,457,225
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 2,444,889	$ 742,604	$ 88,789	$ 3,276,282

See accompanying notes to the basic financial statements.

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

Total Governmental Fund Balances		$ 1,457,225
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.		2,395,012
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Intergovernmental	$ 2,554	
Delinquent Property Taxes	46,411	48,965
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		261,129
The net pension liability and Net OPEB asset/liability are not due and payable in the current period; therefore, the asset/liabilities and related deferred inflows/outflows are not reported in governmental funds.		
Net OPEB Asset	229,919	
Deferred Outflows - Pension	727,007	
Deferred Outflows - OPEB	61,543	
Net Pension Liability	(4,019,734)	
Net OPEB Liability	(374,575)	
Deferred Inflows - Pension	(312,224)	
Deferred Inflows - OPEB	(445,625)	(4,133,689)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds.		
House Bill 264 Loan	(110,080)	
Vacations Payable	(15,154)	
Compensated Absences	(228,785)	(354,019)
Net Position of Governmental Activities		$ (325,377)

See accompanying notes to the basic financial statements.

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

	General	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Revenues				
Property and Other Local Taxes	$ 1,513,385	$ 646,677	$ 22,605	$ 2,182,667
Intergovernmental	2,024,234	19,633	307,412	2,351,279
Investment Income	25,515	0	0	25,515
Tuition and Fees	54,329	0	0	54,329
Extracurricular Activities	0	0	27,033	27,033
Rentals	7,655	0	0	7,655
Charges for Services	9,252	0	34,313	43,565
Contributions and Donations	1,000	0	4,269	5,269
Miscellaneous	30,222	125	0	30,347
Total Revenues	3,665,592	666,435	395,632	4,727,659
Expenditures				
Current:				
Instruction:				
Regular	506,730	0	0	506,730
Special	77,677	0	93,086	170,763
Vocational	1,542,420	18,630	36,647	1,597,697
Other	1,904	0	0	1,904
Support Services:				
Pupils	114,964	0	44,573	159,537
Instructional Staff	272,954	26,546	21,181	320,681
Board of Education	32,610	0	0	32,610
Administration	263,938	0	0	263,938
Fiscal	228,194	15,835	0	244,029
Business	40,152	0	0	40,152
Operation and Maintenance of Plant	385,591	532,168	25,245	943,004
Pupil Transportation	3,911	21,272	0	25,183
Central	40,086	0	0	40,086
Extracurricular Activities	17,181	0	22,567	39,748
Operation of Non-Instructional Services:				
Food Service Operations	0	0	132,118	132,118
Debt Service:				
Principal Retirement	0	0	18,346	18,346
Interest and Fiscal Charges	0	0	4,985	4,985
Total Expenditures	3,528,312	614,451	398,748	4,541,511
Excess of Revenues Over (Under) Expenditures	137,280	51,984	(3,116)	186,148
Other Financing Sources (Uses)				
Transfers In	0	0	475	475
Transfers Out	(475)	0	0	(475)
Total Other Financing Sources (Uses)	(475)	0	475	0
Net Change in Fund Balance	136,805	51,984	(2,641)	186,148
Fund Balances Beginning of Year (Restated - See Note 2)	770,079	467,045	33,953	1,271,077
Fund Balances End of Year	$ 906,884	$ 519,029	$ 31,312	$ 1,457,225

See accompanying notes to the basic financial statements.

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

Net Change in Fund Balances - Total Governmental Funds		$ 186,148
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital Asset Additions	$ 364,784	
Current Year Depreciation	(216,291)	148,493
Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.		(600)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property Taxes	(819)	
Grants	1,900	
Miscellaneous	(3,123)	(2,042)
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		18,346
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	317,308	
OPEB	2,110	319,418
Except for amount reported as deferred inflows/outflows, changes in the net pension and OPEB asset/liabilities are reported as pension/OPEB expense in the statement of activities.		
Pension	(459,814)	
OPEB	64,280	(395,534)
The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the district-wide statement of activities. Governmental expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among governmental activities.		12,313
Some expenses reported in the statement of activities do not require the use of the current financial resources and therefore are not reported as expenditures in governmental funds.		
Compensated Absences	16,177	
Vacations Payable	(1,138)	15,039
Change in Net Position of Governmental Activities		$ 301,581

See accompanying notes to the basic financial statements.

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

	Budgeted Amounts			Variance with Final Budget Over
	Original	Final	Actual	(Under)
Revenues				
Property and Other Local Taxes	$ 1,309,500	$ 1,331,535	$ 1,331,535	$ 0
Intergovernmental	2,041,500	2,026,970	2,022,725	(4,245)
Investment Income	32,000	27,000	25,515	(1,485)
Tuition and Fees	45,000	48,160	47,530	(630)
Rentals	8,500	7,500	7,655	155
Miscellaneous	27,500	26,500	26,071	(429)
Total Revenues	3,464,000	3,467,665	3,461,031	(6,634)
Expenditures				
Current:				
Instruction:				
Regular	511,817	514,455	500,627	13,828
Special	78,125	77,815	77,099	716
Vocational	1,701,235	1,642,118	1,542,761	99,357
Other	2,309	2,309	1,904	405
Support Services:				
Pupils	201,108	146,142	127,377	18,765
Instructional Staff	312,617	304,005	275,852	28,153
Board of Education	46,330	48,866	51,581	(2,715)
Administration	285,726	286,030	263,092	22,938
Fiscal	230,395	227,555	217,864	9,691
Business	49,730	48,230	43,028	5,202
Operation and Maintenance of Plant	428,694	423,714	387,889	35,825
Pupil Transportation	4,577	7,372	3,911	3,461
Central	43,293	46,598	40,964	5,634
Extracurricular Activities	17,272	17,184	17,181	3
Operation of Non-Instructional Services:				
Other	1,000	0	0	0
Total Expenditures	3,914,228	3,792,393	3,551,130	241,263
Excess of Revenues Over (Under) Expenditures	(450,228)	(324,728)	(90,099)	234,629
Other Financing Sources (Uses)				
Refund of Prior Year Expenditures	7,000	7,000	5,368	(1,632)
Transfers Out	(5,000)	(3,475)	(3,475)	0
Total Other Financing Sources (Uses)	2,000	3,525	1,893	(1,632)
Net Change in Fund Balance	(448,228)	(321,203)	(88,206)	232,997
Fund Balance Beginning of Year	1,060,769	1,060,769	1,060,769	0
Prior Year Encumbrances Appropriated	3,344	3,344	3,344	0
Fund Balance End of Year	$ 615,885	$ 742,910	$ 975,907	$ 232,997

See accompanying notes to the basic financial statements.

Coshocton County Career Center
Coshocton County, Ohio
Statement of Fund Net Position
Proprietary Fund
June 30, 2020

	Governmental Activities - Internal Service Fund
Assets	
Current Assets	
Cash and Cash Equivalents with Fiscal Agent	$ 350,045
Liabilities	
Current Liabilities	
Claims Payable	27,529
Unearned Revenue	61,387
Total Current Liabilities	88,916
Net Position	
Unrestricted	261,129
Total Net Position	$ 261,129

See accompanying notes to the basic financial statements.

Coshocton County Career Center
Coshocton County, Ohio
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Fund
For the Fiscal Year Ended June 30, 2020

		Governmental Activities - Internal Service Fund
Operating Revenues		
Charges for Services	$	533,992
Other		56,655
Total Operating Revenues		590,647
Operating Expenses		
Purchased Services		196,478
Claims		390,330
Total Operating Expenses		586,808
Operating Income		3,839
Non-Operating Revenues		
Interest		8,474
Change in Net Position		12,313
Net Position Beginning of Year		248,816
Net Position End of Year	$	261,129

See accompanying notes to the basic financial statements.

Coshocton County Career Center
Coshocton County, Ohio
Statement of Cash Flows
Proprietary Fund
For the Fiscal Year Ended June 30, 2020

	Governmental Activities - Internal Service Fund
Cash Flows From Operating Activities	
Cash Received from Interfund Services	$ 592,440
Cash Paid for Goods and Services	(196,478)
Cash Paid for Claims	(412,327)
Net Cash Provided By (Used For) Operating Activities	(16,365)
Cash Flows From Investing Activities	
Interest on Investments	8,474
Net (Decrease) in Cash and Cash Equivalents	(7,891)
Cash and Cash Equivalents, Beginning of Year	357,936
Cash and Cash Equivalents, End of Year	$ 350,045
Reconciliation of Operating Income to Net Cash Provided By (Used For) Operating Activities	
Operating Income	$ 3,839
Increase (Decrease) in Liabilities:	
Claims Payable	(21,997)
Unearned Revenue	1,793
Total Adjustments	(20,204)
Net Cash Provided By (Used For) Operating Activities	$ (16,365)

See accompanying notes to the basic financial statements.

NOTE 1: DESCRIPTION OF THE CAREER CENTER AND REPORTING ENTITY

The Coshocton County Career Center (Career Center) was established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Career Center is a school district as defined by Section 3311.18 of the Ohio Revised Code. The Career Center operates under a Board of Education, consisting of five members appointed by participating school districts.

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

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

The Career Center is involved with the Ohio Mid-Eastern Regional Educational Services Association (OME-RESA), which is defined as a jointly governed organization. Additional information concerning the jointly governed organization is presented in Note 17.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

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

Government-wide Financial Statements The statement of net position and the statement of activities display information about the Career Center as a whole. These statements include the financial activities of the primary government. The activity of the internal service fund is also eliminated to avoid "doubling up" revenues and expenses.

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

Fund Financial Statements During the year, the Career Center segregates transactions related to certain Career Center functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Career Center at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service fund is presented in a single column on the face of the proprietary fund statements.

B. Fund Accounting

The Career Center uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The various funds of the Career Center are grouped into the categories governmental and proprietary.

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

> ***General Fund -*** The general fund accounts for all financial resources, except those required to be accounted for in another fund. The general fund balance is available to the Career Center for any purpose provided it is expended or transferred according to the general laws of Ohio.
>
> ***Permanent Improvement Fund –*** The permanent improvement fund receives property taxes for acquisition, construction or improvement of capital facilities.

The other governmental funds of the Career Center account for grants and other resources to which the Career Center is bound to observe constraints imposed upon the use of the resources.

Proprietary Funds Proprietary funds focus on the determination of changes in net position, financial position and cash flows and are classified as either enterprise or internal service. The Career Center's only proprietary fund is an internal service fund.

Internal Service Fund – The internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the Career Center on a cost reimbursement basis. The Career Center's internal service fund accounts for the operation of the Career Center's self-insurance program for employee medical benefits.

C. Measurement Focus

Government-wide Financial Statements The government-wide financial statements are prepared using the economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the Career Center are included on the statement of net position. The statement of activities presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position.

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

Like the government-wide statements, the internal service fund is accounted for on a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of fund net position. The statement of revenues, expenses and changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net position. The statement of cash flows provides information about how the Career Center finances and meets the cash flow needs of its internal service fund activity.

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements and the statements for the proprietary fund are prepared using the accrual basis of accounting. Governmental funds use the modified 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/outflows of resources, and in the presentation of expenses versus expenditures.

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

Non-exchange transactions, in which the Career Center receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 5). Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the Career Center must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Career Center on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

Deferred Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the Career Center, deferred outflows of resources are reported on the government-wide statement of net position for pension and OPEB. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 10 and 11.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the Career Center, deferred inflows of resources include property taxes, pension, OPEB and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2020, but which were levied to finance fiscal year 2021 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the Career Center, unavailable revenue may include delinquent property taxes, grants and entitlements and miscellaneous revenues. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 10 and 11).

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. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

E. Budgetary Process

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

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

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

F. Cash and Cash Equivalents

To improve cash management, all cash received by the Career Center is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through Career Center records. Interest in the pool is presented as "equity in pooled cash and investments." The Career Center participates in the Jefferson Health Plan. The Jefferson Health Plan is an insurance consortium for self-insurance. These monies are held separate from the Career Center's central bank account and are reflected in the financial statement as "cash and cash equivalents with fiscal agent."

During fiscal year 2020, investments were limited to STAR Ohio. Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts, such as nonnegotiable certificates of deposit 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 Career Center measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For the fiscal year 2020, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding $25 million. STAR Ohio reserves the right to limit the transaction to $100 million, requiring the excess amount to be transacted the following business day(s), but only to the $100 million limit. All accounts of the participant will be combined for these purposes.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2020 amounted to $25,515 which includes $9,623 assigned from other Career Center funds.

Investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the Career Center are reported as cash equivalents. Investments with an original maturity of more than three months that are not made from the pool are reported as investments.

G. Inventory

Inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used. Inventories are accounted for using the consumption method, which means that the costs of inventory items are recorded as expenditures in the governmental funds when consumed.

Inventories consist of materials and supplies held for consumption and donated and purchased food held for resale.

H. Capital Assets

All capital assets of the Career Center are classified as general capital assets. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The Career Center has a capitalization threshold of $2,500. The Career Center does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the assets or materially extend an asset's life are not.

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

Description	Estimated Lives
Land Improvements	10-30 Years
Buildings and Improvements	10-50 Years
Furniture and Equipment	5-15 Years
Vehicles	5-10 Years

I. 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 employer will compensate the employees for the benefits through paid time off or some other means.

Sick leave benefits are accrued as a liability using the termination method. An accrual for earned sick leave is made to the extent that it is probable that benefits will result in termination payments. The liability is an estimate based on the Career Center's past experience of making termination payments.

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

On the governmental fund statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "matured compensated absences payable" in the funds from which the employee will be paid.

J. Pensions and Other Postemployment Benefits (OPEB)

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

K. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities, and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

L. Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. 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. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Career Center or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. At June 30, 2020, there was no net position restricted by enabling legislation.

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

M. Fund Balance

In accordance with Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions,* the Career 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 classifications are as follows:

Nonspendable – The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed or assigned.

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

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

Assigned – Amounts in the assigned fund balance classification are intended to be used by the Career Center for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the Career Center Board of Education. The Board of Education has by resolution authorized the Treasurer to assign fund balance. The Board of Education may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget.

