



OHIO AUDITOR OF STATE  
**KEITH FABER**





**COLUMBIANA COUNTY CAREER AND TECHNICAL CENTER  
COLUMBIANA COUNTY  
JUNE 30, 2020**

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COLUMBIANA COUNTY  
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# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT AUDITOR'S REPORT

Columbiana County Career and Technical Center  
Columbiana County  
9364 State Route 45  
Lisbon, Ohio 44432

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 Columbiana County Career and Technical Center, Columbiana County, Ohio (the Center), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Center's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Center, as of June 30, 2020, and the respective changes in financial position thereof and the respective budgetary comparisons for the General and Adult Education funds 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 3 to the financial statements, during 2020, the Center adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. In addition, as discussed in Note 16 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Center. We did not modify our opinion regarding these matters.

### ***Other Matters***

#### *Required Supplementary Information*

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

#### *Supplementary and Other Information*

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

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

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

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2021, on our consideration of the Center's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Center's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State  
Columbus, Ohio

January 28, 2021

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**COLUMBIANA COUNTY CAREER AND TECHNICAL CENTER  
COLUMBIANA COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(UNAUDITED)

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

**Financial Highlights**

Key financial highlights for fiscal year 2020 are as follows:

- In total, net position of governmental activities decreased \$188,648 which represents a 1.46% decrease from 2019's restated net position.
- General revenues accounted for \$6,280,057 in revenue or 69.63% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$2,738,486 or 30.37% of total revenues of \$9,018,543.
- The Center had \$9,207,191 in expenses related to governmental activities; \$2,738,486 of these expenses were offset by program specific charges for services, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$6,280,057 were not adequate to provide for these programs.
- The Center's major governmental funds are the general fund, adult education fund, and permanent improvement fund. The general fund had \$6,792,807 in revenues and other financing sources and \$6,899,323 in expenditures and other financing uses. During fiscal year 2020, the general fund's fund balance decreased \$106,516 from a restated balance of \$3,209,300 to \$3,102,784.
- The adult education fund had \$1,561,273 in revenues and \$1,700,909 in expenditures. During fiscal year 2020, the adult education fund's fund balance decreased \$139,636 from \$848,991 to \$709,355.
- The permanent improvement fund had \$1,003,164 in revenues and other financing sources and \$951,599 in expenditures. During fiscal year 2020, the permanent improvement fund's fund balance increased \$51,565 from \$2,629,032 to \$2,680,597.

**Using these Basic Financial Statements**

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

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

**COLUMBIANA COUNTY CAREER AND TECHNICAL CENTER  
COLUMBIANA COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(UNAUDITED)

**Reporting the Center as a Whole**

***Statement of Net Position and the Statement of Activities***

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

These two statements report the Center's *net position* and changes in that position. This change in net position is important because it tells the reader that, for the Center as a whole, the *financial position* of the 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 Center's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

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

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

**Reporting the Center's Most Significant Funds**

***Fund Financial Statements***

The analysis of the Center's major governmental funds begins on page 13. Fund financial reports provide detailed information about the Center's major funds. The Center uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the Center's most significant funds. The Center's major governmental funds are the general fund, adult education fund and permanent improvement fund.

***Governmental Funds***

Most of the Center's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called *modified accrual* accounting which measures cash and all other *financial assets* that can readily be converted to cash. The governmental fund financial statements provide a detailed *short-term* view of the Center's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental *activities* (reported in the statement of net position and the statement of activities) and governmental *funds* is reconciled in the basic financial statements. The basic governmental fund financial statements can be found on pages 19-24 of this report.

**COLUMBIANA COUNTY CAREER AND TECHNICAL CENTER  
COLUMBIANA COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(UNAUDITED)**

***Notes to the Basic Financial Statements***

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 25-64 of this report.

***Required Supplemental Information***

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

**The Center as a Whole**

The statement of net position provides the perspective of the Center as a whole. The table below provides a summary of the Center's net position at June 30, 2020 and June 30, 2019. The net position at June 30, 2019 has been restated as described in Note 3.B in the notes to the basic financial statements.

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**COLUMBIANA COUNTY CAREER AND TECHNICAL CENTER  
COLUMBIANA COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(UNAUDITED)

	<b>Net Position</b>	
	Governmental Activities <u>2020</u>	(Restated) Governmental Activities <u>2019</u>
<b><u>Assets</u></b>		
Current and other assets	\$ 10,337,534	\$ 10,247,399
Capital assets, net	<u>14,085,851</u>	<u>13,715,105</u>
Total assets	<u>24,423,385</u>	<u>23,962,504</u>
<b><u>Deferred Outflows of Resources</u></b>		
Pension	1,521,977	2,122,191
OPEB	<u>162,390</u>	<u>105,853</u>
Total deferred outflows of resources	<u>1,684,367</u>	<u>2,228,044</u>
<b><u>Liabilities</u></b>		
Current liabilities	537,450	700,561
Long-term liabilities:		
Due within one year	135,949	78,260
Due within more than one year:		
Net pension liability	7,941,460	7,822,466
Net OPEB liability	709,251	748,046
Other amounts	<u>285,379</u>	<u>279,493</u>
Total liabilities	<u>9,609,489</u>	<u>9,628,826</u>
<b><u>Deferred Inflows of Resources</u></b>		
Property taxes levied for the next fiscal year	2,533,253	2,244,122
Pension	458,598	607,404
OPEB	<u>802,598</u>	<u>817,734</u>
Total deferred inflows of resources	<u>3,794,449</u>	<u>3,669,260</u>
<b><u>Net Position</u></b>		
Net investment in capital assets	14,085,851	13,466,399
Restricted	807,627	872,948
Unrestricted (deficit)	<u>(2,189,664)</u>	<u>(1,446,885)</u>
Total net position	<u>\$ 12,703,814</u>	<u>\$ 12,892,462</u>

The net pension liability (NPL) is the largest single liability reported by the 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." The Center adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the Center's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability/asset to the reported net position and subtracting deferred outflows related to pension and OPEB.

**COLUMBIANA COUNTY CAREER AND TECHNICAL CENTER  
COLUMBIANA COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(UNAUDITED)

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 liability* or *net OPEB liability*. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability/asset to equal the 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 Center is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio revised Code permits but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

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

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

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2020, the Center's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$12,703,814.

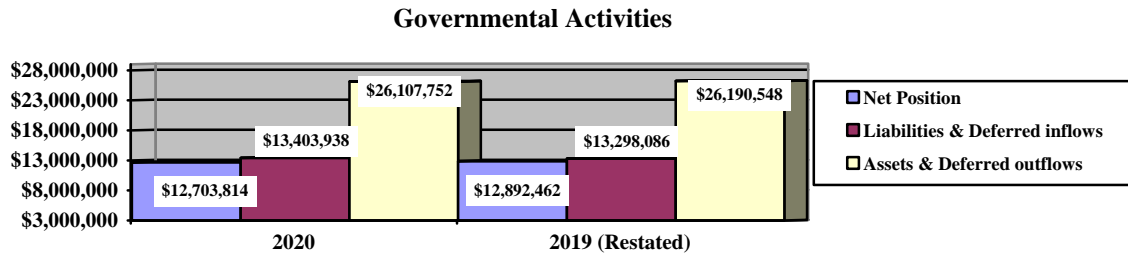
**COLUMBIANA COUNTY CAREER AND TECHNICAL CENTER  
COLUMBIANA COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(UNAUDITED)**

At year-end, capital assets represented 57.67% of total assets. Capital assets include land, construction in progress, land improvements, buildings and improvements, furniture and equipment and vehicles. The Center had \$14,085,851 invested in capital assets at June 30, 2020. These capital assets are used to provide services to the students and are not available for future spending.

A portion of the Center's net position, \$807,627, represents resources that are subject to external restriction on how they may be used. The remaining deficit balance of unrestricted net position is \$2,189,664.

The graph below illustrates the governmental activities assets and deferred outflows, liabilities and deferred inflows and net position at June 30, 2020 and June 30, 2019:



The table below shows the change in net position for fiscal years 2020 and 2019. The net position at June 30, 2019 has been restated as described in Note 3.B in the notes to the basic financial statements.

**Change in Net Position**

	Governmental Activities <u>2020</u>	(Restated) Governmental Activities <u>2019</u>
<b><u>Revenues</u></b>		
Program revenues:		
Charges for services and sales	\$ 1,636,512	\$ 1,921,165
Operating grants and contributions	1,101,974	1,096,573
General revenues:		
Property taxes	2,558,498	2,290,857
Grants and entitlements	3,611,321	3,811,165
Investment earnings	103,164	161,005
Other	<u>7,074</u>	<u>21,568</u>
Total revenues	<u>9,018,543</u>	<u>9,302,333</u>

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**COLUMBIANA COUNTY CAREER AND TECHNICAL CENTER  
COLUMBIANA COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(UNAUDITED)

**Change in Net Position - (Continued)**

	Governmental Activities <u>2020</u>	Governmental Activities <u>2019</u>
<b><u>Expenses</u></b>		
Program expenses:		
Instruction:		
Vocational	\$ 4,304,610	\$ 3,460,395
Adult/Continuing	712,240	935,871
Support services:		
Pupil	809,085	626,360
Instructional staff	1,292,662	824,184
Board of education	22,890	21,839
Administration	458,901	376,791
Fiscal	402,037	326,684
Operations and maintenance	942,423	924,822
Pupil transportation	3,482	3,482
Central	5,579	5,579
Operations of non-instructional services:		
Other non-instructional services	3,375	12,546
Food service operations	178,656	211,483
Extracurricular activities	<u>71,251</u>	<u>102,265</u>
Total expenses	<u>9,207,191</u>	<u>7,832,301</u>
Change in net position	(188,648)	1,470,032
Net position at beginning of year (restated)	<u>12,892,462</u>	<u>11,422,430</u>
Net position at end of year	<u>\$ 12,703,814</u>	<u>\$ 12,892,462</u>

**Governmental Activities**

Net position of the Center's governmental activities decreased \$188,648. Total governmental expenses of \$9,207,191, were offset by program revenues of \$2,738,486 and general revenues of \$6,280,057. Program revenues supported 29.74% of the total governmental expenses.

The primary sources of revenue for governmental activities are derived from property taxes, and grants and entitlements. These revenue sources represent 68.41% of total governmental revenue.

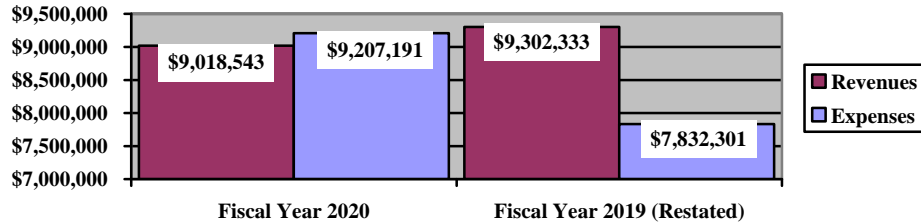
The largest expense of the Center is for instructional programs. Instruction expenses totaled \$5,016,850 or 54.49% of total governmental expenses for fiscal year 2020.

**COLUMBIANA COUNTY CAREER AND TECHNICAL CENTER  
COLUMBIANA COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(UNAUDITED)**

The graph below presents the Center's governmental activities revenue and expenses for fiscal years 2020 and 2019.

**Governmental Activities - Revenues and Expenses**



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

**Governmental Activities**

	Total Cost of Services <u>2020</u>	Net Cost of Services <u>2020</u>	(Restated) Total Cost of Services <u>2019</u>	(Restated) Net Cost of Services <u>2019</u>
<b>Program expenses</b>				
Instruction:				
Vocational	\$ 4,304,610	\$ 3,671,059	\$ 3,460,395	\$ 2,780,940
Adult/Continuing	712,240	73,794	935,871	(97,695)
Support services:				
Pupil	809,085	537,583	626,360	420,824
Instructional staff	1,292,662	569,645	824,184	302,576
Board of education	22,890	22,890	21,839	21,839
Administration	458,901	317,367	376,791	216,658
Fiscal	402,037	332,691	326,684	251,084
Operations and maintenance	942,423	820,810	924,822	772,725
Pupil transportation	3,482	3,482	3,482	3,482
Central	5,579	5,579	5,579	5,579
Operations of non-instructional services:				
Other non-instructional services	3,375	3,375	12,546	5,853
Food service operations	178,656	75,087	211,483	81,593
Extracurricular activities	<u>71,251</u>	<u>35,343</u>	<u>102,265</u>	<u>49,105</u>
Total expenses	<u>\$ 9,207,191</u>	<u>\$ 6,468,705</u>	<u>\$ 7,832,301</u>	<u>\$ 4,814,563</u>

The dependence upon tax and other general revenues for governmental activities is apparent; 74.65% of instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is 70.26%. The Center's taxpayers and unrestricted grants and entitlements from the State are by far the primary support for the Career Center's students.