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

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

N. 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.

O. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the Career Center, these revenues are charges for services for self-insurance programs. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund. All revenues and expenses not meeting these definitions are reported as non-operating.

P. Extraordinary and Special Items

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

Q. 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.

R. Implementation of New Accounting Principles and Restatement of Net Position/Fund Balance

Implementation of New Accounting Principles

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

The following statements are postponed by one year:

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

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

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

The following statement is postponed by 18 months:

- Statement No. 87, *Leases*

For the fiscal year ended June 30, 2020, the Career Center has early implemented GASB Statement No. 84, *Fiduciary Activities*, GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, and GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans.*

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

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

GASB Statement No. 97 will result in more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The requirements also will enhance the relevance, consistency, and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans. The implementation of GASB Statement No. 97 did not have an effect on the financial statements of the Career center.

Restatement of Net Position/Fund Balances

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

	Governmental Activities
Net Position, June 30, 2019	$ (631,291)
GASB Statement No. 84	4,333
Restated Net Position, June 30, 2019	$ (626,958)

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

	General Fund	Other Governmental Funds
Fund Balance (Deficit), June 30, 2019	$ 774,587	$ 25,112
GASB Statement No. 84	(4,508)	8,841
Restated Fund Balance (Deficit), June 30, 2019	$ 770,079	$ 33,953

The implementation of GASB 84 had the following effect on fiduciary assets and liabilities as reported June 30, 2019:

	Fiduciary Funds
	Agency
Net Position, June 30, 2019	$ 0
Adjustments:	
Assets	(4,333)
Liabilities	4,333
Restated Net Position, June 30, 2019	$ 0

NOTE 3: BUDGETARY BASIS OF ACCOUNTING

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

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

2. Expenditures/expenses are recorded when paid in cash (budget) rather than when the liability is incurred (GAAP).

3. Encumbrances are treated as expenditure (budget) rather than as a component of restricted, committed or assigned fund balance (GAAP).

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

The following table summarizes the adjustments necessary to reconcile GAAP basis statement to the budgetary basis statement on a fund type basis for the general fund:

Net Change in Fund Balance

	General
GAAP Basis	$ 136,805
Net Adjustment for Revenue Accruals	(177,425)
Net Adjustment for Expenditure Accruals	(44,346)
Funds Budgeted Elsewhere	2,072
Adjustment for Encumbrances	(5,312)
Budget Basis	$ (88,206)

**As part of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes the uniform school supplies, unclaimed monies, rotary/consumer supplies and administrative services funds.

NOTE 4: DEPOSITS AND INVESTMENTS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Cash on Hand **-** At June 30, 2020 the Career Center had $400 in undeposited cash on hand, which is included as part of "Equity in Pooled Cash and Investments."

Deposits **-** At year-end, the Career Center had a bank balance of $236,396, which is within FDIC coverage limits.

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

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

- Eligible securities pledged to the Career Center and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or

- Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS required the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

Funds Held by Fiscal Agent

The Career Center participates in the Jefferson Health Plan for employee benefits. The Career Center has $350,045 representing internal service fund cash and cash equivalents with fiscal agent. All benefit deposits are made to the Consortium's depository account. Collateral is held by a qualified third-party trustee in the name of the Consortium.

Investments

As of June 30, 2020, the Career Center had the following investment and maturity:

S&P Global Ratings	Investment Type	Measurement Amount	in Months 0-12
	Net Asset Value (NAV):		
AAAm	STAR Ohio	$ 1,339,604	$ 1,339,604

Credit Risk STAR Ohio is an investment pool operated by the Ohio State Treasurer. It is unclassified since it is not evidenced by securities that exist in physical or book entry form. Ohio law requires STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The weighted average of maturity of the portfolio held by STAR Ohio as of June 30, 2020, is 42 days and carries a rating of AAAm by S&P Global Ratings.

Concentration of Credit Risk. The Career Center places no limit on the amount that may be invested in any one issuer. At June 30, 2020, 100 percent of the Career Center's investments were in STAR Ohio.

NOTE 5: PROPERTY TAXES

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

Property taxes include amounts levied against all real and public utility property located in the Career Center. Real property tax revenue received in calendar year 2020 represents collections of calendar year 2019 taxes. Real property taxes received in calendar year 2020 were levied after April 1, 2019, on the assessed value listed as of January 1, 2019, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

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

The Career Center receives property taxes from Coshocton, Guernsey, Licking, Muskingum and Tuscarawas Counties. The County Auditor periodically advances to the Career Center its portion of the taxes collected. Second-half real property tax payments collected by the Counties by June 30, 2020, are available to finance fiscal year 2020 operations. The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

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

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

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

	2019 Second Half Collections		2020 First Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	$ 669,082,571	88%	$ 670,996,057	87%
Public Utility Personal Property	91,951,410	12%	102,646,500	13%
Total	$ 761,033,981	100%	$ 773,642,557	100%
Full Tax Rate per $1,000 of assessed valuation	$ 3.50		$ 3.50	

NOTE 6: RECEIVABLES

Receivables at June 30, 2020 consisted of taxes and intergovernmental grants. Taxes and intergovernmental receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes and the current fiscal year guarantee of state and federal funds.

NOTE 7: CAPITAL ASSETS

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

	Balance 6/30/2019	Additions	Deletions	Balance 6/30/2020
Governmental Activities				
Capital Assets not being depreciated:				
Land	$ 28,429	$ 0	$ 0	$ 28,429
Construction in Progress	0	15,208	0	15,208
Total Capital Assets, not being depreciated	28,429	15,208	0	43,637
Capital Assets, being depreciated:				
Land Improvements	591,355	31,055	(4,597)	617,813
Building and Improvements	4,224,949	92,896	0	4,317,845
Furniture and Equipment	1,043,494	206,353	(88,323)	1,161,524
Vehicles	134,166	19,272	(45,227)	108,211
Total Capital Assets, being depreciated	5,993,964	349,576	(138,147)	6,205,393
Less Accumulated Depreciation:				
Land Improvements	(321,337)	(16,463)	4,597	(333,203)
Building and Improvements	(2,718,479)	(114,680)	0	(2,833,159)
Furniture and Equipment	(635,105)	(76,722)	87,723	(624,104)
Vehicles	(100,353)	(8,426)	45,227	(63,552)
Total Accumulated Depreciation	(3,775,274)	(216,291) *	137,547	(3,854,018)
Total Capital Assets being depreciated, net	2,218,690	133,285	(600)	2,351,375
Governmental Activities Capital Assets, net	$ 2,247,119	$ 148,493	$ (600)	$ 2,395,012

* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Vocational	$ 115,821
Support Services:	
Instructional Staff	16,987
Board	427
Fiscal	1,568
Operation and Maintenance of Plant	76,187
Pupil Transportation	5,301
Total Depreciation Expense	$ 216,291

NOTE 8: RISK MANAGEMENT

A. General Insurance

The Career Center is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. The Career Center has a comprehensive property and casualty policy with a deductible of $1,000 per incident on property and equipment. The Career Center's comprehensive property and casualty policy aggregate limit is approximately $3,000,000 (subject to scheduled limits). There is a separate policy covering boiler and machinery with a limit of $19,311,000 and a $1,000 deductible. The Career Center's vehicle insurance policy limit is $1,000,000 with a $500 auto collision deductible. All board members, administrators, and employees are covered under a Career Center liability policy. Additionally, the Career Center carries a $3,000,000 excess liability policy. Settlement claims have not exceeded this commercial coverage in any of the past three years. There have been no significant reductions in insurance coverage from last year.

B. Fidelity Bond

The Treasurer is covered under a surety bond in the amount of $60,000. In addition, the Career Center is covered by an umbrella policy in the amount of $3,000,000.

C. Workers' Compensation

The Career Center pays the State Workers' Compensation System, an insurance purchasing pool, a premium based on a rate per $100 of salaries. The Career Center is a member of CompManagement. This rate is calculated based on accident history and administrative costs.

D. Employee Health Insurance

The Career Center is self-insured for its medical, prescription, vision and dental insurance programs. Premiums are paid into the self-insurance fund and are available to pay claims and administrative costs. The Career Center is a member of the Jefferson Health Plan, a claims servicing pool, in which monthly premiums are paid to the fiscal agent who in turn pays the claims on the Career Center's behalf. A stop-loss insurance contract with a private insurance carrier covers specific liability claims in excess of $35,000. Claims above a $35,000 deductible are internally pooled. Claims above $500,000 are covered by stop loss. The claims liability at June 30, 2020, was estimated by the third party administrator to be $27,529. Under generally accepted accounting principles, the Career Center has recorded a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be accrued at the estimated ultimate cost of settling the claims. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

Changes in the fund's claim liability for 2019 and 2020 are listed below.

	Balance Beginning of Year	Current Year Claims	Claims Payments	Balance End of Year
2019	$ 8,122	$ 290,245	$ 248,841	$ 49,526
2020	$ 49,526	$ 390,330	$ 412,327	$ 27,529

NOTE 9: OTHER EMPLOYEE BENEFITS

A. Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and state laws. All employees earn three days of personal leave per year. Employees shall be paid a salary supplement for the non-use of personal leave. In lieu of bonus, unused personal days may be added to sick leave accumulation and subject to the limitations of the sick days. Classified employees earn ten to twenty-five days of vacation per fiscal year, depending upon length of service and position. Vacation days must be used within a year, unless Board approval is obtained. Accumulated, unused vacation time is paid to classified employees upon termination of employment. Teachers do not earn vacation time.

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated to a maximum of 230 days for all personnel. Upon completion of ten or more years of service to the Career Center, state, or other political subdivision, and retirement from the profession, payment is made for one-fourth of accrued, but unused sick leave credit up to a maximum of 54 days for certified employees and 54 days for classified employees.

B. Life Insurance

The Career Center provides life insurance and accidental death and dismemberment insurance to employees through the Jefferson Health Plan. Coverage is provided for all certified and classified employees depending on position, ranging from $20,000 to $75,000.

NOTE 10: DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability/Net OPEB Liability (Asset)

Pensions and OPEB are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions/OPEB are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period.

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

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

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities (assets) within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients.

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

The remainder of this note includes the required pension disclosures. See Note 11 for the required OPEB disclosures.

Plan Description - School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

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

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

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

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

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the Career Center is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2020, the allocation to pension, death benefits, and Medicare B was 14.0 percent. SERS did not allocate employer contributions to the Health Care Fund for fiscal year 2020.

The Career Center's contractually required contribution to SERS was $79,706 for fiscal year 2020. Of this amount, $6,289 is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

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

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan, and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307.

The DB Plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of living increases are not affected by this change. Effective August 1, 2017 – July 1, 2019, any member could retire with reduced benefits who had (1) five years of service credit and age 60; (2) 27 years of service credit and age 55; or (3) 30 years of service credit regardless of age. Effective August 1, 2019 – July 1, 2021, any member may retire with reduced benefits who has (1) five years of service credit and age 60; (2) 28 years of service credit and age 55; or (3) 30 years of service credit regardless of age. Eligibility changes will continue to be phased in through August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60. Retirement eligibility for reduced benefits will be phased in until August 1, 2023 when retirement eligibility will be five years of service credit and age 60, or 30 years of service credit regardless of age.

The DC Plan allows members to place all their member contributions and 9.53 percent of the 14 percent employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.47 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 12 percent of the 14 percent member rate goes to the DC Plan and the remaining 2 percent goes to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity after termination of employment at age 50 or later.

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

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

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For the fiscal year ended June 30, 2020, plan members were required to contribute 14 percent of their annual covered salary. The Career Center was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2020 contribution rates were equal to the statutory maximum rates.

The Career Center's contractually required contribution to STRS was $237,602 for fiscal year 2020. Of this amount, $35,402 is reported as an intergovernmental payable.

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

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

	SERS	STRS	Total
Proportion of the Net Pension Liability:			
Current Measurement Date	0.01587470%	0.01388201%	
Prior Measurement Date	0.01598230%	0.01417420%	
Change in Proportionate Share	-0.00010760%	-0.00029219%	
Proportionate Share of the Net Pension Liability	$ 949,811	$ 3,069,923	$ 4,019,734
Pension Expense	$ 127,426	$ 332,388	$ 459,814

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

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

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between Expected and Actual Experience	$ 24,084	$ 24,993	$ 49,077
Changes of Assumptions	0	360,622	360,622
Career Center Contributions Subsequent to the Measurement Date	79,706	237,602	317,308
Total Deferred Outflows of Resources	$ 103,790	$ 623,217	$ 727,007
Deferred Inflows of Resources			
Differences between Expected and Actual Experience	$ 0	$ 13,288	$ 13,288
Net Difference between Projected and Actual Earnings on Pension Plan Investments	12,192	150,043	162,235
Changes in Proportion and Differences between Career Center Contributions and Proportionate Share of Contributions	11,401	125,300	136,701
Total Deferred Inflows of Resources	$ 23,593	$ 288,631	$ 312,224

$317,308 reported as deferred outflows of resources related to pension resulting from Career Center contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2021	$ 16,675	$ 141,347	$ 158,022
2022	(22,290)	(7,032)	(29,322)
2023	(810)	(44,044)	(44,854)
2024	6,916	6,713	13,629
	$ 491	$ 96,984	$ 97,475

Actuarial Assumptions - SERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations. Future benefits for all current plan members were projected through 2035.

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2019, are presented below:

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

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

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

The long-term return expectation for the investments has been determined by using a building-block approach and assumes a time horizon, as defined in SERS' *Statement of Investment Policy*. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating an arithmetic weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. The asset allocation, as used in the June 30, 2015 five-year experience study, is summarized as follows:

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

Discount Rate Total pension liability was calculated using the discount rate of 7.50 percent. The discount rate determination does not use a municipal bond rate. The projection of cash flows used to determine the discount rate assumed that employers would contribute the actuarially determined contribution rate of projected compensation over the remaining 25-year amortization period of the unfunded actuarial accrued liability. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.50 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the Career Center's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the Career Center's proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the Career Center's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
Career Center's Proportionate Share of the Net Pension Liability	$ 1,331,025	$ 949,811	$ 630,116

Actuarial Assumptions - STRS

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

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

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

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

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

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

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

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

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

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

	1% Decrease	Current Discount Rate	1% Increase
Career Center's Proportionate Share of the Net Pension Liability	$ 4,486,352	$ 3,069,923	$ 1,870,845

NOTE 11: Defined Benefit OPEB Plans

See Note 10 for a description of the net OPEB liability (asset).