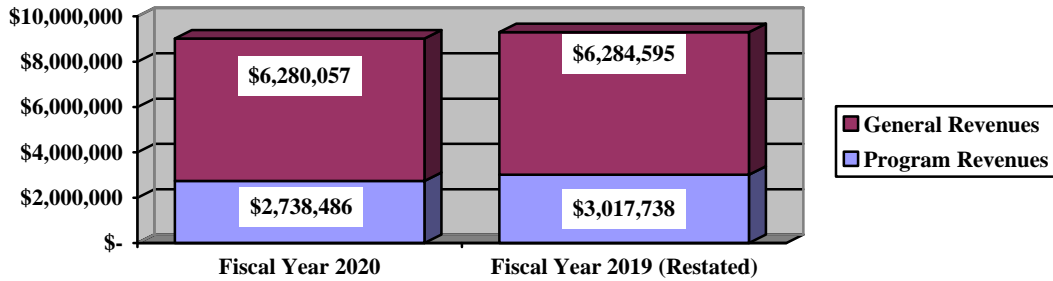


**COLUMBIANA COUNTY CAREER AND TECHNICAL CENTER  
COLUMBIANA COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(UNAUDITED)

The graph below presents the Center's governmental activities revenue for fiscal years 2020 and 2019.

**Governmental Activities - General and Program Revenues**



**The Career Center's Funds**

The Center's governmental funds reported a combined fund balance of \$6,645,907, which is less than last year's restated total of \$6,743,631. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2020 and June 30, 2019.

	Fund Balance June 30, 2020	(Restated) Fund Balance June 30, 2019	Increase/ (Decrease)	Percentage Change
General	\$ 3,102,784	\$ 3,209,300	\$ (106,516)	(3.32) %
Adult Education	709,355	848,991	(139,636)	(16.45) %
Permanent Improvement	2,680,597	2,629,032	51,565	1.96 %
Other Governmental	153,171	56,308	96,863	172.02 %
<b>Total</b>	<u>\$ 6,645,907</u>	<u>\$ 6,743,631</u>	<u>\$ (97,724)</u>	(1.45) %

**COLUMBIANA COUNTY CAREER AND TECHNICAL CENTER  
COLUMBIANA COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(UNAUDITED)

***General Fund***

The Center's general fund balance decreased \$106,516.

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

	2020 <u>Amount</u>	(Restated) 2019 <u>Amount</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
<b><u>Revenues</u></b>				
Taxes	\$ 2,542,925	\$ 2,288,588	\$ 254,337	11.11 %
Tuition	317,274	337,470	(20,196)	(5.98) %
Intergovernmental	3,890,405	4,072,337	(181,932)	(4.47) %
Other revenues	<u>40,946</u>	<u>93,005</u>	<u>(52,059)</u>	(55.97) %
Total	<u>\$ 6,791,550</u>	<u>\$ 6,791,400</u>	<u>\$ 150</u>	0.00 %
<b><u>Expenditures</u></b>				
Instruction	\$ 3,387,350	\$ 3,425,742	\$ (38,392)	(1.12) %
Support services	2,509,156	2,316,553	192,603	8.31 %
Extracurricular activities	32,817	63,668	(30,851)	(48.46) %
Operation of non-instructional services	<u>-</u>	<u>54,957</u>	<u>(54,957)</u>	100.00 %
Total	<u>\$ 5,929,323</u>	<u>\$ 5,860,920</u>	<u>\$ 68,403</u>	1.17 %

Overall revenues and expenditures of the general fund increased \$150 or 0.00% and \$68,403 or 1.17%, respectively. Operation of non-instructional services expenditures decreased 100.00% due to the Center paying for cafeteria equipment out of the general fund in the prior fiscal year. Support services expenditures increased due to salary increase within the union agreements. Taxes revenues increased due to increased collections. All other revenues and expenditures remained comparable to fiscal year 2019 restated totals.

***Adult Education Fund***

The adult education fund had \$1,561,273 in revenues and \$1,700,909 in expenditures. During fiscal year 2020, the adult education fund's fund balance decreased \$139,636 from \$848,991 to \$709,355.

***Permanent Improvement Fund***

The permanent improvement fund had \$1,003,164 in revenues and other financing sources and \$951,599 in expenditures. During fiscal year 2020, the permanent improvement fund's fund balance increased \$51,565 from \$2,629,032 to \$2,680,597.

***General Fund Budgeting Highlights***

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

During the course of fiscal year 2020, the Center amended its general fund budget several times. For the general fund, original budgeted revenues and other financing sources were \$6,625,251 and final budgeted revenues and other financing sources were \$6,809,259. Actual revenues and other financing sources for fiscal year 2020 were \$6,809,266. This represents a \$7 increase from final budgeted revenues and other financing sources.

**COLUMBIANA COUNTY CAREER AND TECHNICAL CENTER  
COLUMBIANA COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(UNAUDITED)

General fund original appropriations and other financing uses were \$7,109,335. Final appropriations and other financing uses were \$7,309,335. The actual budget basis expenditures and other financing uses for fiscal year 2020 totaled \$7,148,160, which was \$161,175 less than the final budget appropriations and other financing uses.

**Capital Assets and Debt Administration**

*Capital Assets*

At the end of fiscal year 2020, the Center had \$14,085,851 invested in land, construction in progress, land improvements, buildings and improvements, furniture and equipment and vehicles. This entire amount is reported in governmental activities. The table on the following page shows June 30, 2020 balances compared to June 30, 2019.

**Capital Assets at June 30  
(Net of Depreciation)**

	Governmental Activities	
	2020	2019
Land	\$ 230,238	\$ 230,238
Construction in progress	69,706	529,440
Land improvements	609,945	639,182
Building and improvements	11,786,609	10,773,962
Furniture and equipment	1,370,200	1,519,648
Vehicles	19,153	22,635
Total	\$ 14,085,851	\$ 13,715,105

The overall increase in capital assets of \$370,746 is due to capital outlays of \$1,183,612 exceeding depreciation expense of \$809,741 and disposals (net of accumulated depreciation) of \$3,125 in fiscal year 2020.

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

*Debt Administration*

At June 30, 2020, the Center had no debt outstanding.

**Current Financial Related Activities**

Transfers from the General Fund to the Permanent Improvement Fund are earmarked for upgrades and improvements to the facility. Consideration is given to programming needs and improving energy efficiency.

In fiscal year 2020, a classroom addition project was completed to expand the medical programs offered through the adult education department at a total cost of \$1,413,188. Additional restrooms and renovations to the front lobby were started in fiscal year 2020. The project will be completed in fiscal year 2021 for a total probable cost of \$617,000.

**Contacting the Center's Financial Management**

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the Center's finances and to show the Center's accountability for the money it receives. If you have questions about this report or need additional financial information contact Ms. Katherine Mihalich, Treasurer, Columbiana County Career and Technical Center, 9364 State Route 45, Lisbon, Ohio 44432.

**BASIC  
FINANCIAL STATEMENTS**

**COLUMBIANA COUNTY CAREER AND TECHNICAL CENTER  
COLUMBIANA COUNTY, OHIO**

STATEMENT OF NET POSITION  
JUNE 30, 2020

	<b>Governmental Activities</b>
<b>Assets:</b>	
Equity in pooled cash and investments. . . . .	\$ 7,150,963
Receivables:	
Property taxes . . . . .	2,715,395
Accounts. . . . .	395
Intergovernmental . . . . .	317
Prepayments . . . . .	3,703
Materials and supplies inventory. . . . .	1,262
Inventory held for resale. . . . .	2,423
Net OPEB asset . . . . .	463,076
Capital assets:	
Nondepreciable capital assets . . . . .	299,944
Depreciable capital assets, net. . . . .	13,785,907
Capital assets, net . . . . .	14,085,851
Total assets. . . . .	24,423,385
 <b>Deferred outflows of resources:</b>	
Pension . . . . .	1,521,977
OPEB . . . . .	162,390
Total deferred outflows of resources . . . . .	1,684,367
 <b>Liabilities:</b>	
Accounts payable. . . . .	105,942
Accrued wages and benefits payable . . . . .	362,233
Intergovernmental payable . . . . .	16,048
Pension and postemployment benefits payable . . . . .	53,227
Long-term liabilities:	
Due within one year. . . . .	135,949
Due in more than one year:	
Net pension liability . . . . .	7,941,460
Net OPEB liability . . . . .	709,251
Other amounts due in more than one year . . . . .	285,379
Total liabilities . . . . .	9,609,489
 <b>Deferred inflows of resources:</b>	
Property taxes levied for the next fiscal year. . . . .	2,533,253
Pension . . . . .	458,598
OPEB . . . . .	802,598
Total deferred inflows of resources . . . . .	3,794,449
 <b>Net position:</b>	
Net investment in capital assets . . . . .	14,085,851
Restricted for:	
State funded programs. . . . .	82,941
Student activities . . . . .	25,899
Other purposes . . . . .	698,787
Unrestricted (deficit) . . . . .	(2,189,664)
Total net position. . . . .	\$ 12,703,814

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**COLUMBIANA COUNTY CAREER AND TECHNICAL CENTER  
COLUMBIANA COUNTY, OHIO**

STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services and Sales	Operating Grants and Contributions	
<b>Governmental activities:</b>				
Instruction:				
Vocational . . . . .	\$ 4,304,610	\$ 350,806	\$ 282,745	\$ (3,671,059)
Adult/continuing. . . . .	712,240	503,852	134,594	(73,794)
Support services:				
Pupil. . . . .	809,085	90,166	181,336	(537,583)
Instructional staff . . . . .	1,292,662	377,959	345,058	(569,645)
Board of education . . . . .	22,890	-	-	(22,890)
Administration. . . . .	458,901	111,697	29,837	(317,367)
Fiscal. . . . .	402,037	54,727	14,619	(332,691)
Operations and maintenance . . . . .	942,423	94,074	27,539	(820,810)
Pupil transportation. . . . .	3,482	-	-	(3,482)
Central . . . . .	5,579	-	-	(5,579)
Operation of non-instructional services:				
Other non-instructional services . . . . .	3,375	-	-	(3,375)
Food service operations . . . . .	178,656	18,523	85,046	(75,087)
Extracurricular activities. . . . .	71,251	34,708	1,200	(35,343)
Total governmental activities . . . . .	\$ 9,207,191	\$ 1,636,512	\$ 1,101,974	(6,468,705)
<b>General revenues:</b>				
Property taxes levied for:				
General purposes . . . . .				2,558,498
Grants and entitlements not restricted				
to specific programs . . . . .				3,611,321
Investment earnings . . . . .				103,164
Miscellaneous . . . . .				7,074
Total general revenues . . . . .				6,280,057
Change in net position . . . . .				(188,648)
<b>Net position at beginning of year (restated).</b>				12,892,462
<b>Net position at end of year. . . . .</b>				\$ 12,703,814

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**COLUMBIANA COUNTY CAREER AND TECHNICAL CENTER  
COLUMBIANA COUNTY, OHIO**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2020

	<u>General</u>	<u>Adult Education</u>	<u>Permanent Improvement</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>					
Equity in pooled cash and investments . . . . .	\$ 3,521,603	\$ 797,321	\$ 2,680,597	\$ 151,442	\$ 7,150,963
Receivables:					
Property taxes. . . . .	2,715,395	-	-	-	2,715,395
Accounts . . . . .	-	-	-	395	395
Intergovernmental. . . . .	317	-	-	-	317
Prepayments. . . . .	3,703	-	-	-	3,703
Materials and supplies inventory. . . . .	-	-	-	1,262	1,262
Inventory held for resale. . . . .	-	-	-	2,423	2,423
Total assets . . . . .	<u>\$ 6,241,018</u>	<u>\$ 797,321</u>	<u>\$ 2,680,597</u>	<u>\$ 155,522</u>	<u>\$ 9,874,458</u>
<b>Liabilities:</b>					
Accounts payable . . . . .	\$ 55,971	\$ 47,620	\$ -	\$ 2,351	\$ 105,942
Accrued wages and benefits payable . . . . .	334,279	27,954	-	-	362,233
Compensated absences payable . . . . .	39,661	-	-	-	39,661
Intergovernmental payable . . . . .	7,569	8,479	-	-	16,048
Pension and postemployment benefits payable . . . . .	49,314	3,913	-	-	53,227
Total liabilities. . . . .	<u>486,794</u>	<u>87,966</u>	<u>-</u>	<u>2,351</u>	<u>577,111</u>
<b>Deferred inflows of resources:</b>					
Property taxes levied for the next fiscal year. . . . .	2,533,253	-	-	-	2,533,253
Delinquent property tax revenue not available. . . . .	118,105	-	-	-	118,105
Intergovernmental revenue not available. . . . .	82	-	-	-	82
Total deferred inflows of resources . . . . .	<u>2,651,440</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,651,440</u>
<b>Fund balances:</b>					
Nonspendable:					
Materials and supplies inventory. . . . .	-	-	-	1,262	1,262
Prepays. . . . .	3,703	-	-	-	3,703
Unclaimed monies . . . . .	900	-	-	-	900
Restricted:					
Adult education . . . . .	-	709,355	-	-	709,355
Food service operations . . . . .	-	-	-	41,793	41,793
Scholarships . . . . .	-	-	-	1,276	1,276
Other purposes. . . . .	-	-	-	1,180	1,180
Extracurricular. . . . .	-	-	-	25,899	25,899
Student wellness and success. . . . .	-	-	-	81,761	81,761
Committed:					
Capital improvements . . . . .	-	-	2,680,597	-	2,680,597
Assigned:					
Student instruction . . . . .	154,017	-	-	-	154,017
Student and staff support. . . . .	191,208	-	-	-	191,208
Subsequent year's appropriations . . . . .	220,984	-	-	-	220,984
Public school support . . . . .	3,728	-	-	-	3,728
Other purposes. . . . .	29,807	-	-	-	29,807
Unassigned . . . . .	<u>2,498,437</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,498,437</u>
Total fund balances . . . . .	<u>3,102,784</u>	<u>709,355</u>	<u>2,680,597</u>	<u>153,171</u>	<u>6,645,907</u>
Total liabilities, deferred inflows and fund balances . . . . .	<u>\$ 6,241,018</u>	<u>\$ 797,321</u>	<u>\$ 2,680,597</u>	<u>\$ 155,522</u>	<u>\$ 9,874,458</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**COLUMBIANA COUNTY CAREER AND TECHNICAL CENTER  
COLUMBIANA COUNTY, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO  
NET POSITION OF GOVERNMENTAL ACTIVITIES  
JUNE 30, 2020

<b>Total governmental fund balances</b>		\$	6,645,907
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			14,085,851
Other long-term assets, such as taxes receivable are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.			
Property taxes receivable	\$	118,105	
Intergovernmental receivable		82	
Total		118,187	118,187
The net pension liability is not due and payable in the current period; therefore, liability and related deferred inflows are not reported in governmental funds.			
Deferred outflows - Pension		1,521,977	
Deferred Inflows - Pension		(458,598)	
Net pension liability		(7,941,460)	
Total		(6,878,081)	(6,878,081)
The net OPEB liability/asset is not due and payable in the current period; therefore, the liability/asset and related deferred inflows/outflows are not reported in governmental funds.			
Deferred outflows of resources - OPEB		162,390	
Deferred inflows of resources - OPEB		(802,598)	
Net OPEB asset		463,076	
Net OPEB liability		(709,251)	
Total		(886,383)	(886,383)
Long-term liabilities, including compensated absences payable, are not due and payable in the current period and therefore are not reported in the funds.			(381,667)
<b>Net position of governmental activities</b>		\$	12,703,814

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



**COLUMBIANA COUNTY CAREER AND TECHNICAL CENTER  
COLUMBIANA COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>General</u>	<u>Adult Education</u>	<u>Permanent Improvement</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>					
From local sources:					
Property taxes . . . . .	\$ 2,542,925	\$ -	\$ -	\$ -	\$ 2,542,925
Tuition . . . . .	317,274	965,593	-	-	1,282,867
Earnings on investments . . . . .	-	-	103,164	27	103,191
Charges for services . . . . .	-	-	-	18,523	18,523
Extracurricular . . . . .	8,415	-	-	34,708	43,123
Classroom materials and fees . . . . .	25,117	266,542	-	-	291,659
Rental income . . . . .	340	-	-	-	340
Contributions and donations . . . . .	-	-	-	1,200	1,200
Other local revenues . . . . .	7,074	2,166	-	15	9,255
Intergovernmental - state . . . . .	3,881,605	326,972	-	100,370	4,308,947
Intergovernmental - federal . . . . .	8,800	-	-	397,502	406,302
<b>Total revenues . . . . .</b>	<b>6,791,550</b>	<b>1,561,273</b>	<b>103,164</b>	<b>552,345</b>	<b>9,008,332</b>
<b>Expenditures:</b>					
Current:					
Instruction:					
Vocational . . . . .	3,387,350	-	-	9,023	3,396,373
Adult/continuing . . . . .	-	672,896	-	-	672,896
Support services:					
Pupil . . . . .	552,516	120,417	-	74,216	747,149
Instructional staff . . . . .	442,257	504,765	-	239,755	1,186,777
Board of education . . . . .	21,584	-	-	-	21,584
Administration . . . . .	304,326	149,171	-	-	453,497
Fiscal . . . . .	317,347	73,088	-	-	390,435
Operations and maintenance . . . . .	871,126	125,182	-	1,320	997,628
Operation of non-instructional services:					
Food service operations . . . . .	-	-	-	163,754	163,754
Extracurricular activities . . . . .	32,817	-	-	37,414	70,231
Facilities acquisition and construction . . . . .	-	55,390	951,599	-	1,006,989
<b>Total expenditures . . . . .</b>	<b>5,929,323</b>	<b>1,700,909</b>	<b>951,599</b>	<b>525,482</b>	<b>9,107,313</b>
Excess (deficiency) of revenues over (under) expenditures . . . . .	862,227	(139,636)	(848,435)	26,863	(98,981)
<b>Other financing sources (uses):</b>					
Sale of assets . . . . .	1,257	-	-	-	1,257
Transfers in . . . . .	-	-	900,000	70,000	970,000
Transfers (out) . . . . .	(970,000)	-	-	-	(970,000)
<b>Total other financing sources (uses) . . . . .</b>	<b>(968,743)</b>	<b>-</b>	<b>900,000</b>	<b>70,000</b>	<b>1,257</b>
Net change in fund balances . . . . .	(106,516)	(139,636)	51,565	96,863	(97,724)
<b>Fund balances at beginning of year (restated).</b>	<b>3,209,300</b>	<b>848,991</b>	<b>2,629,032</b>	<b>56,308</b>	<b>6,743,631</b>
<b>Fund balances at end of year . . . . .</b>	<b>\$ 3,102,784</b>	<b>\$ 709,355</b>	<b>\$ 2,680,597</b>	<b>\$ 153,171</b>	<b>\$ 6,645,907</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**COLUMBIANA COUNTY CAREER AND TECHNICAL CENTER  
COLUMBIANA 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** \$ (97,724)

*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	\$	1,183,612	
Current year depreciation		(809,741)	
Total			373,871

The net effect of various miscellaneous transactions involving  
capital assets (i.e., sales, disposals, trade-ins, and donations) is to  
decrease net position.

(3,125)

Revenues in the statement of activities that do not provide  
current financial resources are not reported as revenues in  
the funds.

Property taxes		15,573	
Intergovernmental		(5,362)	
Total			10,211

Contractually required pension contributions are reported as expenditures in  
governmental funds; however, the statement of activities reports these amounts  
as deferred outflows.

581,420

Except for amounts reported as deferred inflows/outflows, changes in the net  
pension liability are reported as pension expense in the statement of activities.

(1,151,822)

Contractually required OPEB contributions are reported as expenditures in  
governmental funds; however, the statement of net position reports  
these amounts as deferred outflows.

2,563

Except for amounts reported as deferred inflows/outflows, changes  
in the net OPEB liability/asset are reported as OPEB expense in the  
statement of activities.

119,872

Some expenses reported in the statement of activities,  
such as compensated absences, do not require the use of current  
financial resources and therefore are not reported as expenditures  
in governmental funds.

(23,914)

**Change in net position of governmental activities** \$ (188,648)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**COLUMBIANA COUNTY CAREER AND TECHNICAL CENTER  
COLUMBIANA COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
From local sources:				
Property taxes . . . . .	\$ 2,527,001	\$ 2,597,290	\$ 2,597,290	\$ -
Tuition. . . . .	308,502	317,084	317,084	-
Rental income . . . . .	331	340	340	-
Other local revenues . . . . .	3,336	3,429	3,429	-
Intergovernmental - state . . . . .	3,767,742	3,872,539	3,872,546	7
Intergovernmental - federal . . . . .	8,562	8,800	8,800	-
Total revenues . . . . .	<u>6,615,474</u>	<u>6,799,482</u>	<u>6,799,489</u>	<u>7</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Vocational. . . . .	3,451,701	3,542,474	3,492,472	50,002
Support services:				
Pupil. . . . .	543,341	552,251	552,251	-
Instructional staff . . . . .	480,436	490,081	490,081	-
Board of education . . . . .	20,943	23,001	22,766	235
Administration. . . . .	276,710	311,843	311,843	-
Fiscal . . . . .	301,042	305,838	305,838	-
Operations and maintenance. . . . .	1,041,692	1,090,005	979,067	110,938
Extracurricular activities. . . . .	23,470	23,842	23,842	-
Total expenditures . . . . .	<u>6,139,335</u>	<u>6,339,335</u>	<u>6,178,160</u>	<u>161,175</u>
Excess of revenues over expenditures . . . . .	<u>476,139</u>	<u>460,147</u>	<u>621,329</u>	<u>161,182</u>
<b>Other financing sources (uses):</b>				
Refund of prior year's expenditures . . . . .	8,225	8,225	8,225	-
Transfers in . . . . .	295	295	295	-
Transfers (out). . . . .	(970,000)	(970,000)	(970,000)	-
Sale of assets . . . . .	1,257	1,257	1,257	-
Total other financing sources (uses) . . . . .	<u>(960,223)</u>	<u>(960,223)</u>	<u>(960,223)</u>	<u>-</u>
Net change in fund balance . . . . .	(484,084)	(500,076)	(338,894)	161,182
<b>Unencumbered fund balance at beginning of year . . . . .</b>	3,314,765	3,314,765	3,314,765	-
<b>Prior year encumbrances appropriated . . . . .</b>	109,335	109,335	109,335	-
<b>Unencumbered fund balance at end of year . . . . .</b>	<u>\$ 2,940,016</u>	<u>\$ 2,924,024</u>	<u>\$ 3,085,206</u>	<u>\$ 161,182</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**COLUMBIANA COUNTY CAREER AND TECHNICAL CENTER  
COLUMBIANA COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
ADULT EDUCATION FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
From local sources:				
Tuition . . . . .	\$ 1,072,245	\$ 951,553	\$ 966,793	\$ 15,240
Classroom materials and fees . . . . .	294,931	261,597	267,017	5,420
Other local revenues . . . . .	2,442	2,170	2,176	6
Intergovernmental - state . . . . .	367,791	326,972	326,972	-
Total revenue . . . . .	<u>1,737,409</u>	<u>1,542,292</u>	<u>1,562,958</u>	<u>20,666</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Adult/continuing . . . . .	869,959	869,959	869,959	-
Support Services:				
Pupil . . . . .	117,767	117,767	117,767	-
Instructional staff . . . . .	513,876	513,876	513,876	-
Administration . . . . .	148,618	148,618	148,618	-
Fiscal . . . . .	72,575	72,575	72,575	-
Operations and maintenance . . . . .	134,531	134,531	134,531	-
Facilities acquisition and construction . . . . .	258,249	258,249	55,390	202,859
Total expenditures . . . . .	<u>2,115,575</u>	<u>2,115,575</u>	<u>1,912,716</u>	<u>202,859</u>
Excess of revenues under expenditures . . . . .	<u>(378,166)</u>	<u>(573,283)</u>	<u>(349,758)</u>	<u>223,525</u>
<b>Other financing sources (uses):</b>				
Refund of prior year's expenditures . . . . .	31	31	31	-
Refund of prior year's receipts . . . . .	(10)	(10)	(10)	-
Total other financing sources (uses) . . . . .	<u>21</u>	<u>21</u>	<u>21</u>	<u>-</u>
Net change in fund balance . . . . .	(378,145)	(573,262)	(349,737)	223,525
<b>Unencumbered fund balance at beginning of year</b>	775,229	775,229	775,229	-
<b>Prior year encumbrances appropriated . . . . .</b>	115,585	115,585	115,585	-
<b>Unencumbered fund balance at end of year . . . . .</b>	<u>\$ 512,669</u>	<u>\$ 317,552</u>	<u>\$ 541,077</u>	<u>\$ 223,525</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**COLUMBIANA COUNTY CAREER AND TECHNICAL CENTER  
COLUMBIANA COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT**

The Columbiana County Career and Technical Center (the "Center") is organized under section 3311.88 of the Ohio Revised Code. The Center provides vocational education for 9 school districts serving all eligible students throughout 501 square miles of eastern Ohio, including Columbiana and portions of Mahoning and Jefferson counties. The Center fosters cooperative relationships with business and industry, professional organizations, participating school districts and other interested, concerned groups and organizations to consider, plan, and implement educational programs designed to meet the common needs and interests of students. The Center is staffed at the secondary level by 31 certified employees to provide service to approximately 307 high school students. At the adult level, the center is staffed with 10 full-time and 51 part-time certified employees to provide service to approximately 254 adult students. Additionally, 18 non-certified employees are employed to provide service at both levels.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Reporting Entity**

The reporting entity has been defined in accordance with GASB Statement No. 14, "The Financial Reporting Entity" as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units" and GASB Statement No. 61, "The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and No. 34". The reporting entity is composed of the primary government and component units. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Center. For the Center, this includes general operations, food service, and student related activities of the Center.