Plan Description - School Employees Retirement System (SERS)

Health Care Plan Description - The Career Center contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Active employee members do not contribute to the Health Care Plan. The SERS Retirement Board established the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For the fiscal year ended June 30, 2020, SERS did not allocate any employer contributions to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2020, this amount was $19,600. Statutes provide that no employer shall pay a health care surcharge greater than 2.0 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2020, the Career Center's surcharge obligation was $2,110, which is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

Plan Description – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Medicare Part B premium reimbursements will be discontinued effective January 1, 2021. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2020, STRS did not allocate any employer contributions to post-employment health care.

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

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

	SERS	STRS	Total
Proportion of the Net OPEB Liability (Asset):			
Current Measurement Date	0.01489500%	0.01388200%	
Prior Measurement Date	0.01520300%	0.01417400%	
Change in Proportionate Share	-0.00030800%	-0.00029200%	
Proportionate Share of the Net OPEB Liability (Asset)	$ 374,575	$ (229,919)	
OPEB Expense	$ 997	$ (65,277)	$ (64,280)

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

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between Expected and Actual Experience	$ 5,498	$ 20,844	$ 26,342
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	899	0	899
Changes of Assumptions	27,359	4,833	32,192
Career Center Contributions Subsequent to the Measurement Date	2,110	0	2,110
Total Deferred Outflows of Resources	$ 35,866	$ 25,677	$ 61,543
Deferred Inflows of Resources			
Differences between Expected and Actual Experience	$ 82,292	$ 11,698	$ 93,990
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	0	14,439	14,439
Changes of Assumptions	20,991	252,078	273,069
Changes in Proportion and Differences between Career Center Contributions and Proportionate Share of Contributions	33,044	31,083	64,127
Total Deferred Inflows of Resources	$ 136,327	$ 309,298	$ 445,625

$2,110 reported as deferred outflows of resources related to OPEB resulting from Career Center contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the fiscal year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2021	$ (31,375)	$ (61,534)	$ (92,909)
2022	(17,088)	(61,532)	(78,620)
2023	(16,824)	(55,747)	(72,571)
2024	(16,869)	(53,712)	(70,581)
2025	(14,423)	(49,797)	(64,220)
Thereafter	(5,992)	(1,299)	(7,291)
	$ (102,571)	$ (283,621)	$ (386,192)

Actuarial Assumptions - SERS

The total OPEB liability is determined by SERS' actuaries in accordance with GASB Statement No. 74, as part of their annual actuarial valuation for each retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment terminations). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2019, are presented below:

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

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

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

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

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

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

Discount Rate The discount rate used to measure the total OPEB liability at June 30, 2019 was 3.22 percent. The discount rate used to measure total OPEB liability prior to June 30, 2019 was 3.70 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the plan at the contribution rate of 2.00 percent of projected covered payroll each year, which includes a 1.50 percent payroll surcharge and 0.50 percent of contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2025. However, since SERS' actuaries indicate the fiduciary net position is projected to be depleted at a future measurement date, the single equivalent interest rate is determined as the single rate that will generate a present value of benefit payments equal to the sum of the present value determined by the long-term expected rate of return, and the present value determined by discounting those benefits after the date of depletion by the Fidelity General Obligation 20-year Municipal Bond Index rate of 3.13 percent, as of June 30, 2019 (i.e., municipal bond rate).

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

	1% Decrease	Current Discount Rate	1% Increase
Career Center's Proportionate Share of the Net OPEB Liability	$ 454,667	$ 374,575	$ 310,898

	1% Decrease	Current Trend Rate	1% Increase
Career Center's Proportionate Share of the Net OPEB Liability	$ 300,113	$ 374,575	$ 473,375

Actuarial Assumptions – STRS

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

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

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

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

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

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

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

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

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

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

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

	1% Decrease	Current Discount Rate	1% Increase
Career Center's Proportionate Share of the Net OPEB Liability (Asset)	$ (196,190)	$ (229,919)	$ (258,277)

	1% Decrease	Current Trend Rate	1% Increase
Career Center's Proportionate Share of the Net OPEB Liability (Asset)	$ (260,718)	$ (229,919)	$ (192,198)

Assumption Changes Since the Prior Measurement Date There were no changes in assumptions since the prior measurement date of June 30, 2018.

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

NOTE 12: LONG-TERM OBLIGATIONS

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

	Outstanding 6/30/2019	Additions	Deductions	Outstanding 6/30/2020	Amount Due Within One Year
Governmental Activities:					
Direct Borrowing					
H.B. 264 Loan, 3.85%, maturing 2026	$ 128,426	$ 0	$ (18,346)	$ 110,080	$ 18,346
Net Pension/OPEB Liability:					
Pension	4,031,924	0	(12,190)	4,019,734	0
OPEB	421,778	0	(47,203)	374,575	0
Total Net Pension/OPEB Liability	4,453,702	0	(59,393)	4,394,309	0
Other Long-Term Obligations:					
Compensated Absences	244,962	0	(16,177)	228,785	14,357
Total Long-Term Obligations	$ 4,827,090	$ 0	$ (93,916)	$ 4,733,174	$ 32,703

During fiscal year 2011, the Career Center entered into a loan for a House Bill 264 project that consisted of various repairs to the school building duct work. The total amount financed for the project was $275,194. The Career Center used $247,672 during fiscal year 2011 and the remaining $27,522 was disbursed during fiscal year 2012. The loan is repaid from property tax revenue in the bond retirement fund.

Compensated absences will be paid from the fund from which the employee's salaries are paid, which, for the Career Center, is primarily the general fund, food service food and Federal vocational education fund.

Principal and interest requirements to retire long-term obligations outstanding at June 30, 2020 are as follows:

Fiscal Year	H.B. 264 Loan	
Ending June 30,	Principal	Interest
2021	$ 18,346	$ 4,259
2022	18,346	3,562
2023	18,346	2,856
2024	18,346	2,155
2025	18,346	1,440
2026	18,350	768
	$ 110,080	$ 15,040

NOTE 13: OPERATING LEASE

The Career Center leases four photocopier machines, a color copier system and a Pitney Bowes system under noncancelable leases. The Career Center disbursed $17,652 to pay lease costs for the fiscal year ended June 30, 2020. Future lease payments are as follows:

Fiscal Year Ending June 30,	Amount
2021	$ 16,245
2022	15,231
2023	13,201
2024	6,600
	$ 51,277

NOTE 14: SET-ASIDES

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

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

	Capital Improvement Reserve
Set-aside Reserve Balance as of June 30, 2019	$ 0
Current Year Set Aside Requirement	34,471
Current Year Qualifying Expenditures	(47,834)
Current Year Offsets	(646,800)
Total	$ (660,163)
Balance Carried Forward to Fiscal Year 2021	$ 0
Set Aside Reserve Balance as of June 30, 2020	$ 0

Although the Career Center had qualifying expenditures and offsets during the fiscal year that reduced the set-aside amount below zero for the capital acquisition set-aside, this amount may not be used to reduce the set-aside requirement of future years.

NOTE 15: INTERFUND TRANSFERS

During the fiscal year the general fund transferred $475 to the student activities fund to provide additional resources for national technical honor society.

NOTE 16: FUND BALANCE

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

	General	Permanent Improvement	Other Governmental Funds	Total
Nonspendable for:				
Inventory	$ 9,345	$ 0	$ 0	$ 9,345
Unclaimed Funds	66	0	0	66
Total Nonspendable	9,411	0	0	9,411
Restricted for:				
Capital Projects	0	519,029	0	519,029
Other Purposes	0	0	23,776	23,776
Total Restricted	0	519,029	23,776	542,805
Committed for:				
Debt Service	0	0	13,690	13,690
Other Purposes	6,892	0	0	6,892
Total Committed	6,892	0	13,690	20,582
Assigned for:				
Student Instruction	456	0	0	456
Student and Staff Support	5,215	0	0	5,215
Subsequent Year Appropriations	189,725	0	0	189,725
Total Assigned	195,396	0	0	195,396
Unassigned	695,185	0	(6,154)	689,031
Total Fund Balance	$ 906,884	$ 519,029	$ 31,312	$ 1,457,225

The food service fund reported a deficit fund balance of $6,154 that resulted from an adjustment for accrued liabilities. The general fund is liable for any deficit in other governmental funds and will provide transfers when cash is required, not when accruals occur.

NOTE 17: JOINTLY GOVERNED ORGANIZATION

Ohio Mid-Eastern Regional Educational Services Association (OME-RESA) OME-RESA is a jointly governed organization comprised of 43 schools, created as a regional council of governments pursuant to state statute. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions for members. Each of the members support OME-RESA based on a per pupil charge dependent upon the software package utilized. The OME-RESA assembly consists of a superintendent or designated representative from each participating members and a representative from the fiscal agent. OME-RESA is governed by a board of directors chosen from the general membership of the OME-RESA assembly. The board of directors consists of a representative from the fiscal agent, the chairman of each operating committee, and at least an assembly member from each county from which participating members are located. During fiscal year 2020, the Career Center paid $14,464 in administrative fees to OME-RESA. Financial information can be obtained by contacting the Treasurer at OME-RESA, which serves as fiscal agent, located in Steubenville, Ohio.

NOTE 18: CONTINGENCIES

A. Grants

The Career Center received financial assistance from federal and state agencies in the form of grants. The expenditures of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Career Center at June 30, 2020.

B. Litigation

The Career Center is not party to any claims or lawsuits that would have a material effect on the basic financial statements.

C. Career Center Funding

School District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, ODE adjustments for fiscal year 2020 have been finalized. The impact of the FTE adjustments resulted in an immaterial liability for the Career Center.

NOTE 19: COMMITMENTS

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

Fund		Amount
General Fund	$	6,671
Permanent Improvement		21,465
Oher Governmental		3,398
Total Governmental Funds	$	31,534

Based on timing of when contracts are encumbered, contractual commitments identified above may or may not be included in the outstanding encumbrance commitments previously disclosed in this note.

NOTE 20: TAX ABATEMENTS

Under the authority of Ohio Revised Code Section 5709.63, the Board of County Commissioners, with the consent of the legislative authority of each affected Township and Municipal Corporation, may designate enterprise zones. An Enterprise Zone is a designated area of land in which businesses can receive tax incentives in the form of tax exemptions on qualifying new investment. The local legislative authority, in conjunction with the Coshocton Port Authority negotiates the terms of the Enterprise Zone Agreement (the "Agreement") with the business, which may include tax sharing with the Board of Education. Legislation must then be passed to approve the Agreement. All Agreements must be finalized before the project begins and may contain provisions for the recoupment of taxes should the individual or entity fail to perform. Once the Department of Taxation approves the agreement, the amount of the abatement is deducted from the business's property tax bill by removing the valuation from the taxable parcel and listing the associated assessed value on the exempt tax list. Coshocton County has jointly entered into agreements with the City of Coshocton to abate property taxes through this program.

The Career Center's property taxes were reduced by $4,999 in fiscal year 2020 under various Enterprise Zone tax abatement agreements entered into by Coshocton County and the City of Coshocton.

NOTE 21: COVID-19

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Career Center. The Career Center's investment portfolio and the investments of the pension and other employee benefit plan in which the Career Center participates fluctuate with market conditions, and due to market volatility, the amount of gains or losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, due to the dynamic environment and changes in fiscal policies, the exact impact on the Career Center's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be reasonably estimated.

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

	2020	2019	2018	2017
School Employees Retirement System (SERS)				
Career Center's Proportion of the Net Pension Liability	0.01587470%	0.01598230%	0.01633980%	0.01663870%
Career Center's Proportionate Share of the Net Pension Liability	$ 949,811	$ 915,336	$ 976,267	$ 1,217,799
Career Center's Covered Payroll	$ 543,015	$ 540,452	$ 528,186	$ 522,971
Career Center's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	174.91%	169.36%	184.83%	232.86%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.85%	71.36%	69.50%	62.98%
State Teachers Retirement System (STRS)				
Career Center's Proportion of the Net Pension Liability	0.01388201%	0.01417420%	0.01446568%	0.01481439%
Career Center's Proportionate Share of the Net Pension Liability	$ 3,069,923	$ 3,116,588	$ 3,436,353	$ 4,958,823
Career Center's Covered Payroll	$ 1,629,879	$ 1,613,921	$ 1,597,921	$ 1,598,071
Career Center's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	188.35%	193.11%	215.05%	310.30%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.40%	77.31%	75.30%	66.80%

(1) Information prior to 2014 is not available.

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

See accompanying notes to the required supplementary information.

2016	2015	2014
0.01692630%	0.01846400%	0.01846400%
$ 965,831	$ 934,453	$ 1,097,995
$ 510,584	$ 533,889	$ 585,816
189.16%	175.03%	187.43%
69.16%	71.70%	65.52%
0.01491656%	0.01581280%	0.01581280%
$ 4,122,501	$ 3,846,220	$ 4,581,592
$ 1,565,643	$ 1,626,662	$ 1,581,500
263.31%	236.45%	289.70%
72.10%	74.70%	69.30%

See accompanying notes to the required supplementary information.

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

	2020	2019	2018	2017
School Employees Retirement System (SERS)				
Contractually Required Contribution	$ 79,706	$ 73,307	$ 72,961	$ 73,946
Contributions in Relation to the Contractually Required Contribution	(79,706)	(73,307)	(72,961)	(73,946)
Contribution Deficiency (Excess)	$ 0	$ 0	$ 0	$ 0
Career Center's Covered Payroll	$ 569,329	$ 543,015	$ 540,452	$ 528,186
Pension Contributions as a Percentage of Covered Payroll	14.00%	13.50%	13.50%	14.00%
State Teachers Retirement System (STRS)				
Contractually Required Contribution	$ 237,602	$ 228,183	$ 225,949	$ 223,709
Contributions in Relation to the Contractually Required Contribution	(237,602)	(228,183)	(225,949)	(223,709)
Contribution Deficiency (Excess)	$ 0	$ 0	$ 0	$ 0
Career Center's Covered Payroll	$ 1,697,157	$ 1,629,879	$ 1,613,921	$ 1,597,921
Pension Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%

See accompanying notes to the required supplementary information.