Component units are legally separate organizations for which the Center is financially accountable. The Center is financially accountable for an organization if the Center appoints a voting majority of the organization's Governing Board and (1) the Center is able to significantly influence the programs or services performed or provided by the organization; or (2) the Center is legally entitled to or can otherwise access the organization's resources; or (3) the Center is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the Center is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Center in that the Center approves the budget, the issuance of debt or the levying of taxes. Certain organizations are also included as component units if the nature and significance of the relationship between the primary government and the organization is such that exclusion by the primary government would render the primary government's financial statements incomplete or misleading. Based upon the application of these criteria, the Center has no component units. The basic financial statements of the reporting entity include only those of the Center (the primary government).

**COLUMBIANA COUNTY CAREER AND TECHNICAL CENTER  
COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

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

*JOINTLY GOVERNED ORGANIZATIONS*

Area Cooperative Computerized Educational Service System (ACCESS)

ACCESS is a jointly governed organization among 26 school districts, two career and technical centers, two educational service centers, 9 non-public schools, two public libraries and two Special Education Regional Resource Centers. ACCESS was formed to applying modern technology with the aid of computers and other electronic equipment to the administrative and instructional functions among member districts. Each of the governments of these schools supports ACCESS based upon a per pupil charge dependent upon the software package utilized. ACCESS is governed by a Board of Directors consisting of superintendents of the members school districts. The degree of control exercised by any school district is limited to its representation on the Board. In accordance with GASB Statement No. 14, the Center does not have any equity interest in ACCESS. Financial information can be obtained from the treasurer, at 493 Bev Road, Unit 1, Boardman, Ohio 44512.

*INSURANCE PURCHASING POOLS*

Stark County Schools Council of Governments

The Stark County Schools Council of Governments Health Benefit Plan is a shared risk pool created pursuant to State statute for the purpose of administering health care benefits. The consortium is governed by an assembly, which consists of one representative from each participating school district (usually the superintendent or designee). The assembly elect's officers for one-year terms to serve on the Board of Directors. The assembly exercises control over the operation of the Consortium. All Consortium revenues are generated from charges for services.

Worker's Compensation Group Rating Program

The Center participates in a group rating plan (GRP) for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Sheakley Uniservice Inc. provides administrative, cost control and actuarial services to the GRP. Each year, the Center pays an enrollment fee to the GRP to cover the costs of administering the program.

**B. Fund Accounting**

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

*GOVERNMENTAL FUNDS*

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

**COLUMBIANA COUNTY CAREER AND TECHNICAL CENTER  
COLUMBIANA COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

The following are the Center's major governmental funds:

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

Adult education fund - The adult education fund is used to account for transactions made in connection with adult education classes. Receipts include, but are not limited to, tuition from patrons and students and reimbursement from the State Department of Education. Expenditures include supplies, salaries and textbooks.

Permanent improvement fund - The permanent improvement fund is used to account for all transactions related to acquiring, construction or improving projects that are approved by Section 5705, Ohio Revised Code.

Other governmental funds of the Center are used to account for specific revenue sources that are restricted or committed to an expenditure for specified purposes other than debt service or capital projects.

***PROPRIETARY FUND***

Proprietary funds are used to account for the Center's ongoing activities which are similar to those often found in the private sector. The Center has no proprietary funds.

***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 custodial funds. Trust funds are used to account for assets held by the Center under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the Center's own programs. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The Center has no fiduciary funds.

**C. Basis of Presentation and Measurement Focus**

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

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the governmental activities of the Center. 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 amounts paid by the recipient of goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues of the Center.

**COLUMBIANA COUNTY CAREER AND TECHNICAL CENTER  
COLUMBIANA COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

The fiduciary funds are reported using the economic resources measurement focus. All assets and liabilities associated with the operation of fiduciary funds are included on the statement of net fiduciary position. Fiduciary funds present a statement of changes in fiduciary net position which reports additions to and deductions from private purpose and custodial funds. In fiduciary funds, a liability to the beneficiaries of fiduciary activity is recognized when an event has occurred that compels the government to disburse fiduciary resources. Fiduciary fund liabilities other than those to beneficiaries are recognized using the economic resources measurement focus. The Center has no fiduciary funds.

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 Center are included on the statement of net position.

*Fund Financial Statements* - Fund financial statements report detailed information about the Center. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column, and all nonmajor funds are aggregated into one column. Fiduciary funds are reported by fund type.

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 a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

**D. Basis of Accounting**

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

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

Nonexchange transactions, in which the Center receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 6).



**COLUMBIANA COUNTY CAREER AND TECHNICAL CENTER  
COLUMBIANA COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the Center must provide local resources to be used for a specified purpose and expenditure requirements, in which the resources are provided to the Center on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the Center, See Notes 12 and 13 for deferred outflows of resources related the Center's net pension liability and net OPEB liability/asset, respectively.

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

For the Center, See Notes 12 and 13 for deferred inflows of resources related to the Center's net pension liability and net OPEB liability/asset, respectively. This deferred inflow of resources is only reported on the government-wide statement of net position.

Unearned Revenue - On the governmental fund financial statements and the statement of net position, unearned revenue is recorded as a liability for amounts resulting from exchange transactions received for services to be provided by the Center in a future reporting period.

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

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

**COLUMBIANA COUNTY CAREER AND TECHNICAL CENTER  
COLUMBIANA COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

**E. Budgets**

The Center is required by State statute to adopt an annual appropriated cash basis budget for all funds (except custodial funds). The specific timetable for fiscal year 2020 is as follows:

1. Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The purpose of this budget document is to reflect the need for existing (or increased) tax rates.
2. By no later than January 20, the Board-adopted budget is filed with the Columbiana County Budget Commission for tax rate determination.
3. Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's certificate of estimated resources which states the projected revenue of each fund. Prior to July 1, the Center must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as a basis for the appropriation measure. On or about July 1, the certificate of estimated resources is amended to include any unencumbered balances from the preceding year as reported by the Center Treasurer. The certificate of estimated resources may be further amended during the year if projected increases or decreases in revenue are identified by the Center Treasurer. The amounts reported as the original and final budgeted amounts in the budgetary statements reflect the amounts in the certificate of estimated resources when the original and final appropriations were adopted.
4. By July 1, the annual appropriation resolution is legally enacted by the Board of Education at the fund level of expenditures, which is the legal level of budgetary control. State statute permits a temporary appropriation to be effective until no later than October 1 of each year. Resolution appropriations by fund must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals.
5. Any revisions that alter the total of any fund appropriation must be approved by the Board of Education.
6. Formal budgetary integration is employed as a management control device during the year for all funds consistent with the general obligation bond indenture and other statutory provisions. All funds completed the year within the amount of their legally authorized cash basis appropriation.
7. Appropriations amounts are as originally adopted, or as amended by the Board of Education through the year by supplemental appropriations, which either reallocated or increased the original appropriated amounts. All supplemental appropriations were legally enacted by the Board prior to June 30, 2020; however, none of these amendments were significant. The budget figures, as shown in the accompanying budgetary statement, reflect the original and final appropriation amounts including all amendments and modifications.

**COLUMBIANA COUNTY CAREER AND TECHNICAL CENTER  
COLUMBIANA COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

Although the legal level of budgetary control was established at the fund level of expenditures, the budgetary statements present comparisons at the fund and function level of expenditures as elected by the Center Treasurer.

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

**F. Cash and Investments**

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

During fiscal year 2020, investments were limited to investments in STAR Ohio and a repurchase agreement. Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts such as repurchase agreements are reported at cost.

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

For fiscal year 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.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. By policy of the Board of Education, investment earnings are assigned to the permanent improvement capital projects fund. Interest revenue credited to the food service fund (a nonmajor governmental fund) during fiscal year 2020 amounted to \$27, and interest revenue credited to the permanent improvement capital projects fund during fiscal year 2020 amounted to \$103,164.

For presentation on the basic financial statements, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the Center are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

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

**COLUMBIANA COUNTY CAREER AND TECHNICAL CENTER  
COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

**G. Inventory**

On government-wide and fund financial statements, purchased inventories are presented at the lower of cost or market and donated commodities are presented at their entitlement value. Inventories are recorded on a first-in, first-out basis and are expensed when used. Inventories are accounted for using the consumption method.

On the fund financial statements, reported material and supplies inventory is equally offset by a non-spendable fund balance in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets.

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

**H. Capital Assets**

General capital assets are those assets that 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 deductions during the year. Donated capital assets are recorded at their acquisition values as of the date received. The Center maintains a capitalization threshold of \$5,000. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. The Center does not possess infrastructure.

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	Governmental Activities <u>Estimated Lives</u>
Land improvements	5 - 20 years
Buildings and improvements	20 - 50 years
Furniture and equipment	5 - 20 years
Vehicles	6 - 10 years

**I. Interfund Balances**

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "due from/to other funds". These amounts are eliminated in the governmental activities column on the statement of net position. The Center had no interfund balances at June 30, 2020.

**J. Compensated Absences**

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

**COLUMBIANA COUNTY CAREER AND TECHNICAL CENTER  
COLUMBIANA COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

In accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences", a liability for vacation leave is accrued if a) the employees' rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination (severance) payments. A liability for sick leave is accrued using the vesting method; i.e., the liability is based on the sick leave accumulated at June 30, 2020, by those employees who are currently eligible to receive termination (severance) payments, as well as those employees expected to become eligible in the future.

The Center records a liability for accumulated unused sick leave for employees after 20 years of current service with the Center, or after 15 years of service and at least 45 years of age or after 10 years of service and at least 50 years old.

The total liability for vacation and sick leave payments has been calculated using pay rates in effect at June 30, 2020 and reduced to the maximum payment allowed by labor contract and/or statute, plus any applicable additional salary related payments.

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

For governmental fund financial statements, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported.

**K. Accrued Liabilities and Long-Term Obligations**

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, 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 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. Fund Balance**

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

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

**COLUMBIANA COUNTY CAREER AND TECHNICAL CENTER  
COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

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

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the Center Board of Education (the highest level of decision making authority). Those committed amounts cannot be used for any other purpose unless the 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 Center for specific purposes, but do not meet the criteria to be classified as restricted nor committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the Center Board of Education, which includes giving the Treasurer the authority to constrain monies for intended purposes.

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

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

**M. Net Position**

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows. The net position component “net investment in capital assets,” consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the Center or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The amount restricted for other purposes represents amounts restricted for food service and adult education funds.

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

**COLUMBIANA COUNTY CAREER AND TECHNICAL CENTER  
COLUMBIANA COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

**N. Estimates**

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

**O. Interfund Activity**

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures 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 basic financial statements.