2016	2015	2014	2013	2012	2011
$ 73,216	$ 67,295	$ 73,997	$ 81,077	$ 70,558	$ 67,760
(73,216)	(67,295)	(73,997)	(81,077)	(70,558)	(67,760)
$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
$ 522,971	$ 510,584	$ 533,889	$ 585,816	$ 524,595	$ 539,061
14.00%	13.18%	13.86%	13.84%	13.45%	12.57%
$ 223,730	$ 219,190	$ 211,466	$ 205,595	$ 255,354	$ 222,825
(223,730)	(219,190)	(211,466)	(205,595)	(255,354)	(222,825)
$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
$ 1,598,071	$ 1,565,643	$ 1,626,662	$ 1,581,500	$ 1,964,262	$ 1,714,038
14.00%	14.00%	13.00%	13.00%	13.00%	13.00%

See accompanying notes to the required supplementary information.

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

	2020	2019	2018	2017
School Employees Retirement System (SERS)				
Career Center's Proportion of the Net OPEB Liability	0.01489500%	0.01520320%	0.01586590%	0.01645431%
Career Center's Proportionate Share of the Net OPEB Liability	$ 374,575	$ 421,778	$ 425,799	$ 469,009
Career Center's Covered Payroll	$ 543,015	$ 540,452	$ 528,186	$ 522,971
Career Center's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	68.98%	78.04%	80.62%	89.68%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	15.57%	13.57%	12.46%	11.49%
State Teachers Retirement System (STRS)				
Career Center's Proportion of the Net OPEB Liability/(Asset)	0.01388200%	0.01417420%	0.01446568%	0.01481439%
Career Center's Proportionate Share of the Net OPEB Liability/(Asset)	$ (229,919)	$ (227,765)	$ 564,397	$ 792,277
Career Center's Covered Payroll	$ 1,629,879	$ 1,613,921	$ 1,597,921	$ 1,598,071
Career Center's Proportionate Share of the Net OPEB Liability/(Asset) as a Percentage of its Covered Payroll	-14.11%	-14.11%	35.32%	49.58%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability/Asset	174.70%	176.00%	47.10%	37.30%

(1) Information prior to 2017 is not available.

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

See accompanying notes to the required supplementary information.

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

	2020	2019	2018	2017
School Employees Retirement System (SERS)				
Contractually Required Contribution (1)	$ 2,110	$ 5,369	$ 6,426	$ 5,339
Contributions in Relation to the Contractually Required Contribution	(2,110)	(5,369)	(6,426)	(5,339)
Contribution Deficiency (Excess)	$ 0	$ 0	$ 0	$ 0
Career Center's Covered Payroll	$ 569,329	$ 543,015	$ 540,452	$ 528,186
OPEB Contributions as a Percentage of Covered Payroll (1)	0.37%	0.99%	1.19%	1.01%
State Teachers Retirement System (STRS)				
Contractually Required Contribution	$ 0	$ 0	$ 0	$ 0
Contributions in Relation to the Contractually Required Contribution	0	0	0	0
Contribution Deficiency (Excess)	$ 0	$ 0	$ 0	$ 0
Career Center's Covered Payroll	$ 1,697,157	$ 1,629,879	$ 1,613,921	$ 1,597,921
OPEB Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%

(1) Includes surcharge

2016	2015	2014	2013	2012	2011
$ 6,579	$ 7,717	$ 5,698	$ 8,580	$ 10,194	$ 14,319
(6,579)	(7,717)	(5,698)	(8,580)	(10,194)	(14,319)
$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
$ 522,971	$ 510,584	$ 533,889	$ 585,816	$ 524,595	$ 539,061
1.26%	1.51%	1.07%	1.46%	1.94%	2.66%
$ 0	$ 0	$ 16,267	$ 15,815	$ 19,643	$ 17,140
0	0	(16,267)	(15,815)	(19,643)	(17,140)
$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
$ 1,598,071	$ 1,565,643	$ 1,626,662	$ 1,581,500	$ 1,964,262	$ 1,714,038
0.00%	0.00%	1.00%	1.00%	1.00%	1.00%

See accompanying notes to the required supplementary information.

Note 1 - Net Pension Liability

Changes in Assumptions - SERS

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

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

Changes in Assumptions – STRS

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

Changes in Benefit Terms - SERS

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

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

Changes in Benefit Terms - STRS

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

Note 2 - Net OPEB Liability (Asset)

Changes in Assumptions – SERS

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

Municipal Bond Index Rate:

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

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

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

Pre-Medicare

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

Medicare

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

Changes in Assumptions – STRS

For fiscal year 2019, the discount rate was increased from the blended rate of 4.13 percent to the long-term expected rate of return of 7.45 percent. Valuation year per capita health care costs were updated. Health care cost trend rates ranged from 6.00 percent to 11 percent initially and a 4.50 percent ultimate rate for fiscal year 2018 and changed for fiscal year 2019 to a range of -5.20 percent to 8.00 percent, initially and a 4.00 ultimate rate.

For fiscal year 2018, the blended discount rate was increased from 3.26 percent to 4.13 percent. The long-term expected rate of return was reduced from 7.75 percent to 7.45 percent. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

Changes in Benefit Terms - SERS

There have been no changes to the benefit provisions.

Changes in Benefit Terms – STRS

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

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

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

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

Financial Highlights

Key financial highlights for 2019 are as follows:

- Net position increased $767,560 which represents a 55 percent increase from 2018.
- Capital assets increased $244,991 during fiscal year 2019.
- During the fiscal year, outstanding debt decreased from $146,772 to $128,426.

Using this Annual Report

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

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

Reporting the Career Center as a Whole

Statement of Net Position and the Statement of Activities

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

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

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

Reporting the Career Center's Most Significant Funds

Fund Financial Statements

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

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

Proprietary Fund The Career Center maintains one type of proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Career Center's various functions. The Career Center uses an internal service fund to account for its health insurance benefits. Because this service predominately benefits governmental functions, it has been included within the governmental activities in the government-wide financial statements.

Reporting the Career Center's Fiduciary Responsibilities

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

The Career Center as a Whole

Recall that the Statement of Net Position provides the perspective of the Career Center as a whole. Table 1 provides a summary of the Career Center's net position for 2019 compared to 2018:

Table 1
Net Position

	Governmental Activities		
	2019	2018	Change
Assets			
Current and Other Assets	$ 4,201,799	$ 3,843,674	$ 358,125
Net OPEB Asset	227,765	0	227,765
Capital Assets	2,247,119	2,002,128	244,991
Total Assets	6,676,683	5,845,802	830,881
Deferred Outflows of Resources			
Pension & OPEB	1,035,479	1,314,681	(279,202)
Liabilities			
Current Liabilities	759,531	501,322	258,209
Long-Term Liabilities:			
Due Within One Year	34,754	58,435	(23,681)
Due in More Than One Year			
Pension & OPEB	4,453,702	5,402,816	(949,114)
Other Amounts	338,634	330,498	8,136
Total Liabilities	5,586,621	6,293,071	(706,450)
Deferred Inflows of Resources			
Property Taxes	1,889,717	1,733,301	156,416
Pension & OPEB	867,115	532,962	334,153
Total Deferred Inflows of Resources	2,756,832	2,266,263	490,569
Net Position			
Investment in Capital Assets	2,247,119	2,002,128	244,991
Restricted	551,433	531,254	20,179
Unrestricted	(3,429,843)	(3,932,233)	502,390
Total Net Position	$ (631,291)	$ (1,398,851)	$ 767,560

The net pension liability (NPL) is the largest single liability reported by the Career Center at June 30, 2019, and is reported pursuant to GASB Statement 68, *Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27*. In a prior period, the Career Center also adopted GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.* For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the Career Center's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB and the net OPEB asset.

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

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

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

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

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. For STRS, the plan's fiduciary net OPEB position was sufficient to cover the plan's total OPEB liability resulting in a net OPEB asset for fiscal year 2019 that is allocated to each school based on its proportionate share. The retirement system is responsible for the administration of the pension and OPEB plans.

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

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

At year end, capital assets represented 34 percent of total assets. Capital assets include land, land improvements, buildings and improvements, furniture and equipment and vehicles. The investment in capital assets was $2,247,119 at June 30, 2019. These capital assets are used to provide services to students and are not available for future spending.

Equity in pooled cash and investments and unrestricted net position increased significantly during the fiscal year. Both results can be attributed to government-wide revenues outpacing government-wide expenditures.

A portion of the Career Center's net position, $551,433, represents resources that are subject to external restrictions on how they may be used. The balance of government-wide unrestricted net position was a deficit of $3,429,843.

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

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In order to further understand what makes up the changes in net position for the current year, the following table gives readers further details regarding the results of activities for 2019 and 2018.

Table 2
Changes in Net Position

	Governmental Activities		
	2019	2018	Change
Revenues			
Program Revenues:			
Charges for Services	$ 123,383	$ 160,699	$ (37,316)
Operating Grants	452,565	532,149	(79,584)
Total Program Revenues	575,948	692,848	(116,900)
General Revenues:			
Property Taxes	1,929,644	2,087,914	(158,270)
Grants and Entitlements Not Restricted	1,854,585	1,788,695	65,890
Other	77,743	51,223	26,520
Total General Revenues	3,861,972	3,927,832	(65,860)
Total Revenues	4,437,920	4,620,680	(182,760)
Program Expenses			
Instruction:			
Regular	355,760	123,378	232,382
Special	129,368	7,355	122,013
Vocational	1,481,033	654,988	826,045
Other	1,934	1,486	448
Support Services:			
Pupils	115,771	50,457	65,314
Instructional Staff	241,132	183,000	58,132
Board of Education	44,131	74,610	(30,479)
Administration	217,173	119,791	97,382
Fiscal	250,943	197,648	53,295
Business	42,052	37,824	4,228
Operation and Maintenance of Plant	580,273	406,060	174,213
Pupil Transportation	9,047	8,845	202
Central	37,485	44,286	(6,801)
Operation of Non-Instructional Services:			
Food Service Operations	145,737	148,293	(2,556)
Other	112	1,000	(888)
Extracurricular Activities	12,729	(649)	13,378
Debt Service:			
Interest and Fiscal Charges	5,680	6,388	(708)
Total Expenses	3,670,360	2,064,760	1,605,600
Increase (Decrease) in Net Position	767,560	2,555,920	(1,788,360)
Net Position at Beginning of Year	(1,398,851)	(3,954,771)	2,555,920
Net Position at End of Year	$ (631,291)	$ (1,398,851)	$ 767,560

Overall, program expenses increased significantly. The changes in program expenses are primarily associated to changes in the Career Center's proportionate share of the net pension liability, net OPEB liability/asset and related accruals. As previously indicated, these items are explained in detail within their respective notes.

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

Table 3
Governmental Activities

	Total Cost of Service		Net Cost of Service	
	2019	2018	2019	2018
Instruction:				
Regular	$ 355,760	$ 123,378	$ 322,177	$ 123,378
Special	129,368	7,355	43,369	(83,562)
Vocational	1,481,033	654,988	1,181,433	247,837
Other	1,934	1,486	1,934	1,486
Support Services:				
Pupils	115,771	50,457	115,771	50,457
Instructional Staff	241,132	183,000	236,858	153,976
Board of Education	44,131	74,610	41,631	74,610
Administration	217,173	119,791	217,173	119,791
Fiscal	250,943	197,648	250,870	197,648
Business	42,052	37,824	42,052	37,824
Operation and Maintenance of Plant	580,273	406,060	577,003	397,283
Pupil Transportation	9,047	8,845	9,047	8,845
Central	37,485	44,286	37,485	44,286
Operation of Non-Instructional Services:				
Food Service Operations	145,737	148,293	(912)	(8,686)
Other	112	1,000	112	1,000
Extracurricular Activities	12,729	(649)	12,729	(649)
Debt Service:				
Interest and Fiscal Charges	5,680	6,388	5,680	6,388
Total Expenses	$ 3,670,360	$ 2,064,760	$ 3,094,412	$ 1,371,912

The dependence upon general revenues for governmental activities is apparent. Almost 84 percent of governmental activities are supported through taxes and other general revenues; such revenues are 87 percent of total governmental revenues. The community, as a whole, is by far the primary support for the Career Center students.

The total and net cost of services changes were primarily caused by the changes related to NPL/NOL/NOA, as previously discussed.

Governmental Funds

The Career Center's major funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of $4,429,241 and expenditures of $4,527,892.

The general fund's net change in fund balance for fiscal year 2019 was a decrease of $112,147.

The permanent improvement fund's net change in fund balance for fiscal year 2019 was an increase of $20,841.

General Fund Budgeting Highlights

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

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

Original Budget Compared to Final Budget During the course of fiscal year 2019, the Career Center amended its general fund budget for estimated receipts due to increased estimated property tax and intergovernmental revenue. There was no need for the Career Center to make any significant changes to original appropriations.

Final Budget Compared to Actual Results For fiscal year 2019, there were no significant differences between final budgeted receipts and actual receipts. Actual expenditures and were significantly lower than final budgeted expenditures, as cost savings were recognized by the Career Center.

There were no significant variances to discuss within other financing sources and uses.

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Capital Assets and Debt Administration

Capital Assets

Table 4 shows fiscal year 2019 balances compared with 2018.

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

	Governmental Activities	
	2019	2018
Land	$ 28,429	$ 28,429
Land Improvements	270,018	115
Buildings and Improvements	1,506,470	1,603,121
Furniture and Equipment	408,389	329,612
Vehicles	33,813	40,851
Totals	$ 2,247,119	$ 2,002,128

See Note 7 for more information about the capital assets of the Career Center.

Debt

Table 5 summarizes fiscal year 2019 debt outstanding compared with 2018. See Note 12 for additional details.