**P. Pensions/Other Postemployment Benefits (OPEB)**

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

**Q. 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.

**U. Fair Value**

The Center categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

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**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE**

**A. Change in Accounting Principles**

For fiscal year 2020, the Center has implemented GASB Statement No. 84, “*Fiduciary Activities*” and GASB Statement No. 90, “*Majority Equity Interests - an amendment to GASB Statements No. 14 and No. 61*”.

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 Center will no longer be reporting agency funds. The Center reviewed its private purpose trust and agency funds and certain funds will be reported in the new fiduciary classification of custodial funds, while other funds have been reclassified as governmental funds. These fund reclassifications resulted in the restatement of the Center’s financial statements (see Note 3.B for detail).

GASB Statement No. 90 improves the consistency and comparability of reporting a government’s majority equity interest in a legally separate organization and improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government’s holding of the equity interest meets the definition of an investment. The implementation of GASB Statement No. 90 did not have an effect on the financial statements of the Center.

**B. Restatement of Net Position and Fund Balances**

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

	<u>General</u>	<u>Adult Education</u>	<u>Permanent Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund balance as previously reported	\$ 3,208,464	\$ 848,991	\$ 2,629,032	\$ 27,627	\$ 6,714,114
GASB Statement No. 84	<u>836</u>	<u>-</u>	<u>-</u>	<u>28,681</u>	<u>29,517</u>
Restated fund balance, at June 30, 2019	<u>\$ 3,209,300</u>	<u>\$ 848,991</u>	<u>\$ 2,629,032</u>	<u>\$ 56,308</u>	<u>\$ 6,743,631</u>

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

	<u>Governmental Activities</u>
Net position as previously reported	\$ 12,862,945
GASB Statement No. 84	<u>29,517</u>
Restated net position at June 30, 2019	<u>\$ 12,892,462</u>



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**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)**

Due to the implementation of GASB Statement No.84, the new classification of custodial funds is reporting a beginning net position of zero. Also, related to the implementation of GASB Statement No. 84, the Center will no longer be reporting private purpose trust funds or agency funds. At June 30, 2019, private purpose trust and agency funds reported assets and net position of \$8,076 and \$21,441, respectively.

**NOTE 4 - DEPOSITS AND INVESTMENTS**

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

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

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

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use, but which will be needed before the end of the current period of designation of depositories.

Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the fair value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

6. No-load money market mutual funds consisting exclusively of obligations described in items (1) and (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool, the State Treasury Asset Reserve of Ohio (STAR Ohio);
8. Certain bankers' acceptances for a period not to exceed one hundred eighty days and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met.

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

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

**A. Cash on Hand**

At fiscal year end, the Center had \$1,050 in undeposited cash on hand which is included on the financial statements of the Center as part of "equity in pooled cash and investments".

**B. Deposits with Financial Institutions**

At June 30, 2020, the carrying amount of all Center deposits was \$2,540,552, exclusive of the \$1,644,250 repurchase agreement included in investments below. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2020, the Center's bank balance of \$2,587,917 was fully covered by the FDIC.

Custodial credit risk is the risk that, in the event of bank failure, the Center will not be able to recover deposits or collateral securities that are in the possession of an outside party. The Center has no deposit policy for custodial credit risk beyond the requirements of the State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the Center and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the OPCS, a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a reduced rate set by the Treasurer of State. For fiscal year 2020, the Center's financial institutions collateral rate through the OPCS was 102 percent. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the Center to a successful claim by the FDIC. At June 30, 2020, the Center was not exposed to custodial credit risk.

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

**C. Investments**

As of June 30, 2020, the Center had the following investments and maturities:

<u>Measurement/ Investment Type:</u>	<u>Measurement Amount</u>	<u>Investment Maturities 6 months or less</u>
<i>Amortized Cost:</i>		
STAR Ohio	\$ 2,965,111	\$ 2,965,111
<i>Fair Value:</i>		
Repurchase agreement	<u>1,644,250</u>	<u>1,644,250</u>
Total	<u>\$ 4,609,361</u>	<u>\$ 4,609,361</u>

The Center's investment in repurchase agreement are valued using quoted market prices that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly (Level 2 inputs).

*Interest Rate Risk:* As a means of limiting its exposure to fair value losses arising from rising interest rates and according to State law, the Center's investment policy limits investment portfolio maturities to five years or less.

*Custodial Credit Risk:* For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Center will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Of the Center's \$1,644,250 investment in repurchase agreements, the entire balance is collateralized by underlying securities that are held by the investment's counterparty, not in the name of the Center. Ohio law requires the fair value of the securities subject to repurchase agreements must exceed the principal value of securities subject to a repurchase agreement by 2%. The Center has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

*Credit Risk:* The federal agency securities that underlie the Center's repurchase agreement were rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively. Standard & Poor's has assigned STAR Ohio an AAAM money market rating. The Center's investment policy does not specifically address credit risk beyond requiring the Center to only invest in securities authorized by State statute.

*Concentration of Credit Risk:* The Center places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the Center at June 30, 2020:

<u>Measurement/ Investment Type:</u>	<u>Measurement Amount</u>	<u>% or Total</u>
STAR Ohio	\$ 2,965,111	35.67
Repurchase agreements	<u>1,644,250</u>	<u>64.33</u>
Total	<u>\$ 4,609,361</u>	<u>100.00</u>

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

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

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of June 30, 2020:

<u>Cash and investments per note</u>	
Carry amount of deposits	\$ 2,540,552
Investments	4,609,361
Cash on hand	<u>1,050</u>
Total	<u>\$ 7,150,963</u>
 <u>Cash and investments per statement of net position</u>	
Governmental activities	<u>\$ 7,150,963</u>

**NOTE 5 - INTERFUND TRANSACTIONS**

Interfund transfers for the year ended June 30, 2020, consisted of the following, as reported on the fund financial statements:

<u>Transfers from general fund to:</u>	<u>Amount</u>
Permanent improvement fund	\$ 900,000
Nonmajor governmental fund	<u>70,000</u>
Total	<u>\$ 970,000</u>

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

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

All transfers were made in compliance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16

**NOTE 6 - PROPERTY TAXES**

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

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**NOTE 6 - PROPERTY TAXES - (Continued)**

Property taxes include amounts levied against all real property and public utility property. Real property tax revenues received in calendar year 2020 represent the collection of calendar year 2019 taxes. Real property taxes received in calendar year 2020 were levied after April 1, 2019, on the assessed values as of January 1, 2019, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised fair value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. Public utility property tax revenues received in calendar year 2020 represent the collection of calendar year 2019 taxes. Public utility real and personal property taxes received in calendar year 2020 became a lien on December 31, 2018, were levied after April 1, 2019, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

The Center receives property taxes from Columbiana, Jefferson and Mahoning Counties. The County Auditor periodically advances to the Center its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2020, are available to finance fiscal year 2020 operations. The amount available as an advance at June 30, 2020 was \$64,037 in the general fund. This amount is recorded as revenue. The amount available for advance at June 30, 2019 was \$118,402 in the general fund. The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and delinquent tangible personal property taxes which are measurable as of June 30, 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.

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.

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

	2019 Second Half Collections		2020 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 1,089,454,050	88.42	\$ 1,096,388,950	87.57
Public utility personal	<u>142,661,760</u>	<u>11.58</u>	<u>155,626,320</u>	<u>12.43</u>
Total	<u>\$ 1,232,115,810</u>	<u>100.00</u>	<u>\$ 1,252,015,270</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation	\$2.80		\$2.80	

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**NOTE 7 - RECEIVABLES**

Receivables at June 30, 2020 consisted of taxes, intergovernmental grants and entitlements and accounts (billings for user charged services and student fees). All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current year guarantee of federal funds. A summary of the principal items of receivables reported on the statement of net position follows:

**Governmental activities:**

Taxes	\$ 2,715,395
Accounts	395
Intergovernmental	<u>317</u>
Total	<u>\$ 2,716,107</u>

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

**NOTE 8 - CAPITAL ASSETS**

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

	Balance <u>06/30/19</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>06/30/20</u>
<b>Governmental activities:</b>				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 230,238	\$ -	\$ -	\$ 230,238
Construction in progress	<u>529,440</u>	<u>953,454</u>	<u>(1,413,188)</u>	<u>69,706</u>
Total capital assets, not being depreciated	<u>759,678</u>	<u>953,454</u>	<u>(1,413,188)</u>	<u>299,944</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	1,005,321	7,250	-	1,012,571
Buildings and improvements	16,234,759	1,513,206	-	17,747,965
Furniture and equipment	3,890,754	122,890	(10,419)	4,003,225
Vehicles	<u>84,576</u>	<u>-</u>	<u>-</u>	<u>84,576</u>
Total capital assets, being depreciated	<u>21,215,410</u>	<u>1,643,346</u>	<u>(10,419)</u>	<u>22,848,337</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(366,139)	(36,487)	-	(402,626)
Buildings and improvements	(5,460,797)	(500,559)	-	(5,961,356)
Furniture and equipment	(2,371,106)	(269,213)	7,294	(2,633,025)
Vehicles	<u>(61,941)</u>	<u>(3,482)</u>	<u>-</u>	<u>(65,423)</u>
Total accumulated depreciation	<u>(8,259,983)</u>	<u>(809,741)</u>	<u>7,294</u>	<u>(9,062,430)</u>
Governmental activities capital assets, net	<u>\$ 13,715,105</u>	<u>\$ 1,787,059</u>	<u>\$ (1,416,313)</u>	<u>\$ 14,085,851</u>

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**NOTE 8 - CAPITAL ASSETS - (Continued)**

Depreciation expense was charged to governmental functions as follows:

<u>Instruction:</u>	
Vocational	\$ 681,874
Adult/continuing	31,848
<u>Support services:</u>	
Instructional staff	44,285
Administration	5,946
Fiscal	1,864
Operations and maintenance	18,454
Pupil transportation	3,482
Central	5,579
Non-instructional services	3,375
Food service operations	<u>13,034</u>
Total depreciation expense	<u>\$ 809,741</u>

**NOTE 9 - LONG-TERM OBLIGATIONS**

A. During the fiscal year 2020, the following activity occurred in governmental activities long-term obligations.

	Balance Outstanding			Balance Outstanding		Amounts Due in
	<u>06/30/19</u>	<u>Additions</u>	<u>Reductions</u>	<u>06/30/20</u>	<u>One Year</u>	
<b>Governmental activities:</b>						
Compensated absences	\$ 357,753	\$ 141,835	\$ (78,260)	\$ 421,328	\$ 135,949	
Net pension liability	7,822,466	118,994	-	7,941,460	-	
Net OPEB liability	<u>748,046</u>	<u>-</u>	<u>(38,795)</u>	<u>709,251</u>	<u>-</u>	
Total long-term obligations, governmental activities	<u>\$ 8,928,265</u>	<u>\$ 260,829</u>	<u>\$ (117,055)</u>	<u>\$ 9,072,039</u>	<u>\$ 135,949</u>	

Compensated absences - will be paid from the fund which the employee is paid, which for the Center are primarily the general fund, adult education fund and the food service fund (a nonmajor governmental fund).

Net pension liability - See Note 12 for details.

Net OPEB liability - See Note 13 for details.

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**NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)**

**B. Legal Debt Margin**

The Ohio Revised Code provides that voted net general obligation debt of the Center shall never exceed 9% of the total assessed valuation of the Center. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the Center. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the Center. The assessed valuation used in determining the Center's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the Center's legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The effects of these debt limitations at June 30, 2020, are a voted debt margin of \$112,681,374 and an unvoted debt margin of \$1,252,015.

**NOTE 10 - EMPLOYEE BENEFITS**

**A. Compensated Absences**

The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees earn 10 to 20 days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers do not earn vacation time.

Certified and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 312 days for administrators, 188 days for classified and 274 for certified personnel. Upon retirement, payment is made for one-fourth of accrued but unused sick leave to a maximum of 274 days.

**B. Life Insurance**

The Center provides life insurance and accidental death and dismemberment insurance to most employees through Consumers Life Insurance Company.

**NOTE 11 - RISK MANAGEMENT**

**A. Comprehensive**

The Center is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2020, the Center's insurance coverage was as follows:

<u>Type of Coverage</u>	<u>Deductible</u>	<u>Liability Limit</u>
Building and Contents - replacement cost	\$ 1,000	\$32,949,295
Equipment Breakdown Coverage	1,000	250,000
EDP Coverage	500	250,000
Commercial Computer Coverage	500	956,481
Garage keepers	500	120,000
Automobile Liability	500	2,000,000



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**NOTE 11 - RISK MANAGEMENT - (Continued)**

General Liability:		
Per occurrence	2,500	1,000,000
Aggregate	5,000	2,000,000
Umbrella Liability:		
Per occurrence	10,000	5,000,000
Aggregate	10,000	5,000,000

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

**B. Health Insurance**

The Center contracts with Stark County Schools Council of Governments, an insurance purchasing pool (See Note 2.A.), to provide employee medical/surgical benefits. Rates are set through an annual calculation process. The Center pays a monthly contribution that is placed in a common fund from which claim payments are made for all participating districts. The Center’s Board of Education pays a portion of the monthly premium.