Table 5
Outstanding Debt at Year End

	Governmental Activities	
	2019	2018
H.B. 264 Loan	$ 128,426	$ 146,772

Current Issues

The Career Center strives to be fiscally responsible so we can provide the necessary instruction for our students to be knowledgeable, highly skilled and able to compete in a global economy. Student enrollment decreased in fiscal year 2019 and the Career Center remains on the guarantee. This Career Center is projected to remain on the guarantee. The Career Center continues to educate approximately 30% of the student population in our county.

Contacting the Career Center's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Career Center's finances and to show the Career Center's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Tamara Hess, Treasurer of Coshocton County Career Center, 23640 Airport Road, Coshocton OH 43812.

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

		Governmental Activities
Assets		
Equity in Pooled Cash and Investments	$	1,757,228
Cash and Cash Equivalents with Fiscal Agent		357,936
Materials and Supplies Inventory		8,766
Receivables:		
Accounts		5,091
Intergovernmental		20,254
Property Taxes		2,052,524
Net OPEB Asset		227,765
Nondepreciable Capital Assets		28,429
Depreciable Capital Assets (Net)		2,218,690
Total Assets		6,676,683
Deferred Outflows of Resources		
Pension		996,622
OPEB		38,857
Total Deferred Outflows of Resources		1,035,479
Liabilities		
Accounts Payable		57,814
Accrued Wages and Benefits		334,838
Contracts Payable		194,475
Intergovernmental Payable		49,268
Accrued Vacation Leave Payable		14,016
Claims Payable		49,526
Unearned Revenue		59,594
Long Term Liabilities:		
Due Within One Year		34,754
Due In More Than One Year:		
Net Pension Liability		4,031,924
Net OPEB Liability		421,778
Other Amonts Due in More Than One Year		338,634
Total Liabilities		5,586,621
Deferred Inflows of Resources		
Property Taxes Levied for the Next Year		1,889,717
Pension		427,143
OPEB		439,972
Total Deferred Inflows of Resources		2,756,832
Net Position		
Investment in Capital Assets		2,247,119
Restricted For:		
Capital Outlay		547,797
Other Purposes		3,636
Unrestricted		(3,429,843)
Total Net Position	$	(631,291)

See accompanying notes to the basic financial statements.

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

		Program Revenues		Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest	Governmental Activities
Governmental Activities				
Instruction:				
Regular	$ 355,760	$ 33,583	$ 0	$ (322,177)
Special	129,368	0	85,999	(43,369)
Vocational	1,481,033	37,792	261,808	(1,181,433)
Other	1,934	0	0	(1,934)
Support Services:				
Pupils	115,771	0	0	(115,771)
Instructional Staff	241,132	0	4,274	(236,858)
Board of Education	44,131	0	2,500	(41,631)
Administration	217,173	0	0	(217,173)
Fiscal	250,943	73	0	(250,870)
Business	42,052	0	0	(42,052)
Operation and Maintenance of Plant	580,273	1,133	2,137	(577,003)
Pupil Transportation	9,047	0	0	(9,047)
Central	37,485	0	0	(37,485)
Operation of Non-Instructional Services:				
Food Service Operations	145,737	50,802	95,847	912
Other	112	0	0	(112)
Extracurricular Activities	12,729	0	0	(12,729)
Debt Service:				
Interest and Fiscal Charges	5,680	0	0	(5,680)
Total	$ 3,670,360	$ 123,383	$ 452,565	(3,094,412)

General Revenues	
Property Taxes Levied for:	
General Purposes	1,292,433
Debt Service	23,672
Capital Outlay	613,539
Grants and Entitlements Not Restricted to Specific Programs	1,854,585
Investment Earnings	38,588
Miscellaneous	39,155
Total General Revenues	3,861,972
Change in Net Position	767,560
Net Position Beginning of Year	(1,398,851)
Net Position End of Year	$ (631,291)

See accompanying notes to the basic financial statements.

Coshocton County Career Center
Coshocton County, Ohio
Balance Sheet
Governmental Funds
June 30, 2019

	General	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and Investments	$ 1,099,171	$ 625,665	$ 32,392	$ 1,757,228
Materials and Supplies Inventory	8,766	0	0	8,766
Receivables:				
Accounts	4,833	0	258	5,091
Intergovernmental	315	0	19,939	20,254
Property Taxes	1,399,451	630,102	22,971	2,052,524
Total Assets	$ 2,512,536	$ 1,255,767	$ 75,560	$ 3,843,863
Liabilities				
Accounts Payable	$ 55,274	$ 0	$ 2,540	$ 57,814
Accrued Wages and Benefits	314,384	0	20,454	334,838
Contracts Payable	0	194,475	0	194,475
Intergovernmental Payable	45,439	0	3,829	49,268
Total Liabilities	415,097	194,475	26,823	636,395
Deferred Inflows of Resources				
Property Taxes Levied for the Next Year	1,287,126	579,620	22,971	1,889,717
Unavailable Revenue	35,726	14,627	654	51,007
Total Deferred Inflows of Resources	1,322,852	594,247	23,625	1,940,724
Fund Balances				
Nonspendable	8,766	0	0	8,766
Restricted	0	467,045	10,696	477,741
Committed	0	0	14,416	14,416
Assigned	485,722	0	0	485,722
Unassigned	280,099	0	0	280,099
Total Fund Balances	774,587	467,045	25,112	1,266,744
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 2,512,536	$ 1,255,767	$ 75,560	$ 3,843,863

See accompanying notes to the basic financial statements.

Coshocton County Career Center
Coshocton County, Ohio
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
June 30, 2019

Total Governmental Fund Balances		$ 1,266,744
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.		2,247,119
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Intergovernmental	$ 654	
Miscellaneous	3,123	
Delinquent Property Taxes	47,230	51,007
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		248,816
The net pension liability and Net OPEB asset/liability are not due and payable in the current period; therefore, the asset/liabilities and related deferred inflows/outflows are not reported in governmental funds.		
Net OPEB Asset	227,765	
Deferred Outflows - Pension	996,622	
Deferred Outflows - OPEB	38,857	
Net Pension Liability	(4,031,924)	
Net OPEB Liability	(421,778)	
Deferred Inflows - Pension	(427,143)	
Deferred Inflows - OPEB	(439,972)	(4,057,573)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds.		
House Bill 264 Loan	(128,426)	
Vacations Payable	(14,016)	
Compensated Absences	(244,962)	(387,404)
Net Position of Governmental Activities		$ (631,291)

See accompanying notes to the basic financial statements.

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

	General	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Revenues				
Property and Other Local Taxes	$ 1,291,032	$ 613,964	$ 23,672	$ 1,928,668
Intergovernmental	2,050,059	20,451	235,912	2,306,422
Investment Income	31,811	0	0	31,811
Tuition and Fees	50,961	0	0	50,961
Extracurricular Activities	0	0	9,492	9,492
Rentals	8,310	0	0	8,310
Charges for Services	12,177	0	42,443	54,620
Contributions and Donations	2,925	0	0	2,925
Miscellaneous	36,032	0	0	36,032
Total Revenues	3,483,307	634,415	311,519	4,429,241
Expenditures				
Current:				
Instruction:				
Regular	470,858	0	0	470,858
Special	75,185	0	84,768	159,953
Vocational	1,600,152	127,923	40,220	1,768,295
Other	1,934	0	0	1,934
Support Services:				
Pupils	138,441	0	0	138,441
Instructional Staff	260,903	33,972	4,296	299,171
Board of Education	44,801	0	2,500	47,301
Administration	255,177	0	0	255,177
Fiscal	242,967	16,769	0	259,736
Business	43,694	0	0	43,694
Operation and Maintenance of Plant	405,231	434,910	3,348	843,489
Pupil Transportation	544	0	0	544
Central	37,485	0	0	37,485
Extracurricular Activities	17,970	0	0	17,970
Operation of Non-Instructional Services:				
Food Service Operations	0	0	159,706	159,706
Other	112	0	0	112
Debt Service:				
Principal Retirement	0	0	18,346	18,346
Interest and Fiscal Charges	0	0	5,680	5,680
Total Expenditures	3,595,454	613,574	318,864	4,527,892
Net Change in Fund Balance	(112,147)	20,841	(7,345)	(98,651)
Fund Balances Beginning of Year	886,734	446,204	32,457	1,365,395
Fund Balances End of Year	$ 774,587	$ 467,045	$ 25,112	$ 1,266,744

See accompanying notes to the basic financial statements.

Coshocton County Career Center
Coshocton County, Ohio
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2019

Net Change in Fund Balances - Total Governmental Funds		$ (98,651)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital Asset Additions	$ 432,947	
Current Year Depreciation	(183,148)	249,799
Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.		(4,808)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property Taxes	976	
Grants	(2,197)	
Miscellaneous	3,123	1,902
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		18,346
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	301,490	
OPEB	5,369	306,859
Except for amount reported as deferred inflows/outflows, changes in the net pension and OPEB asset/liabilities are reported as pension/OPEB expense in the statement of activities.		
Pension	(235,076)	
OPEB	491,741	256,665
The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the district-wide statement of activities. Governmental expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among governmental activities.		38,053
Some expenses reported in the statement of activities do not require the use of the current financial resources and therefore are not reported as expenditures in governmental funds.		
Compensated Absences	(2,801)	
Vacations Payable	2,196	(605)
Change in Net Position of Governmental Activities		$ 767,560

See accompanying notes to the basic financial statements.

Coshocton County Career Center
Coshocton County, Ohio
Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2019

	Budgeted Amounts			Variance with Final Budget Over
	Original	Final	Actual	(Under)
Revenues				
Property and Other Local Taxes	$ 1,266,820	$ 1,385,920	$ 1,385,920	$ 0
Intergovernmental	1,874,851	2,049,188	2,049,188	0
Investment Income	22,257	28,516	31,811	3,295
Tuition and Fees	64,111	43,449	43,449	0
Rentals	7,284	8,310	8,310	0
Miscellaneous	27,885	30,660	29,750	(910)
Total Revenues	3,263,208	3,546,043	3,548,428	2,385
Expenditures				
Current:				
Instruction:				
Regular	504,059	492,173	467,899	24,274
Special	74,038	75,508	74,625	883
Vocational	1,654,254	1,645,971	1,550,949	95,022
Other	2,309	2,309	1,934	375
Support Services:				
Pupils	143,615	139,643	135,853	3,790
Instructional Staff	300,905	292,555	262,814	29,741
Board of Education	64,131	54,173	43,825	10,348
Administration	275,326	276,006	253,970	22,036
Fiscal	249,784	252,618	242,771	9,847
Business	51,048	44,227	44,479	(252)
Operation and Maintenance of Plant	434,395	436,558	410,807	25,751
Pupil Transportation	7,581	4,368	544	3,824
Central	49,568	47,560	37,560	10,000
Extracurricular Activities	16,849	17,974	17,970	4
Operation of Non-Instructional Services:				
Other	1,000	112	112	0
Capital Outlay	8,000	0	0	0
Total Expenditures	3,836,862	3,781,755	3,546,112	235,643
Excess of Revenues Over (Under) Expenditures	(573,654)	(235,712)	2,316	238,028
Other Financing Sources (Uses)				
Refund of Prior Year Expenditures	6,502	9,253	9,253	0
Transfers Out	(5,000)	0	0	0
Total Other Financing Sources (Uses)	1,502	9,253	9,253	0
Net Change in Fund Balance	(572,152)	(226,459)	11,569	238,028
Fund Balance Beginning of Year	1,000,581	1,000,581	1,000,581	0
Prior Year Encumbrances Appropriated	48,619	48,619	48,619	0
Fund Balance End of Year	$ 477,048	$ 822,741	$ 1,060,769	$ 238,028

See accompanying notes to the basic financial statements.

Coshocton County Career Center
Coshocton County, Ohio
Statement of Fund Net Position
Proprietary Fund
June 30, 2019

		Governmental Activities - Internal Service Fund
Assets		
Current Assets		
Cash and Cash Equivalents with Fiscal Agent	$	357,936
Liabilities		
Current Liabilities		
Claims Payable		49,526
Unearned Revenue		59,594
Total Current Liabilities		109,120
Net Position		
Unrestricted		248,816
Total Net Position	$	248,816

See accompanying notes to the basic financial statements.

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

	Governmental Activities - Internal Service Fund
Operating Revenues	
Charges for Services	$ 511,251
Operating Expenses	
Purchased Services	189,730
Claims	290,245
Total Operating Expenses	479,975
Operating Income	31,276
Non-Operating Revenues	
Interest	6,777
Change in Net Position	38,053
Net Position Beginning of Year	210,763
Net Position End of Year	$ 248,816

See accompanying notes to the basic financial statements.

Coshocton County Career Center
Coshocton County, Ohio
Statement of Cash Flows
Proprietary Fund
For the Fiscal Year Ended June 30, 2019

	Governmental Activities - Internal Service Fund
Cash Flows From Operating Activities	
Cash Received from Interfund Services	$ 515,842
Cash Paid for Goods and Services	(189,730)
Cash Paid for Claims	(248,841)
Net Cash Provided By (Used For) Operating Activities	77,271
Cash Flows From Investing Activities	
Interest on Investments	6,777
Net Increase in Cash and Cash Equivalents	84,048
Cash and Cash Equivalents, Beginning of Year	273,888
Cash and Cash Equivalents, End of Year	$ 357,936
Reconciliation of Operating Income to Net Cash Provided By (Used For) Operating Activities	
Operating Income	$ 31,276
Increase in Liabilities:	
Claims Payable	41,404
Unearned Revenue	4,591
Total Adjustments	45,995
Net Cash Provided By (Used For) Operating Activities	$ 77,271

See accompanying notes to the basic financial statements.

Coshocton County Career Center
Coshocton County, Ohio
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2019

	Agency
Assets	
Equity in Pooled Cash and Investments	$ 4,333
Liabilities	
Due to Students	$ 4,333

See accompanying notes to the basic financial statements.

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NOTE 1: DESCRIPTION OF THE CAREER CENTER AND REPORTING ENTITY

The Coshocton County Career Center (Career Center) was established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Career Center is a school district as defined by Section 3311.18 of the Ohio Revised Code. The Career Center operates under a Board of Education, consisting of five members appointed by participating school districts.

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

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

The Career Center is involved with the Ohio Mid-Eastern Regional Educational Services Association (OME-RESA), which is defined as a jointly governed organization. Additional information concerning the jointly governed organization is presented in Note 16.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

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

Government-wide Financial Statements The statement of net position and the statement of activities display information about the Career Center as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is also eliminated to avoid "doubling up" revenues and expenses.

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

Fund Financial Statements During the year, the Career Center segregates transactions related to certain Career Center functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Career Center at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service fund is presented in a single column on the face of the proprietary fund statements. The fiduciary funds are reported by type.

B. Fund Accounting

The Career Center uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The various funds of the Career Center are grouped into the categories governmental, proprietary, and fiduciary.

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

> ***General Fund*** **-** The general fund accounts for all financial resources, except those required to be accounted for in another fund. The general fund balance is available to the Career Center for any purpose provided it is expended or transferred according to the general laws of Ohio.
>
> ***Permanent Improvement Fund*** **–** The permanent improvement fund receives property taxes for acquisition, construction or improvement of capital facilities.

The other governmental funds of the Career Center account for grants and other resources to which the Career Center is bound to observe constraints imposed upon the use of the resources.

Proprietary Funds Proprietary funds focus on the determination of changes in net position, financial position and cash flows and are classified as either enterprise or internal service. The Career Center's only proprietary fund is an internal service fund.

Internal Service Fund – The internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the Career Center on a cost reimbursement basis. The Career Center's internal service fund accounts for the operation of the Career Center's self-insurance program for employee medical benefits.

Fiduciary Funds Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and agency funds. Trust funds are used to account for assets held by the Career Center under a trust agreement for individuals, private organizations, or other governments and are, therefore, not available to support the Career Center's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Career Center's only fiduciary funds are agency funds, which account for student advance placement testing and student activities.

C. Measurement Focus

Government-wide Financial Statements The government-wide financial statements are prepared using the economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the Career Center are included on the statement of net position. The statement of activities presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position.

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

Like the government-wide statements, the internal service fund is accounted for on a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of fund net position. The statement of revenues, expenses and changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net position. The statement of cash flows provides information about how the Career Center finances and meets the cash flow needs of its internal service fund activity.

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

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements and the statements for the proprietary and fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified 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/outflows of resources, and in the presentation of expenses versus expenditures.

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

Non-exchange transactions, in which the Career Center receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 5). Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the Career Center must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Career Center on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

Deferred Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the Career Center, deferred outflows of resources are reported on the government-wide statement of net position for pension and OPEB. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 10 and 11.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the Career Center, deferred inflows of resources include property taxes, pension, OPEB and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2019, but which were levied to finance fiscal year 2020 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the Career Center, unavailable revenue may include delinquent property taxes, grants and entitlements and miscellaneous revenues. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 10 and 11).

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. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

E. Budgetary Process

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

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

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

F. Cash and Cash Equivalents

To improve cash management, all cash received by the Career Center is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through Career Center records. Interest in the pool is presented as "equity in pooled cash and investments." The Career Center participates in the Jefferson Health Plan. The Jefferson Health Plan is an insurance consortium for self-insurance. These monies are held separate from the Career Center's central bank account and are reflected in the financial statement as "cash and cash equivalents with fiscal agent."

During fiscal year 2019, investments were limited to STAR Ohio. Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts, such as nonnegotiable certificates of deposit 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 Career Center measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For the fiscal year 2019, 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 $100 million, requiring the excess amount to be transacted the following business day(s), but only to the $100 million limit. All accounts of the participant will be combined for these purposes.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2019 amounted to $31,811 which includes $11,179 assigned from other Career Center funds.

Investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the Career Center are reported as cash equivalents. Investments with an original maturity of more than three months that are not made from the pool are reported as investments.

G. Inventory

Inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used. Inventories are accounted for using the consumption method, which means that the costs of inventory items are recorded as expenditures in the governmental funds when consumed.

Inventories consist of materials and supplies held for consumption and donated and purchased food held for resale.

H. Capital Assets

All capital assets of the Career Center are classified as general capital assets. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The Career Center has a capitalization threshold of $2,500. The Career Center does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the assets or materially extend an asset’s life are not.

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

Description	Estimated Lives
Land Improvements	10-30 Years
Buildings and Improvements	10-50 Years
Furniture and Equipment	5-15 Years
Vehicles	5-10 Years

I. 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 employer will compensate the employees for the benefits through paid time off or some other means.

Sick leave benefits are accrued as a liability using the termination method. An accrual for earned sick leave is made to the extent that it is probable that benefits will result in termination payments. The liability is an estimate based on the Career Center's past experience of making termination payments.

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

On the governmental fund statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "matured compensated absences payable" in the funds from which the employee will be paid.

J. Pensions and Other Postemployment Benefits (OPEB)

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

K. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities, and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

L. Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. 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. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Career Center or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. At June 30, 2019, there was no net position restricted by enabling legislation.

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

M. Fund Balance

In accordance with Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions,* the Career 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 classifications are as follows:

Nonspendable – The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed or assigned.

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

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

Assigned – Amounts in the assigned fund balance classification are intended to be used by the Career Center for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the Career Center Board of Education. The Board of Education has by resolution authorized the Treasurer to assign fund balance. The Board of Education may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget.

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

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

N. 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.

O. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the Career Center, these revenues are charges for services for self-insurance programs. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund. All revenues and expenses not meeting these definitions are reported as non-operating.

P. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2019.

Q. 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.

R. Implementation of New Accounting Policies

For the fiscal year ended June 30, 2019, the Career Center has implemented Governmental Accounting Standards Board (GASB) Statement No. 83, *Certain Asset Retirement Obligations* and GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*.

GASB Statement No. 83 establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations. The implementation of GASB Statement No. 83 did not have an effect on the financial statements of the Career Center.

GASB Statement No. 88 establishes additional financial statement note disclosure requirements related to debt obligations of governments, including direct borrowings and direct placements. These changes were incorporated in the Career Center's fiscal year 2019 financial statements; however, there was no effect on beginning net position/fund balance.

NOTE 3: BUDGETARY BASIS OF ACCOUNTING

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

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

2. Expenditures/expenses are recorded when paid in cash (budget) rather than when the liability is incurred (GAAP).

3. Encumbrances are treated as expenditure (budget) rather than as a component of restricted, committed or assigned fund balance (GAAP).

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

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The following table summarizes the adjustments necessary to reconcile GAAP basis statement to the budgetary basis statement on a fund type basis for the general fund:

Net Change in Fund Balance

	General
GAAP Basis	$ (112,147)
Net Adjustment for Revenue Accruals	98,755
Net Adjustment for Expenditure Accruals	27,374
Funds Budgeted Elsewhere	931
Adjustment for Encumbrances	(3,344)
Budget Basis	$ 11,569

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

NOTE 4: DEPOSITS AND INVESTMENTS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Cash on Hand - At June 30, 2019 the Career Center had $400 in undeposited cash on hand, which is included as part of "Equity in Pooled Cash and Investments."

Deposits - At year-end, $19,986 of the Career Center's bank balance of $269,986 was covered by FDIC and through the Ohio Pooled Collateral System.

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

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

- Eligible securities pledged to the Career Center and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or

- Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS required the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

Funds Held by Fiscal Agent

The Career Center participates in the Jefferson Health Plan for employee benefits. The Career Center has $357,936 representing internal service fund cash and cash equivalents with fiscal agent. All benefit deposits are made to the Consortium's depository account. Collateral is held by a qualified third-party trustee in the name of the Consortium.

Investments

As of June 30, 2019, the Career Center had the following investment and maturity:

S&P Global Ratings	Investment Type	Measurement Amount	in Months 0-12
AAAm	STAR Ohio	$ 1,561,918	$ 1,561,918

Credit Risk STAR Ohio is an investment pool operated by the Ohio State Treasurer. It is unclassified since it is not evidenced by securities that exist in physical or book entry form. Ohio law requires STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The weighted average of maturity of the portfolio held by STAR Ohio as of June 30, 2019, is 53 days and carries a rating of AAAm by S&P Global Ratings.

Concentration of Credit Risk. The Career Center places no limit on the amount that may be invested in any one issuer. At June 30, 2019, 100 percent of the Career Center's investments were in STAR Ohio.

NOTE 5: PROPERTY TAXES

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

Property taxes include amounts levied against all real and public utility property located in the Career Center. Real property tax revenue received in calendar year 2019 represents collections of calendar year 2018 taxes. Real property taxes received in calendar year 2019 were levied after April 1, 2018, on the assessed value listed as of January 1, 2018, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2019 represents collections of calendar year 2018 taxes. Public utility real and tangible personal property taxes received in calendar year 2019 became a lien December 31, 2017, were levied after April 1, 2018 and are collected in 2019 with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The Career Center receives property taxes from Coshocton, Guernsey, Licking, Muskingum and Tuscarawas Counties. The County Auditor periodically advances to the Career Center its portion of the taxes collected. Second-half real property tax payments collected by the Counties by June 30, 2019, are available to finance fiscal year 2019 operations. The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and delinquent tangible personal property taxes which are measurable as of June 30, 2019, and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows of resources.

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

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

	2018 Second Half Collections		2019 First Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	$ 647,819,647	87%	$ 669,082,571	88%
Public Utility Personal Property	100,048,010	13%	91,951,410	12%
Total	$ 747,867,657	100%	$ 761,033,981	100%
Full Tax Rate per $1,000 of assessed valuation	$ 3.50		$ 3.50	

NOTE 6: RECEIVABLES

Receivables at June 30, 2019 consisted of taxes, accounts and intergovernmental grants. Taxes and intergovernmental receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes and the current fiscal year guarantee of Federal funds.

NOTE 7: CAPITAL ASSETS

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

	Balance 6/30/2018	Additions	Deletions	Balance 6/30/2019
Governmental Activities				
Capital Assets not being depreciated:				
Land	$ 28,429	$ 0	$ 0	$ 28,429
Capital Assets, being depreciated:				
Land Improvements	319,230	272,125	0	591,355
Building and Improvements	4,853,469	14,953	(643,473)	4,224,949
Furniture and Equipment	918,962	145,869	(21,337)	1,043,494
Vehicles	134,166	0	0	134,166
Total Capital Assets, being depreciated	6,225,827	432,947	(664,810)	5,993,964
Less Accumulated Depreciation:				
Land Improvements	(319,115)	(2,222)	0	(321,337)
Building and Improvements	(3,250,348)	(111,604)	643,473	(2,718,479)
Furniture and Equipment	(589,350)	(62,284)	16,529	(635,105)
Vehicles	(93,315)	(7,038)	0	(100,353)
Total Accumulated Depreciation	(4,252,128)	(183,148) *	660,002	(3,775,274)
Total Capital Assets being depreciated, net	1,973,699	249,799	(4,808)	2,218,690
Governmental Activities Capital Assets, net	$ 2,002,128	$ 249,799	$ (4,808)	$ 2,247,119

* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Vocational	$ 113,732
Support Services:	
Instructional Staff	13,727
Board	214
Fiscal	1,384
Operation and Maintenance of Plant	50,396
Pupil Transportation	3,695
Total Depreciation Expense	$ 183,148

NOTE 8: RISK MANAGEMENT

A. General Insurance

The Career Center is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. The Career Center has a comprehensive property and casualty policy with a deductible of $1,000 per incident on property and equipment. The Career Center's comprehensive property and casualty policy aggregate limit is approximately $3,000,000 (subject to scheduled limits). There is a separate policy covering boiler and machinery with a limit of $18,881,000 and a $1,000 deductible. The Career Center's vehicle insurance policy limit is $1,000,000 with a $500 auto collision deductible. All board members, administrators, and employees are covered under a Career Center liability policy. Additionally, the Career Center carries a $3,000,000 excess liability policy. Settlement claims have not exceeded this commercial coverage in any of the past three years. There have been no significant reductions in insurance coverage from last year.

B. Fidelity Bond

The Treasurer is covered under a surety bond in the amount of $60,000. In addition, the Career Center is covered by an umbrella policy in the amount of $3,000,000.

C. Workers' Compensation

The Career Center pays the State Workers' Compensation System, an insurance purchasing pool, a premium based on a rate per $100 of salaries. The Career Center is a member of CompManagement. This rate is calculated based on accident history and administrative costs.

D. Employee Health Insurance

The Career Center is self-insured for its medical, prescription, vision and dental insurance programs. Premiums are paid into the self-insurance fund and are available to pay claims and administrative costs. The Career Center is a member of the Jefferson Health Plan, a claims servicing pool, in which monthly premiums are paid to the fiscal agent who in turn pays the claims on the Career Center's behalf. A stop-loss insurance contract with a private insurance carrier covers specific liability claims in excess of $35,000. Claims above a $35,000 deductible are internally pooled. Claims above $500,000 are covered by stop loss. The claims liability at June 30, 2019, was estimated by the third party administrator to be $49,526. Under generally accepted accounting principles, the Career Center has recorded a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be accrued at the estimated ultimate cost of settling the claims. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

Changes in the fund's claim liability for 2018 and 2019 are listed below.

	Balance Beginning of Year	Current Year Claims	Claims Payments	Balance End of Year
2018	$ 94,315	$ 513,384	$ 599,577	$ 8,122
2019	$ 8,122	$ 290,245	$ 248,841	$ 49,526

NOTE 9: OTHER EMPLOYEE BENEFITS

A. Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and state laws. All employees earn three days of personal leave per year. Employees shall be paid a salary supplement for the non-use of personal leave. In lieu of bonus, unused personal days may be added to sick leave accumulation and subject to the limitations of the sick days. Classified employees earn ten to twenty-five days of vacation per fiscal year, depending upon length of service and position. Vacation days must be used within a year, unless Board approval is obtained. Accumulated, unused vacation time is paid to classified employees upon termination of employment. Teachers do not earn vacation time.

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated to a maximum of 230 days for all personnel. Upon completion of ten or more years of service to the Career Center, state, or other political subdivision, and retirement from the profession, payment is made for one-fourth of accrued, but unused sick leave credit up to a maximum of 54 days for certified employees and 54 days for classified employees.