**C. Workers’ Compensation**

For fiscal year 2020, the Center participated in the Sheakley Workers’ Compensation Group Rating Program (GRP), an insurance purchasing pool. The intent of the GRP is to achieve the benefit of a reduced premium for the Center by virtue of its grouping and representation with other participants in the GRP. The workers’ compensation experience of the participating school districts is tiered into groups based upon past workers’ compensation experience. Within each tiered group, a common premium rate is applied to all school districts within that group. Each participant pays its workers’ compensation premium to the state based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant’s individual performance is compared to the overall savings percentage of their tiered group. Participation in the GRP is limited to school districts that can meet the GRP’s selection criteria. The firm of Sheakley provides administrative, cost control and actuarial services to the GRP.

**NOTE 12 - DEFINED BENEFIT PENSION PLANS**

*Net Pension Liability*

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

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

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

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

***Plan Description - School Employees Retirement System (SERS)***

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

Age and service requirements for retirement are as follows:

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

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

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

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

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**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

Funding Policy - Plan members are required to contribute 10% of their annual covered salary and the Center is required to contribute 14% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10% for plan members and 14% for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2020, the allocation to pension, death benefits, and Medicare B was 14.0%.

The Center's contractually required contribution to SERS was \$143,406 for fiscal year 2020. Of this amount, \$5,972 is reported as pension and postemployment benefits payable.

***Plan Description - State Teachers Retirement System (STRS)***

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

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307. The DB Plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation will be 2.2% of final average salary for the five highest years of earnings multiplied by all years of service. Effective July 1, 2017, the cost-of-living adjustment was reduced to zero. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 28 years of service, or 33 years of service regardless of age. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

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

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

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**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

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

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

The Center's contractually required contribution to STRS was \$438,014 for fiscal year 2020. Of this amount, \$44,692 is reported as pension and postemployment benefits payable.

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

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Center's proportion of the net pension liability was based on the Center's share of contributions to the pension plan relative to the projected contributions of all participating entities.

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net pension liability prior measurement date	0.02880620%	0.02807327%	
Proportion of the net pension liability current measurement date	<u>0.02938890%</u>	<u>0.02795948%</u>	
Change in proportionate share	<u>0.00058270%</u>	<u>-0.00011379%</u>	
Proportionate share of the net pension liability	\$ 1,758,389	\$ 6,183,071	\$ 7,941,460
Pension expense	\$ 288,511	\$ 863,311	\$ 1,151,822

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**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred outflows of resources</b>			
Differences between expected and actual experience	\$ 44,588	\$ 50,340	\$ 94,928
Changes of assumptions	-	726,320	726,320
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	24,224	95,085	119,309
Contributions subsequent to the measurement date	<u>143,406</u>	<u>438,014</u>	<u>581,420</u>
Total deferred outflows of resources	<u>\$ 212,218</u>	<u>\$ 1,309,759</u>	<u>\$ 1,521,977</u>
	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred inflows of resources</b>			
Differences between expected and actual experience	\$ -	\$ 26,764	\$ 26,764
Net difference between projected and actual earnings on pension plan investments	22,573	302,193	324,766
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	<u>826</u>	<u>106,242</u>	<u>107,068</u>
Total deferred inflows of resources	<u>\$ 23,399</u>	<u>\$ 435,199</u>	<u>\$ 458,598</u>

\$581,420 reported as deferred outflows of resources related to pension resulting from Center contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 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:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2021	\$ 66,679	\$ 385,204	\$ 451,883
2022	(32,564)	50,278	17,714
2023	(1,501)	(27,936)	(29,437)
2024	<u>12,799</u>	<u>29,000</u>	<u>41,799</u>
Total	<u>\$ 45,413</u>	<u>\$ 436,546</u>	<u>\$ 481,959</u>

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**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

*Actuarial Assumptions - SERS*

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

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

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

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

Wage inflation	3.00%
Future salary increases, including inflation	3.50% to 18.20%
COLA or ad hoc COLA	2.50%
Investment rate of return	7.50% net of investments expense, including inflation
Actuarial cost method	Entry age normal (level percent of payroll)

For 2019, the mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females. Mortality among service retired members, and beneficiaries were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates. Mortality among disabled members was based upon the RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

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

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

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

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**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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
<b>Total</b>	<b>100.00 %</b>	

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

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

	1% Decrease	Current Discount Rate	1% Increase
Center's proportionate share of the net pension liability	\$ 2,464,132	\$ 1,758,389	\$ 1,166,536

**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:

	July 1, 2019
Inflation	2.50%
Projected salary increases	12.50% at age 20 to 2.50% at age 65
Investment rate of return	7.45%, net of investment expenses, including inflation
Payroll increases	3.00%
Cost-of-living adjustments (COLA)	0.00%

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**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

For the July 1, 2019, actuarial valuation, post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90% of rates for males and 100% of rates for females, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

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

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

<u>Asset Class</u>	<u>Target Allocation*</u>	<u>Long-Term Expected Real Rate of Return **</u>
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
<b>Total</b>	<b>100.00 %</b>	

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

\*\*10-Year geometric nominal returns, which include the real rate of return and inflation of 2.25% and does not include investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

**Discount Rate** - The discount rate used to measure the total pension liability was 7.45% as of June 30, 2019. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2019. Therefore, the long-term expected rate of return on pension plan investments of 7.45% was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2019.

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



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**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

	1% Decrease	Current Discount Rate	1% Increase
Center's proportionate share of the net pension liability	\$ 9,035,869	\$ 6,183,071	\$ 3,768,031

**NOTE 13 - DEFINED BENEFIT OPEB PLANS**

*Net OPEB Liability/Asset*

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

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

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

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

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

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**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

***Plan Description - School Employees Retirement System (SERS)***

Health Care Plan Description - The 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](http://www.ohsers.org) under Employers/Audit Resources.

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14% of covered payroll to the Health Care Fund in accordance with the funding policy. For the fiscal year ended June 30, 2020, SERS did not allocate any employer contributions to post-employment 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% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2020, the Center's surcharge obligation was \$2,563.

The surcharge added to the allocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The Center's contractually required contribution to SERS was \$2,563 for fiscal year 2020. Of this amount, \$2,563 is reported as pension and postemployment benefits payable.

***Plan Description - State Teachers Retirement System (STRS)***

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

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**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

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

The net OPEB liability/asset was measured as of June 30, 2019, and the total OPEB liability/asset used to calculate the net OPEB liability/asset was determined by an actuarial valuation as of that date. The Center's proportion of the net OPEB liability/asset was based on the 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:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net OPEB liability prior measurement date	0.02696370%	0.02807327%	
Proportion of the net OPEB liability/asset current measurement date	<u>0.02820320%</u>	<u>0.02795948%</u>	
Change in proportionate share	<u>0.00123950%</u>	<u>-0.00011379%</u>	
Proportionate share of the net OPEB liability	\$ 709,251	\$ -	\$ 709,251
Proportionate share of the net OPEB asset	\$ -	\$ (463,076)	\$ (463,076)
OPEB expense	\$ 23,602	\$ (143,474)	\$ (119,872)

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred outflows of resources</b>			
Differences between expected and actual experience	\$ 10,411	\$ 41,982	\$ 52,393
Net difference between projected and actual earnings on OPEB plan investments	1,704	-	1,704
Changes of assumptions	51,803	9,734	61,537
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	24,939	19,254	44,193
Contributions subsequent to the measurement date	<u>2,563</u>	<u>-</u>	<u>2,563</u>
Total deferred outflows of resources	<u>\$ 91,420</u>	<u>\$ 70,970</u>	<u>\$ 162,390</u>

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**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred inflows of resources</b>			
Differences between expected and actual experience	\$ 155,818	\$ 23,559	\$ 179,377
Net difference between projected and actual earnings on OPEB plan investments	-	29,083	29,083
Changes of assumptions	39,745	507,708	547,453
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	<u>26,640</u>	<u>20,045</u>	<u>46,685</u>
Total deferred inflows of resources	<u>\$ 222,203</u>	<u>\$ 580,395</u>	<u>\$ 802,598</u>

\$2,563 reported as deferred outflows of resources related to OPEB resulting from Center contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability/asset in the year ending June 30, 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:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2021	\$ (40,623)	\$ (112,235)	\$ (152,858)
2022	(22,796)	(112,233)	(135,029)
2023	(22,298)	(100,578)	(122,876)
2024	(22,378)	(96,487)	(118,865)
2025	(18,152)	(89,111)	(107,263)
Thereafter	<u>(7,099)</u>	<u>1,219</u>	<u>(5,880)</u>
Total	<u>\$ (133,346)</u>	<u>\$ (509,425)</u>	<u>\$ (642,771)</u>

**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.

**COLUMBIANA COUNTY CAREER AND TECHNICAL CENTER  
COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

Wage inflation	3.00%
Future salary increases, including inflation	3.50% to 18.20%
Investment rate of return	7.50% net of investments expense, including inflation
Municipal bond index rate:	
Measurement date	3.13%
Prior measurement date	3.62%
Single equivalent interest rate, net of plan investment expense, including price inflation:	
Measurement date	3.22%
Prior measurement date	3.70%
Medical trend assumption:	
Measurement date	
Medicare	5.25 to 4.75%
Pre-Medicare	7.00 to 4.75%
Prior measurement date	
Medicare	5.375 to 4.75%
Pre-Medicare	7.25 to 4.75%

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

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

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

**COLUMBIANA COUNTY CAREER AND TECHNICAL CENTER  
COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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	<u>100.00 %</u>	

**Discount Rate** - The discount rate used to measure the total OPEB liability at June 30, 2019 was 3.22%. The discount rate used to measure total OPEB liability prior to June 30, 2019 was 3.70%. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the state statute contribution rate of 2.00% of projected covered employee payroll each year, which includes a 1.50% payroll surcharge and 0.50% of contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2025. Therefore, the long-term expected rate of return on OPEB plan assets was used to present value the projected benefit payments through the fiscal year ending June 30, 2024 and the Fidelity General Obligation 20-year Municipal Bond Index rate of 3.13%, as of June 30, 2019 (i.e. municipal bond rate), was used to present value the projected benefit payments for the remaining years in the projection. A municipal bond rate of 3.62% was used as of June 30, 2018. 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 Center's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates** - The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.22%) and higher (4.22%) than the current discount rate (3.22%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.00% decreasing to 3.75%) and higher (8.00% decreasing to 5.75%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
Center's proportionate share of the net OPEB liability	\$ 860,896	\$ 709,251	\$ 588,675
	1% Decrease	Current Trend Rate	1% Increase
Center's proportionate share of the net OPEB liability	\$ 568,254	\$ 709,251	\$ 896,320

**COLUMBIANA COUNTY CAREER AND TECHNICAL CENTER  
COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

*Actuarial Assumptions - STRS*

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2019, actuarial valuation, compared with July 1, 2018, are presented below:

	July 1, 2019		July 1, 2018	
	Initial	Ultimate	Initial	Ultimate
Inflation	2.50%		2.50%	
Projected salary increases	12.50% at age 20 to 2.50% at age 65		12.50% at age 20 to 2.50% at age 65	
Investment rate of return	7.45%, net of investment expenses, including inflation		7.45%, net of investment expenses, including inflation	
Payroll increases	3.00%		3.00%	
Cost-of-living adjustments (COLA)	0.00%		0.00%	
Discounted rate of return	7.45%		7.45%	
Blended discount rate of return	N/A		N/A	
Health care cost trends				
Medical				
Pre-Medicare	5.87%	4.00%	6.00%	4.00%
Medicare	4.93%	4.00%	5.00%	4.00%
Prescription Drug				
Pre-Medicare	7.73%	4.00%	8.00%	4.00%
Medicare	9.62%	4.00%	-5.23%	4.00%

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

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

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

**Assumption Changes Since the Prior Measurement Date** - 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.

**COLUMBIANA COUNTY CAREER AND TECHNICAL CENTER  
COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

<u>Asset Class</u>	<u>Target Allocation*</u>	<u>Long-Term Expected Real Rate of Return **</u>
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	<u>1.00</u>	2.25
Total	<u><u>100.00 %</u></u>	

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

\*\*10-Year geometric nominal returns, which include the real rate of return and inflation of 2.25% and does not include investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

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

**Sensitivity of the 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, 2019, calculated using the current period discount rate assumption of 7.45%, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.45%) or one percentage point higher (8.45%) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Center's proportionate share of the net OPEB asset	\$ 395,143	\$ 463,076	\$ 520,192
	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
Center's proportionate share of the net OPEB asset	\$ 525,107	\$ 463,076	\$ 387,103



**COLUMBIANA COUNTY CAREER AND TECHNICAL CENTER  
COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**NOTE 14 - BUDGETARY BASIS OF ACCOUNTING**

While reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts and disbursements.