B. Life Insurance

The Career Center provides life insurance and accidental death and dismemberment insurance to employees through the Jefferson Health Plan. Coverage is provided for all certified and classified employees depending on position, ranging from $20,000 to $75,000.

NOTE 10: DEFINED BENEFIT PENSION PLANS

Net Pension Liability

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

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

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

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees).

State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

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

Plan Description - School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

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

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

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

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the Career Center is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2019, the allocation to pension, death benefits, and Medicare B was 13.5 percent. SERS allocated 0.5 percent of employer contributions to the Health Care Fund for fiscal year 2019.

The Career Center's contractually required contribution to SERS was $73,307 for fiscal year 2019. Of this amount, $5,895 is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

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

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307. For the DB Plan, from August 1, 2015–July 1, 2017, any member could retire with reduced benefits who had (1) five years of service credit and age 60; (2) 26 years of service credit and age 55; or (3) 31 years of service credit regardless of age. Effective August 1, 2017–July 1, 2019, any member may retire with reduced benefits who has (1) five years of service credit and age 60; (2) 27 years of service credit and age 55; or (3) 30 years of service credit regardless of age. Eligibility changes will continue to be phased in through August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60. Retirement eligibility for reduced benefits will be five years of service credit and age 60, or 30 years of service credit regardless of age.

The DC Plan allows members to place all their member contributions and 9.5 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. Effective July 1, 2017, employer contributions of 9.53 percent are placed in the investment accounts and the remaining 4.47 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 12 percent of the 14 percent member rate goes to the DC Plan and the remaining 2 percent is applied to the DB Plan. In the Combined Plan, member contributions are allocated among investment choices by the member, and employer contributions are used to fund a defined benefit payment. A member's defined benefit is determined by multiplying one percent of the member's final average salary by the member's years of service credit. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of service. The DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50 and termination of employment.

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

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

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For the fiscal year ended June 30, 2019, plan members were required to contribute 14 percent of their annual covered salary. The Career Center was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2019 contribution rates were equal to the statutory maximum rates.

The Career Center's contractually required contribution to STRS was $228,183 for fiscal year 2019. Of this amount, $34,885 is reported as an intergovernmental payable.

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

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

	SERS	STRS	Total
Proportion of the Net Pension Liability:			
Current Measurement Date	0.01598230%	0.01417420%	
Prior Measurement Date	0.01633980%	0.01446568%	
Change in Proportionate Share	-0.00035750%	-0.00029148%	
Proportionate Share of the Net Pension Liability	$ 915,336	$ 3,116,588	$ 4,031,924
Pension Expense	$ 32,563	$ 202,513	$ 235,076

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

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

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between Expected and Actual Experience	$ 50,204	$ 71,941	$ 122,145
Changes of Assumptions	20,669	552,318	572,987
Career Center Contributions Subsequent to the Measurement Date	73,307	228,183	301,490
Total Deferred Outflows of Resources	$ 144,180	$ 852,442	$ 996,622
Deferred Inflows of Resources			
Differences between Expected and Actual Experience	$ 0	$ 20,354	$ 20,354
Net Difference between Projected and Actual Earnings on Pension Plan Investments	25,360	188,985	214,345
Changes in Proportion and Differences between Career Center Contributions and Proportionate Share of Contributions	25,378	167,066	192,444
Total Deferred Inflows of Resources	$ 50,738	$ 376,405	$ 427,143

$301,490 reported as deferred outflows of resources related to pension resulting from Career Center contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2020	$ 49,367	$ 174,578	$ 223,945
2021	8,584	138,238	146,822
2022	(30,038)	(13,369)	(43,407)
2023	(7,778)	(51,593)	(59,371)
	$ 20,135	$ 247,854	$ 267,989

Actuarial Assumptions - SERS

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

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

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

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

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

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

The long-term return expectation for the Pension Plan Investments has been determined by using a building-block approach and assumes a time horizon, as defined in SERS' *Statement of Investment Policy*. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating an arithmetic weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. The asset allocation, as used in the June 30, 2015 five-year experience study, is summarized as follows:

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

Discount Rate Total pension liability was calculated using the discount rate of 7.50 percent. The projection of cash flows used to determine the discount rate assumed that employers would contribute the actuarially determined contribution rate of projected compensation over the remaining 26-year amortization period of the unfunded actuarial accrued liability. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.50 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the Career Center's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the Career Center's proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the Career Center's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
Career Center 's Proportionate Share of the Net Pension Liability	$ 1,289,320	$ 915,336	$ 601,776

Actuarial Assumptions - STRS

The total pension liability in the July 1, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

Post-retirement mortality rates are based on RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016; pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

The actuarial assumptions used in the July 1, 2018 valuation, were adopted by the board from the results of an actuarial experience study for July 1, 2011, through June 30, 2016.

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

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

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

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

Discount Rate The discount rate used to measure the total pension liability was 7.45 percent as of June 30, 2018. The projection of cash flows used to determine the discount rate assumes that employer and member contributions will be made at statutory contribution rates of 14 percent each. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2018. Therefore, the long-term expected rate of return on pension plan investments of 7.45 percent was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2018.

Sensitivity of the Career Center's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the Career Center's proportionate share of the net pension liability as of June 30, 2018, calculated using the current period discount rate assumption of 7.45 percent, as well as what the Career Center's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.45 percent) or one-percentage-point higher (8.45 percent) than the current assumption:

	1% Decrease	Current Discount Rate	1% Increase
Career Center 's Proportionate Share of the Net Pension Liability	$ 4,551,367	$ 3,116,588	$ 1,902,243

NOTE 11: Defined Benefit OPEB Plans

Net OPEB Asset/Liability

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

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

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

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

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

Plan Description - School Employees Retirement System (SERS)

Health Care Plan Description - The Career Center contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Active employee members do not contribute to the Health Care Plan. The SERS Retirement Board established the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2019, 0.5 percent of covered payroll was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2019, this amount was $21,600. Statutes provide that no employer shall pay a health care surcharge greater than 2.0 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2019, the Career Center's surcharge obligation was $2,654.

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The Career Center's contractually required contribution to SERS was $5,369 for fiscal year 2019. Of this amount $2,872 is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

Plan Description – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Medicare Part B premium reimbursements will be discontinued effective January 1, 2020. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2019, STRS did not allocate any employer contributions to post-employment health care.

OPEB Assets/Liabilities, OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB

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

	SERS	STRS	Total
Proportion of the Net OPEB Liability:			
Current Measurement Date	0.01520320%	0.01417420%	
Prior Measurement Date	0.01586590%	0.01446568%	
Change in Proportionate Share	-0.00066270%	-0.00029148%	
Proportionate Share of the Net OPEB Liability/(Asset)	$ 421,778	$ (227,765)	$ 194,013
OPEB Expense	$ 6,669	$ (498,410)	$ (491,741)

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

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between Expected and Actual Experience	$ 6,885	$ 26,603	$ 33,488
Career Center Contributions Subsequent to the Measurement Date	5,369	0	5,369
Total Deferred Outflows of Resources	$ 12,254	$ 26,603	$ 38,857
Deferred Inflows of Resources			
Differences between Expected and Actual Experience	$ 0	$ 13,270	$ 13,270
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	634	26,021	26,655
Changes of Assumptions	37,894	310,348	348,242
Changes in Proportion and Differences between Career Center Contributions and Proportionate Share of Contributions	28,097	23,708	51,805
Total Deferred Inflows of Resources	$ 66,625	$ 373,347	$ 439,972

$5,369 reported as deferred outflows of resources related to OPEB resulting from Career Center contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2020	$ (24,023)	$ (62,230)	$ (86,253)
2021	(19,447)	(62,230)	(81,677)
2022	(4,945)	(62,232)	(67,177)
2023	(4,675)	(56,321)	(60,996)
2024	(4,718)	(54,249)	(58,967)
Thereafter	(1,932)	(49,482)	(51,414)
	$ (59,740)	$ (346,744)	$ (406,484)

Actuarial Assumptions - SERS

The total OPEB liability was determined by an actuarial valuation as of June 30, 2018. The actuarial assumptions used in the valuation are based on results from the most recent actuarial experience study, which covered the five-year period ending June 30, 2015. The experience study report is dated April 2016. 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. The total OPEB liability used the following assumptions and other inputs:

Wage Inflation	3.00 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent
Investment Rate of Return	7.50 percent net of investment expense, including inflation
Municipal Bond Index Rate	
Measurement Date	3.62 percent
Prior Measurement Date	3.56 percent
Single Equivalent Interest Rate	
Measurement Date	3.70 percent, net of plan investment expense, including price inflation
Prior Measurement Date	3.63 percent, net of plan investment expense, including price inflation
Health Care Cost Trend Rate	
Medicare	5.375 percent - 4.75 percent
Pre-Medicare	7.25 percent - 4.75 percent

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

The long-term expected rate of return on plan factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a long-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.50 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

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

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

Discount Rate The discount rate used to measure the total OPEB liability at June 30, 2018 was 3.70 percent. The discount rate used to measure total OPEB liability prior to June 30, 2018 was 3.63 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the contribution rate of 2.00 percent of projected covered payroll each year, which includes a 1.50 percent payroll surcharge and 0.50 percent of contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2026. Therefore, the long-term expected rate of return on OPEB plan assets was used to present value the projected benefit payments through the fiscal year ending June 30, 2025 and the Fidelity General Obligation 20-year Municipal Bond Index rate of 3.62 percent, as of June 30, 2018 (i.e., municipal bond rate), was used to present value the projected benefit payments for the remaining years in the projection. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The projection of future benefit payments for all current plan members was until the benefit payments ran out.

Sensitivity of the Career Center's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability and what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.70 percent) and higher (4.70 percent) than the current discount rate (3.70 percent). Also shown is what the net OPEB liability would be based on health care cost trend rates that are one percent lower (6.25 percent decreasing to 3.75 percent) and one percent higher (8.25 percent decreasing to 5.75 percent) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
Career Center's Proportionate Share of the Net OPEB Liability	$ 511,794	$ 421,778	$ 350,502

	1% Decrease	Current Trend Rate	1% Increase
Career Center's Proportionate Share of the Net OPEB Liability	$ 340,297	$ 421,778	$ 529,673

Actuarial Assumptions – STRS

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

Inflation	2.50 percent	
Projected Salary Increases	12.50 percent at age 20 to 2.50 percent at age 65	
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation	
Payroll Increases	3.00 percent	
Discount Rate of Return	7.45 percent	
Health Care Cost Trend Rates		
Medical	Initial	Ultimate
Pre-Medicare	6.00 percent	4.00 percent
Medicare	5.00 percent	4.00 percent
Prescription Drug		
Pre-Medicare	8.00 percent	4.00 percent
Medicare	-5.23 percent	4.00 percent

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

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

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

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

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

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

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

Assumption Changes Since the Prior Measurement Date The discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB). Valuation year per capita health care costs were updated.

Benefit Term Changes Since the Prior Measurement Date The subsidy multiplier for non-Medicare benefit recipients was increased from 1.90% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased effective January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.

Discount Rate The discount rate used to measure the total OPEB asset/liability was 7.45 percent as of June 30, 2018. The projection of cash flows used to determine the discount rate assumed STRS continues to allocate no employer contributions to the health care fund. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2018. Therefore, the long-term expected rate of return on health care plan investments of 7.45 percent was applied to all periods of projected benefit payments to determine the total OPEB liability as of June 30, 2018.

Sensitivity of the Career Center's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate The following table represents the net OPEB asset as of June 30, 2018, calculated using the current period discount rate assumption of 7.45 percent, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.45 percent) or one percentage point higher (8.45 percent) than the current assumption. Also shown is the net OPEB liability as of June 30, 2018, calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease	Current Discount Rate	1% Increase
Career Center's Proportionate Share of the Net OPEB Liability/(Asset)	$ (195,216)	$ (227,765)	$ (255,121)

	1% Decrease	Current Trend Rate	1% Increase
Career Center's Proportionate Share of the Net OPEB Liability/(Asset)	$ (253,577)	$ (227,765)	$ (201,551)

NOTE 12: LONG-TERM OBLIGATIONS

The changes in the Career Center's long-term obligations during the fiscal year 2019 were as follows:

	Outstanding 06/30/2018	Additions	Deductions	Outstanding 06/30/2019	Amount Due Within One Year
Governmental Activities:					
Direct Borrowing					
H.B. 264 Loan, 3.85%, maturing 2026	$ 146,772	$ 0	$ (18,346)	$ 128,426	$ 18,346
Net Pension/OPEB Liability:					
Pension	4,412,620	0	(380,696)	4,031,924	0
OPEB	990,196	0	(568,418)	421,778	0
Total Net Pension/OPEB Liability	5,402,816	0	(949,114)	4,453,702	0
Other Long-Term Obligations:					
Compensated Absences	242,161	39,959	(37,158)	244,962	16,408
Total Long-Term Obligations	$ 5,791,749	$ 39,959	$ (1,004,618)	$ 4,827,090	$ 34,754

Compensated absences will be paid from the fund from which the employee's salaries are paid, which, for the Career Center, is primarily from the general fund, food service fund and Federal vocational education fund.

During fiscal year 2011, the Career Center entered into a loan for a House Bill 264 project that consisted of various repairs to the school building duct work. The total amount financed for the project was $275,194. The Career Center used $247,672 during fiscal year 2011 and the remaining $27,522 was disbursed during fiscal year 2012. The loan will be paid from property tax revenue in the bond retirement fund.