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

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis);
- (d) Advances-in and advances-out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis); and,
- (e) Some funds are included in the general fund (GAAP basis) but have separate legally adopted budgets (budget basis).

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

**Net Change in Fund Balance**

	<u>General Fund</u>	<u>Adult Education</u>
Budget basis	\$ (338,894)	\$ (349,737)
Net adjustment for revenue accruals	(45,116)	(1,685)
Net adjustment for expenditure accruals	(98,993)	(44,437)
Net adjustment for other sources/uses	(8,520)	(21)
Funds budgeted elsewhere	(16,955)	-
Adjustment for encumbrances	401,962	256,244
GAAP basis	\$ (106,516)	\$ (139,636)

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 special rotary fund, the public-school support fund and the unclaimed monies fund.

**COLUMBIANA COUNTY CAREER AND TECHNICAL CENTER  
COLUMBIANA COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 15 - CONTINGENCIES**

**A. Grants**

The Center receives significant financial assistance from numerous federal, State and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the Center. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial position of the Center.

**B. Litigation**

The Center is involved in no material litigation as either plaintiff or defendant.

**C. Foundation 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, additional ODE adjustments for fiscal year 2020 have been finalized, which did not result in a material receivable to, or a liability of, the Center.

**NOTE 16 - 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 Center. The Center's investment portfolio and the investments of the pension and other employee benefit plan in which the 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 Center's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

**NOTE 17 - SET-ASIDES**

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

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

**COLUMBIANA COUNTY CAREER AND TECHNICAL CENTER  
COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**NOTE 17 - SET-ASIDES - (Continued)**

	<u>Capital Improvements</u>
Set-aside balance June 30, 2019	\$ -
Current year set-aside requirement	64,010
Current year qualifying expenditures	(141,656)
Current year offsets	<u>(900,000)</u>
Total	<u>\$ (977,646)</u>
Balance carried forward to fiscal year 2021	<u>\$ -</u>
Set-aside balance June 30, 2020	<u>\$ -</u>

**NOTE 18 - OTHER COMMITMENTS**

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

<u>Fund Type</u>	<u>Year-End Encumbrances</u>
General fund	\$ 345,225
Adult education	200,550
Permanent improvement	25,295
Nonmajor governmental funds	<u>5,765</u>
Total	<u>\$ 576,835</u>

**NOTE 19 - CONTRACTUAL COMMITMENTS**

As of June 30, 2020, the Center had contractual commitment for the following project:

Lobby and Restroom Renovation Project

<u>Contractor</u>	<u>Contractual Commitment</u>	<u>Amount Paid as of 6/30/2020</u>	<u>Amount Remaining on Contract</u>
Strollo Architects	<u>\$ 85,000</u>	<u>\$ 68,000</u>	<u>\$ 17,000</u>

**COLUMBIANA COUNTY CAREER AND TECHNICAL CENTER  
COLUMBIANA COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 20 - TAX ABATEMENTS ENTERED INTO BY OTHER GOVERNMENTS**

**Community Reinvestment Areas**

The City East Liverpool, the Village of East Palestine, State Environmental Protection Agency (EPA), State Air Quality Development Authority and Columbiana County provide tax abatements through Community Reinvestment Areas (CRAs).

Under the authority of Ohio Revised Code (ORC) Section 3735.67, the CRA program is an economic development tool administered by municipal and county governments that provides real property tax exemptions for property owners who renovate existing or construct new buildings. CRA's are areas of land in which property owners can receive tax incentives for investing in real property improvements. Under the CRA program, local governments petition to the Ohio Development Services Agency (ODSA) for confirmation of a geographical area in which investment in housing is desired. Once an area is confirmed by the ODSA, local governments may offer real property tax exemptions to taxpayers that invest in that area. Property owners in the CRA can receive temporary tax abatements for renovation of existing structures and new construction in these areas. Property owners apply to the local legislative authority for approval to renovate or construct in the CRA. Upon approval and certification of completion, the amount of the abatement is deducted from the individual or entity's property tax bill.

The CRA agreements entered into by the Village of East Palestine, State Environmental Protection Agency (EPA), State Air Quality Development Authority and Columbiana County affect the property tax receipts collected and distributed to the Center. Under these agreements, the Center's property taxes were reduced by \$7,002.

**Enterprise Zones**

Columbiana County and Columbiana Village entered into property tax abatement agreements with local businesses under Enterprise Zone tax abatement agreements. Enterprise zones are designated areas of land in which businesses can receive tax incentives in the form of tax exemptions on eligible new investment. The Enterprise Zone Program provides tax exemptions for a portion of the value of new real property when the investment is made in conjunction with a project that includes job creation or job retention. These tax abatements reduce assessed value by a percentage agreed upon by all parties that authorize these types of agreements. The agreements affect the property tax receipts collected and distributed to the Center. Under the agreements, the Center's property taxes were reduced by \$8,191 during fiscal year 2020.

REQUIRED SUPPLEMENTARY INFORMATION

**COLUMBIANA CAREER CENTER  
COLUMBIANA COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SEVEN FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Center's proportion of the net pension liability	0.02938890%	0.02880620%	0.02896230%	0.02852100%
Center's proportionate share of the net pension liability	\$ 1,758,389	\$ 1,649,784	\$ 1,730,433	\$ 2,087,474
Center's covered payroll	\$ 1,016,785	\$ 962,081	\$ 940,386	\$ 890,100
Center's proportionate share of the net pension liability as a percentage of its covered payroll	172.94%	171.48%	184.01%	234.52%
Plan fiduciary net position as a percentage of the total pension liability	70.85%	71.36%	69.50%	62.98%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2016</u>	<u>2015</u>	<u>2014</u>
0.02928920%	0.02568500%	0.02568500%
\$ 1,671,270	\$ 1,299,903	\$ 1,527,405
\$ 881,760	\$ 746,349	\$ 710,238
189.54%	174.17%	215.06%
69.16%	71.70%	65.52%

**COLUMBIANA CAREER CENTER  
COLUMBIANA COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SEVEN FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Center's proportion of the net pension liability	0.02795948%	0.02807327%	0.02742492%	0.02805938%
Center's proportionate share of the net pension liability	\$ 6,183,071	\$ 6,172,682	\$ 6,514,849	\$ 9,392,320
Center's covered payroll	\$ 3,281,029	\$ 3,229,479	\$ 3,017,850	\$ 2,950,629
Center's proportionate share of the net pension liability as a percentage of its covered payroll	188.45%	191.14%	215.88%	318.32%
Plan fiduciary net position as a percentage of the total pension liability	77.40%	77.31%	75.30%	66.80%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION



<u>2016</u>	<u>2015</u>	<u>2014</u>
0.02758929%	0.02798677%	0.02798677%
\$ 7,624,873	\$ 6,807,351	\$ 8,108,872
\$ 2,878,479	\$ 2,859,469	\$ 3,116,046
264.89%	238.06%	260.23%
72.10%	74.70%	69.30%

**COLUMBIANA CAREER CENTER  
COLUMBIANA COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

	LAST TEN FISCAL YEARS			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 143,406	\$ 137,266	\$ 129,881	\$ 131,654
Contributions in relation to the contractually required contribution	<u>(143,406)</u>	<u>(137,266)</u>	<u>(129,881)</u>	<u>(131,654)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Center's covered payroll	\$ 1,024,329	\$ 1,016,785	\$ 962,081	\$ 940,386
Contributions as a percentage of covered payroll	14.00%	13.50%	13.50%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 124,614	\$ 116,216	\$ 103,444	\$ 98,297	\$ 95,753	\$ 91,023
<u>(124,614)</u>	<u>(116,216)</u>	<u>(103,444)</u>	<u>(98,297)</u>	<u>(95,753)</u>	<u>(91,023)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 890,100	\$ 881,760	\$ 746,349	\$ 710,238	\$ 711,918	\$ 724,129
14.00%	13.18%	13.86%	13.84%	13.45%	12.57%

**COLUMBIANA CAREER CENTER  
COLUMBIANA COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

	LAST TEN FISCAL YEARS			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 438,014	\$ 459,344	\$ 452,127	\$ 422,499
Contributions in relation to the contractually required contribution	<u>(438,014)</u>	<u>(459,344)</u>	<u>(452,127)</u>	<u>(422,499)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Center's covered payroll	\$ 3,128,671	\$ 3,281,029	\$ 3,229,479	\$ 3,017,850
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 413,088	\$ 402,987	\$ 371,731	\$ 405,086	\$ 367,456	\$ 359,753
<u>(413,088)</u>	<u>(402,987)</u>	<u>(371,731)</u>	<u>(405,086)</u>	<u>(367,456)</u>	<u>(359,753)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 2,950,629	\$ 2,878,479	\$ 2,859,469	\$ 3,116,046	\$ 2,826,585	\$ 2,767,331
14.00%	14.00%	13.00%	13.00%	13.00%	13.00%

**COLUMBIANA CAREER CENTER  
COLUMBIANA COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST FOUR FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Center's proportion of the net OPEB liability	0.02820320%	0.02696370%	0.02767940%	0.02696072%
Center's proportionate share of the net OPEB liability	\$ 709,251	\$ 748,046	\$ 742,842	\$ 768,480
Center's covered payroll	\$ 1,016,785	\$ 962,081	\$ 940,386	\$ 890,100
Center's proportionate share of the net OPEB liability as a percentage of its covered payroll	69.75%	77.75%	78.99%	86.34%
Plan fiduciary net position as a percentage of the total OPEB liability	15.57%	13.57%	12.46%	11.49%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**COLUMBIANA CAREER CENTER  
COLUMBIANA COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST FOUR FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Center's proportion of the net OPEB liability/asset	0.02795948%	0.02807327%	0.02742492%	0.02805938%
Center's proportionate share of the net OPEB liability/(asset)	\$ (463,076)	\$ (451,109)	\$ 1,070,019	\$ 1,500,623
Center's covered payroll	\$ 3,281,029	\$ 3,229,479	\$ 3,017,850	\$ 2,950,629
Center's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	14.11%	13.97%	35.46%	50.86%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	174.70%	176.00%	47.10%	37.30%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**COLUMBIANA CAREER CENTER  
COLUMBIANA COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

	LAST TEN FISCAL YEARS			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 2,563	\$ 13,325	\$ 9,339	\$ 7,173
Contributions in relation to the contractually required contribution	<u>(2,563)</u>	<u>(13,325)</u>	<u>(9,339)</u>	<u>(7,173)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Center's covered payroll	\$ 1,024,329	\$ 1,016,785	\$ 962,081	\$ 940,386
Contributions as a percentage of covered payroll	0.00%	0.50%	0.50%	0.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION



<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 5,309	\$ 10,174	\$ 3,680	\$ 11,664	\$ 15,120	\$ 34,871
<u>(5,309)</u>	<u>(10,174)</u>	<u>(3,680)</u>	<u>(11,664)</u>	<u>(15,120)</u>	<u>(34,871)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 890,100	\$ 881,760	\$ 746,349	\$ 710,238	\$ 711,918	\$ 724,129
0.00%	0.82%	0.14%	0.16%	0.55%	1.43%

**COLUMBIANA CAREER CENTER  
COLUMBIANA COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

	LAST TEN FISCAL YEARS			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Center's covered payroll	\$ 3,128,671	\$ 3,281,029	\$ 3,229,479	\$ 3,017,850
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ -	\$ -	\$ 28,838	\$ 28,935	\$ 26,247	\$ 25,697
-	-	(28,838)	(28,935)	(26,247)	(25,697)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 2,950,629	\$ 2,878,479	\$ 2,859,469	\$ 3,116,046	\$ 2,826,585	\$ 2,767,331
0.00%	0.00%	1.00%	1.00%	1.00%	1.00%

**COLUMBIANA CAREER CENTER  
COLUMBIANA COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

PENSION

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*SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO*

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for fiscal years 2014-2017. For fiscal year 2018, SERS changed from a fixed 3% annual increase to a Cost of Living Adjustment (COLA) based on the changes in the Consumer Price Index (CPI-W), with a cap of 2.5% and a floor of 0%. There were no changes in benefit terms from the amounts previously reported for fiscal years 2019-2020.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2016. For fiscal year 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) Rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females, (f) mortality among service retired members, and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, (g) mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement and (h) the discount rate was reduced from 7.75% to 7.50%. There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2018-2020.

*STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO*

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for fiscal years 2014-2017. For fiscal year 2018, STRS decreased the Cost of Living Adjustment (COLA) to zero. There were no changes in benefit terms from amounts previously reported for fiscal years 2019-2020.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2017. For fiscal year 2018, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long term expected rate of return was reduced from 7.75% to 7.45%, (b) the inflation assumption was lowered from 2.75% to 2.50%, (c) the payroll growth assumption was lowered to 3.00%, (d) total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation (e) the healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016 and (f) rates of retirement, termination and disability were modified to better reflect anticipated future experience. There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2020.

(Continued)

**COLUMBIANA CAREER CENTER  
COLUMBIANA COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

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*SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO*

Changes in benefit terms: There were no changes in benefit terms from the amounts previously reported for fiscal years 2017-2020.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017. For fiscal year 2018, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement, and disability were updated to reflect recent experience, (e) mortality among active members was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females, (f) mortality among service retired members, and beneficiaries was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, (g) mortality among disabled members was updated to the following: RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement, (h) the municipal bond index rate increased from 2.92% to 3.56% and (i) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 2.98% to 3.63%. For fiscal year 2019, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate increased from 3.63% to 3.70%, (b) the health care cost trend rates for Medicare were changed from a range of 5.50%-5.00% to a range of 5.375%-4.75% and Pre-Medicare were changed from a range of 7.50%-5.00% to a range of 7.25%-4.75%, (c) the municipal bond index rate increased from 3.56% to 3.62% and (d) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 3.63% to 3.70%. For fiscal year 2020, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate decreased from 3.70% to 3.22%, (b) the health care cost trend rates for Medicare were changed from a range of 5.375%-4.75% to a range of 5.25%-4.75% and Pre-Medicare were changed from a range of 7.25%-4.75% to a range of 7.00%-4.75%, (c) the municipal bond index rate decreased from 3.62% to 3.13% and (d) the single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.70% to 3.22%.

*STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO*

Changes in benefit terms: There were no changes in benefit terms from the amounts previously reported for fiscal year 2017. For fiscal year 2018, STRS reduced the subsidy multiplier for non-Medicare benefit recipients from 2.1% to 1.9% per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019. For fiscal year 2019, STRS increased the subsidy multiplier for non-Medicare benefit recipients from 1.9% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020. For fiscal year 2020, STRS increase the subsidy percentage from 1.944% to 1.984% 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.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017. For fiscal year 2018, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.26% to 4.13% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB), (b) the long term expected rate of return was reduced from 7.75% to 7.45%, (c) valuation year per capita health care costs were updated, and the salary scale was modified, (d) the percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased and (e) the assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs. For fiscal year 2019, the following changes of assumptions affected the total OPEB liability/asset since the prior measurement date: (a) the discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB) and (b) decrease in health care cost trend rates from 6.00%-11.00% initial; 4.50% ultimate down to Medical Pre-Medicare 6.00% and Medicare 5.00% initial; 4.00% ultimate and Prescription Drug Pre-Medicare 8.00% and Medicare (5.23%) initial; 4.00% ultimate. For fiscal year 2020, health care cost trend rates were changed to the following: medical pre-Medicare from 6.00% initial - 4.00% ultimate down to 5.87% initial - 4.00% ultimate; medical Medicare from 5.00% initial - 4.00% ultimate down to 4.93% initial - 4.00% ultimate; prescription drug pre-Medicare from 8.00% initial - 4.00% ultimate down to 7.73% initial - 4.00% ultimate and (5.23%) initial - 4.00% ultimate up to 9.62% initial - 4.00% ultimate.

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**COLUMBIANA COUNTY CAREER AND TECHNICAL CENTER  
COLUMBIANA COUNTY**

**SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2020**

<b>FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Grant Year</b>	<b>Total Federal Receipts</b>	<b>Total Federal Expenditures</b>
<b>U.S. DEPARTMENT OF AGRICULTURE Passed Through Ohio Department of Education</b>				
Child Nutrition Cluster:				
Non-Cash Assistance (Food Distribution)	10.555	2020	\$ 12,810	\$ 12,810
Cash Assistance:				
National School Breakfast Program	10.553	2020	20,626	20,626
National School Breakfast Program-COVID19			1,759	1,759
National School Lunch Program	10.555	2020	46,362	46,362
National School Lunch Program-COVID19			3,448	3,448
Cash Assistance Subtotal			<u>72,195</u>	<u>72,195</u>
Total U.S. Department of Agriculture - Nutrition Cluster (Cash and Non-cash)			<u>85,005</u>	<u>85,005</u>
<b>U.S. DEPARTMENT OF EDUCATION Direct Programs</b>				
Student Financial Aid Cluster:				
Federal Pell Grant Program	84.063	2020	490,744	490,744
Federal Direct Student Loans	84.268	2020	781,432	781,432
Total Student Financial Aid Cluster			<u>1,272,176</u>	<u>1,272,176</u>
<b>Passed Through Ohio Department of Education:</b>				
Adult Education - Basic Grants to States	84.002	2019	6,202	2,065
Career and Technical Education - Basic Grants to States				
Perkins Secondary	84.048	2019	9,864	3,567
Perkins Secondary		2020	163,373	163,373
Total Perkins Secondary			<u>173,237</u>	<u>166,940</u>
Perkins Adult	84.048	2019	2,901	
Perkins Adult		2020	150,411	150,411
Total Perkins Adult			<u>153,312</u>	<u>150,411</u>
Total Career and Technical Education - Basic Grants to States			<u>332,751</u>	<u>319,416</u>
Rural Education	84.358	2020	<u>8,800</u>	<u>8,800</u>
Total U.S. Department of Education			<u>1,604,927</u>	<u>1,600,392</u>
<b>Total Expenditures of Federal Awards</b>			<b><u>\$1,689,932</u></b>	<b><u>\$1,685,397</u></b>

The accompanying notes are an integral part of this schedule.

**COLUMBIANA COUNTY CAREER AND TECHNICAL CENTER  
COLUMBIANA COUNTY**

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

**NOTE A – BASIS OF PRESENTATION**

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

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE C – INDIRECT COST RATE**

The Center has elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE D - CHILD NUTRITION CLUSTER**

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

**NOTE E – FOOD DONATION PROGRAM**

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





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

Columbiana County Career and Technical Center  
Columbiana County  
9364 State Route 45  
Lisbon, Ohio 44432

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 Columbiana County Career and Technical Center, Columbiana County, (the Center) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Center's basic financial statements and have issued our report thereon dated January 28, 2021. We noted the Center adopted GASB Statement No. 84, *Fiduciary Activities*, and we also noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the Center.

***Internal Control Over Financial Reporting***

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

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

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

***Compliance and Other Matters***

As part of reasonably assuring whether the Center's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the 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 Center's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Center's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Keith Faber  
Auditor of State  
Columbus, Ohio

January 28, 2021

# OHIO AUDITOR OF STATE KEITH FABER



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

Columbiana County Career and Technical Center  
Columbiana County  
9364 State Route 45  
Lisbon, Ohio 44432

To the Board of Education:

### ***Report on Compliance for the Major Federal Program***

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

### ***Management's Responsibility***

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

### ***Auditor's Responsibility***

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

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

***Basis for Qualified Opinion on Student Financial Aid Cluster***

As described in finding 2020-001 in the accompanying schedule of findings, the Center did not comply with requirements regarding Verification applicable to its CFDA 84.063 and 84.268 Student Financial Aid Cluster major federal program. Compliance with this requirement is necessary, in our opinion, for the Center to comply with requirements applicable to this program.

***Qualified Opinion on Student Financial Aid Cluster***

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinion on Student Financial Aid Cluster* paragraph, the Columbiana County Career and Technical Center complied, in all material respects, with the requirements referred to above that could directly and materially affect its *Student Financial Aid Cluster* for the year ended June 30, 2020.

***Other Matters***

The Center's response to our noncompliance finding is described in the accompanying schedule of findings and corrective action plan. We did not subject the Center's response to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion it.

***Report on Internal Control Over Compliance***

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. Therefore, we cannot assure we have identified all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. However, we identified a certain deficiency in internal control over compliance that we consider to be a material weakness, described in the accompanying schedule of findings as item 2020-001.

Columbiana County Career and Technical Center  
Columbiana County  
Independent Auditor's Report on Compliance with Requirements  
Applicable to the Major Federal Program and on Internal Control  
Over Compliance Required by the Uniform Guidance  
Page 3

The Center's response to our internal control over compliance finding is described in the accompanying schedule of findings and corrective action plan. We did not subject the Center's response to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

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



Keith Faber  
Auditor of State  
Columbus, Ohio

January 28, 2021

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**COLUMBIANA COUNTY CAREER AND TECHNICAL CENTER  
COLUMBIANA COUNTY**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
JUNE 30, 2020**

**1. SUMMARY OF AUDITOR'S RESULTS**

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unmodified
<b>(d)(1)(ii)</b>	<b>Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any material weaknesses in internal control reported for major federal programs?</b>	Yes
<b>(d)(1)(iv)</b>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Qualified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under 2 CFR § 200.516(a)?</b>	Yes
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	Student Financial Aid Cluster: Federal Direct Loans CFDA #84.268 Federal Pell Grant Program CFDA #84.063
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 750,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee under 2 CFR § 200.520?</b>	No

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

None

**3. FINDINGS FOR FEDERAL AWARDS**

1. Student Financial Assistance - Verification

Finding Number:	2020-001
CFDA Number and Title:	CFDA # 84.063, and 84.268, Student Financial Assistance Cluster
Federal Award Identification Number / Year:	2020
Federal Agency:	U.S. Department of Education
Compliance Requirement:	Verification
Pass-Through Entity:	None
Repeat Finding from Prior Audit?	Yes
Prior Audit Finding Number:	2019-002

NONCOMPLIANCE AND MATERIAL WEAKNESS

**34 CFR § 668.54(a)(1)** provides that an institution must generally require an applicant whose free application for federal student aid (FAFSA) information is selected for verification by the Secretary of the U.S. Department of Education (the Secretary) to verify the information specified by the Secretary.

Testing of students selected for verification revealed that the institution did not require one out of eight students to verify the high school completion status as required by the Secretary.

Failure to properly require verification of FAFSA information can result in awarding ineligible students federal student aid and federal questioned costs.

The Financial Aid Coordinator should ensure all required verification documentation is maintained in student files before awarding or disbursing any Title IV funds.

**Officials' Response:** See Corrective Action Plan.





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 330.424.9561  
 www.CCCTC.k12.oh.us

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS  
 2 CFR 200.511(b)  
 JUNE 30, 2020**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2019-001	Student Financial Assistance-Eligibility	Partially Corrected	The one instance occurred prior to audit finding 2019-001 being issued on December 17, 2019.
2019-002	Student Financial Assistance-Verification	Not Corrected	The one instance occurred prior to audit finding 2019-002 being issued on December 17, 2019.

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**CORRECTIVE ACTION PLAN**  
**2 CFR § 200.511(c)**  
**June 30, 2020**

<b>Finding Number:</b>	2020-001
<b>Planned Corrective Action:</b>	The Financial Aid Coordinator will review student files for all required verification documentation. If required verification documentation has not been submitted by the student, the Financial Aid Coordinator will notify the student in writing that the verification information needs to be submitted before any Title IV Funds can be awarded or disbursed.
<b>Anticipated Completion Date:</b>	July 1, 2020
<b>Responsible Contact Person:</b>	Katherine Mihalich, Treasurer

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# OHIO AUDITOR OF STATE KEITH FABER



**COLUMBIANA COUNTY CAREER AND TECHNOLOGY CENTER**

**COLUMBIANA 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 3/9/2021**

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

This report is a matter of public record and is available online at  
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