Principal and interest requirements to retire long-term obligations outstanding at June 30, 2019 are as follows:

Fiscal Year	H.B. 264 Loan	
Ending June 30,	Principal	Interest
2020	$ 18,346	$ 4,986
2021	18,346	4,259
2022	18,346	3,562
2023	18,346	2,856
2024	18,346	2,155
2025-2026	36,696	2,208
	$ 128,426	$ 20,026

NOTE 13: OPERATING LEASE

The Career Center leases four photocopier machines, a color copier system and a Pitney Bowes system under noncancelable leases. The Career Center disbursed $14,886 to pay lease costs for the fiscal year ended June 30, 2019. Future lease payments are as follows:

Fiscal Year Ending June 30,	Amount
2020	$ 17,652
2021	16,245
2022	15,231
2023	13,201
2024	6,600
	$ 68,929

NOTE 14: SET-ASIDES

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

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

	Capital Improvement Reserve
Set-aside Reserve Balance as of June 30, 2018	$ 0
Current Year Set Aside Requirement	37,960
Current Year Qualifying Expenditures	(39,800)
Current Year Offsets	(683,522)
Total	$ (685,362)
Balance Carried Forward to Fiscal Year 2020	$ 0
Set Aside Reserve Balance as of June 30, 2019	$ 0

Although the Career Center had qualifying expenditures during the fiscal year that reduced the set-aside amount below zero for the capital acquisition set-aside, this amount may not be used to reduce the set-aside requirement of future years.

NOTE 15: FUND BALANCE

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

	General	Permanent Improvement	Other Governmental Funds	Total
Nonspendable for:				
Inventory	$ 8,766	$ 0	$ 0	$ 8,766
Restricted for:				
Capital Projects	0	467,045	0	467,045
Other Purposes	0	0	10,696	10,696
Total Restricted	0	467,045	10,696	477,741
Committed for:				
Debt Service	0	0	14,416	14,416
Assigned for:				
Student Instruction	633	0	0	633
Student and Staff Support	1,881	0	0	1,881
Subsequent Year Appropriations	472,070	0	0	472,070
Other Purposes	11,138	0	0	11,138
Total Assigned	485,722	0	0	485,722
Unassigned	280,099	0	0	280,099
Total Fund Balance	$ 774,587	$ 467,045	$ 25,112	$ 1,266,744

NOTE 16: JOINTLY GOVERNED ORGANIZATION

Ohio Mid-Eastern Regional Educational Services Association (OME-RESA) OME-RESA is a jointly governed organization comprised of 43 schools, created as a regional council of governments pursuant to state statute. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions for members. Each of the members support OME-RESA based on a per pupil charge dependent upon the software package utilized. The OME-RESA assembly consists of a superintendent or designated representative from each participating members and a representative from the fiscal agent. OME-RESA is governed by a board of directors chosen from the general membership of the OME-RESA assembly. The board of directors consists of a representative from the fiscal agent, the chairman of each operating committee, and at least an assembly member from each county from which participating members are located. During fiscal year 2019, the Career Center paid $14,064 in administrative fees to OME-RESA. Financial information can be obtained by contacting the Treasurer at OME-RESA, which serves as fiscal agent, located in Steubenville, Ohio.

NOTE 17: CONTINGENCIES

A. Grants

The Career Center received financial assistance from federal and state agencies in the form of grants. The expenditures of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Career Center at June 30, 2019.

B. Litigation

The Career Center is not party to any claims or lawsuits that would have a material effect on the basic financial statements.

C. Career Center Funding

School District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, ODE adjustments for fiscal year 2019 have been finalized. The impact of the FTE adjustments resulted in immaterial receivables to the Career Center.

NOTE 18: COMMITMENTS

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

Fund	Amount
General Fund	$ 4,764
Permanet Improvement	187,365
Other Governmental	300
Total Governmental Funds	$ 192,429

Based on timing of when contracts are encumbered, contractual commitments identified above may or may not be included in the outstanding encumbrance commitments previously disclosed in this note.

NOTE 19: TAX ABATEMENTS

Under the authority of Ohio Revised Code Section 5709.63, the Board of County Commissioners, with the consent of the legislative authority of each affected Township and Municipal Corporation, may designate enterprise zones. An Enterprise Zone is a designated area of land in which businesses can receive tax incentives in the form of tax exemptions on qualifying new investment. The local legislative authority, in conjunction with the Coshocton Port Authority negotiates the terms of the Enterprise Zone Agreement (the “Agreement”) with the business, which may include tax sharing with the Board of Education. Legislation must then be passed to approve the Agreement. All Agreements must be finalized before the project begins and may contain provisions for the recoupment of taxes should the individual or entity fail to perform. Once the Department of Taxation approves the agreement, the amount of the abatement is deducted from the business’s property tax bill by removing the valuation from the taxable parcel and listing the associated assessed value on the exempt tax list. Coshocton County has jointly entered into agreements with the City of Coshocton to abate property taxes through this program.

The Career Center’s property taxes were reduced by $12,522 in fiscal year 2019 under various Enterprise Zone tax abatement agreements entered into by Coshocton County and the City of Coshocton.

NOTE 20: SUBSEQUENT EVENTS

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Career Center. The Career Center's investments of the pension and other employee benefit plan in which the Career Center participates fluctuate with market conditions, and due to market volatility, the amount of gains or losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the Career Center's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

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Coshocton County Career Center
Coshocton County, Ohio
Required Supplementary Information
Schedule of the Career Center's Proportionate Share of the Net Pension Liability
Last Six Fiscal Years (1)

	2019	2018	2017	2016	2015	2014
School Employees Retirement System (SERS)						
Career Center's Proportion of the Net Pension Liability	0.01598230%	0.01633980%	0.01663870%	0.01692630%	0.01846400%	0.01846400%
Career Center's Proportionate Share of the Net Pension Liability	$ 915,336	$ 976,267	$ 1,217,799	$ 965,831	$ 934,453	$ 1,097,995
Career Center's Covered Payroll	$ 540,452	$ 528,186	$ 522,971	$ 510,584	$ 533,889	$ 585,816
Career Center's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	169.36%	184.83%	232.86%	189.16%	175.03%	187.43%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	71.36%	69.50%	62.98%	69.16%	71.70%	65.52%
State Teachers Retirement System (STRS)						
Career Center's Proportion of the Net Pension Liability	0.01417420%	0.01446568%	0.01481439%	0.01491656%	0.01581280%	0.01581280%
Career Center's Proportionate Share of the Net Pension Liability	$ 3,116,588	$ 3,436,353	$ 4,958,823	$ 4,122,501	$ 3,846,220	$ 4,581,592
Career Center's Covered Payroll	$ 1,613,921	$ 1,597,921	$ 1,598,071	$ 1,565,643	$ 1,626,662	$ 1,581,500
Career Center's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	193.11%	215.05%	310.30%	263.31%	236.45%	289.70%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.31%	75.30%	66.80%	72.10%	74.70%	69.30%

(1) Information prior to 2014 is not available.

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

See accompanying notes to the required supplementary information.

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

	2019	2018	2017	2016
School Employees Retirement System (SERS)				
Contractually Required Contribution	$ 73,307	$ 72,961	$ 73,946	$ 73,216
Contributions in Relation to the Contractually Required Contribution	(73,307)	(72,961)	(73,946)	(73,216)
Contribution Deficiency (Excess)	$ 0	$ 0	$ 0	$ 0
Career Center's Covered Payroll	$ 543,015	$ 540,452	$ 528,186	$ 522,971
Pension Contributions as a Percentage of Covered Payroll	13.50%	13.50%	14.00%	14.00%
State Teachers Retirement System (STRS)				
Contractually Required Contribution	$ 228,183	$ 225,949	$ 223,709	$ 223,730
Contributions in Relation to the Contractually Required Contribution	(228,183)	(225,949)	(223,709)	(223,730)
Contribution Deficiency (Excess)	$ 0	$ 0	$ 0	$ 0
Career Center's Covered Payroll	$ 1,629,879	$ 1,613,921	$ 1,597,921	$ 1,598,071
Pension Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%

See accompanying notes to the required supplementary information.

2015	2014	2013	2012	2011	2010
$ 67,295	$ 73,997	$ 81,077	$ 70,558	$ 67,760	$ 63,517
(67,295)	(73,997)	(81,077)	(70,558)	(67,760)	(63,517)
$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
$ 510,584	$ 533,889	$ 585,816	$ 524,595	$ 539,061	$ 469,106
13.18%	13.86%	13.84%	13.45%	12.57%	13.54%
$ 219,190	$ 211,466	$ 205,595	$ 255,354	$ 222,825	$ 225,115
(219,190)	(211,466)	(205,595)	(255,354)	(222,825)	(225,115)
$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
$ 1,565,643	$ 1,626,662	$ 1,581,500	$ 1,964,262	$ 1,714,038	$ 1,731,654
14.00%	13.00%	13.00%	13.00%	13.00%	13.00%

See accompanying notes to the required supplementary information.

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Coshocton County Career Center
Coshocton County, Ohio
Required Supplementary Information
Schedule of the Career Center's Proportionate Share of the Net OPEB Liability/(Asset)
Last Three Fiscal Years (1)

	2019	2018	2017
School Employees Retirement System (SERS)			
Career Center's Proportion of the Net OPEB Liability	0.01520320%	0.01586590%	0.01645431%
Career Center's Proportionate Share of the Net OPEB Liability	$ 421,778	$ 425,799	$ 469,009
Career Center's Covered Payroll	$ 540,452	$ 528,186	$ 522,971
Career Center's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	78.04%	80.62%	89.68%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	13.57%	12.46%	11.49%
State Teachers Retirement System (STRS)			
Career Center's Proportion of the Net OPEB Liability/(Asset)	0.01417420%	0.01446568%	0.01481439%
Career Center's Proportionate Share of the Net OPEB Liability/(Asset)	$ (227,765)	$ 564,397	$ 792,277
Career Center's Covered Payroll	$ 1,613,921	$ 1,597,921	$ 1,598,071
Career Center's Proportionate Share of the Net OPEB Liability/(Asset) as a Percentage of its Covered Payroll	-14.11%	35.32%	49.58%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability/(Asset)	176.00%	47.10%	37.30%

(1) Information prior to 2017 is not available.

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

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

	2019	2018	2017	2016
School Employees Retirement System (SERS)				
Contractually Required Contribution (1)	$ 5,369	$ 6,426	$ 5,339	$ 6,579
Contributions in Relation to the Contractually Required Contribution	(5,369)	(6,426)	(5,339)	(6,579)
Contribution Deficiency (Excess)	$ 0	$ 0	$ 0	$ 0
Career Center's Covered Payroll	$ 543,015	$ 540,452	$ 528,186	$ 522,971
OPEB Contributions as a Percentage of Covered Payroll (1)	0.99%	1.19%	1.01%	1.26%
State Teachers Retirement System (STRS)				
Contractually Required Contribution	$ 0	$ 0	$ 0	$ 0
Contributions in Relation to the Contractually Required Contribution	0	0	0	0
Contribution Deficiency (Excess)	$ 0	$ 0	$ 0	$ 0
Career Center's Covered Payroll	$ 1,629,879	$ 1,613,921	$ 1,597,921	$ 1,598,071
OPEB Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%

(1) Includes surcharge

See accompanying notes to the required supplementary information.

2015		2014		2013		2012		2011		2010	
$	7,717	$	5,698	$	8,580	$	10,194	$	14,319	$	8,791
	(7,717)		(5,698)		(8,580)		(10,194)		(14,319)		(8,791)
$	0	$	0	$	0	$	0	$	0	$	0
$	510,584	$	533,889	$	585,816	$	524,595	$	539,061	$	469,106
	1.51%		1.07%		1.46%		1.94%		2.66%		1.87%
$	0	$	16,267	$	15,815	$	19,643	$	17,140	$	17,317
	0		(16,267)		(15,815)		(19,643)		(17,140)		(17,317)
$	0	$	0	$	0	$	0	$	0	$	0
$	1,565,643	$	1,626,662	$	1,581,500	$	1,964,262	$	1,714,038	$	1,731,654
	0.00%		1.00%		1.00%		1.00%		1.00%		1.00%

Note 1 - Net Pension Liability

Changes in Assumptions - SERS

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

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

Changes in Benefit Terms - SERS

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

Changes in Assumptions – STRS

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

Changes in Benefit Terms - STRS

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

Note 2 - Net OPEB Asset/Liability

Changes in Assumptions – SERS

Amounts reported for fiscal year 2019 incorporate changes in key methods and assumptions used in calculating the total OPEB liability. The Municipal Bond Index Rate increased from 3.56 percent to 3.62

percent. Single Equivalent Interest Rate, net of plan investment expense, including price inflation, increased from 3.63 percent to 3.70 percent. The health care cost trend assumptions changed as follows:

Pre-Medicare	
Fiscal year 2018	7.50 percent initially, decreasing to 5.00 percent
Fiscal year 2019	7.25 percent initially, decreasing to 4.75 percent
Medicare	
Fiscal year 2018	5.50 percent initially, decreasing to 5.00 percent
Fiscal year 2019	5.375 percent initially, decreasing to 4.75 percent

Amounts reported for fiscal year 2018 incorporate changes in key methods and assumptions used in calculating the total OPEB liability. The Municipal Bond Index Rate increased from 2.92 percent to 3.56 percent. Single Equivalent Interest Rate, net of plan investment expense, including price inflation, increased from 2.98 percent to 3.63 percent.

Changes in Benefit Terms - SERS

There have been no changes to the benefit provisions.

Changes in Assumptions – STRS

For fiscal year 2019, the discount rate was increased from the blended rate of 4.13 percent to the long-term expected rate of return of 7.45 percent. Valuation year per capita health care costs were updated. Health care cost trend rates ranged from 6.00 percent to 11 percent initially and a 4.50 percent ultimate rate for fiscal year 2018 and changed for fiscal year 2019 to a range of -5.20 percent to 8.00 percent, initially and a 4.00 ultimate rate.

For fiscal year 2018, the blended discount rate was increased from 3.26 percent to 4.13 percent. The long-term expected rate of return was reduced from 7.75 percent to 7.45. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

Changes in Benefit Terms – STRS

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

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

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

Coshocton County Career Center
Coshocton County
23640 Airport Road
Coshocton, Ohio 43812

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Coshocton County Career Center, Coshocton County, Ohio (the Career Center), as of and for the years ended June 30, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the Career Center's basic financial statements and have issued our report thereon dated April 7, 2021, wherein we noted the Career Center adopted Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities,* in 2020 and also wherein we noted the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Career Center.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Keith Faber
Auditor of State
Columbus, Ohio

April 7, 2021

OHIO AUDITOR OF STATE
KEITH FABER

COSHOCTON COUNTY CAREER CENTER

COSHOCTON COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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

Certified for Release 4/20/2021

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