SPRINGFIELD-CLARK CAREER TECHNOLOGY CENTER
CLARK COUNTY

REGULAR AUDIT

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Dave Yost • Auditor of State

SPRINGFIELD-CLARK CAREER TECHNOLOGY CENTER
CLARK COUNTY
JUNE 30, 2016

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CLARK COUNTY
JUNE 30, 2016

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INDEPENDENT AUDITOR'S REPORT

Springfield-Clark Career Technology Center
Clark County
1901 Selma Road
Springfield, Ohio 45505

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Springfield-Clark Career Technology Center, Clark County, Ohio (the Center), as of and for the fiscal year ended June 30, 2016, 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 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.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Springfield-Clark Career Technology Center, Clark County, Ohio, as of June 30, 2016, and the respective changes in financial position thereof for the fiscal year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 5, 2017, on our consideration of the Center's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Center's internal control over financial reporting and compliance.

Dave Yost
Auditor of State
Columbus, Ohio

June 5, 2017

The discussion and analysis of Springfield-Clark Career Technology Center's (the Center) financial performance provides an overall review of the Center's financial activities for the fiscal year ended June 30, 2016. The intent of this discussion and analysis is to look at the Center's financial performance as a whole; readers should also review the notes to the basic financial statements and the basic financial statements to enhance their understanding of the Center's performance.

Financial Highlights

Key financial highlights for 2016 are as follows:

- Net position of governmental activities increased $806,293 which represents a 15% increase from 2015.

- General revenues accounted for $11,333,799 in revenue or 91% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for $1,131,997 or 9% of total revenues of $12,465,796.

- The Center had $11,659,503 in expenses related to governmental activities; $1,131,997 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of $11,333,799 were also used to provide for these programs.

Overview of the Financial Statements

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

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

Government-wide Financial Statements

While this document contains the large number of funds used by the Center to provide programs and activities, the view of the Center as a whole looks at all financial transactions and asks the question, "How did we do financially during 2016?" The Government-wide Financial Statements answers this question. These statements include *all assets, deferred outflows of resources, liabilities, and deferred inflows of resources* using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

Fund Financial Statements

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

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

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

The Center as a Whole

As stated previously, the Statement of Net Position looks at the Center as a whole. Table 1 provides a summary of the Center's net position for fiscal year 2016 compared to fiscal year 2015:

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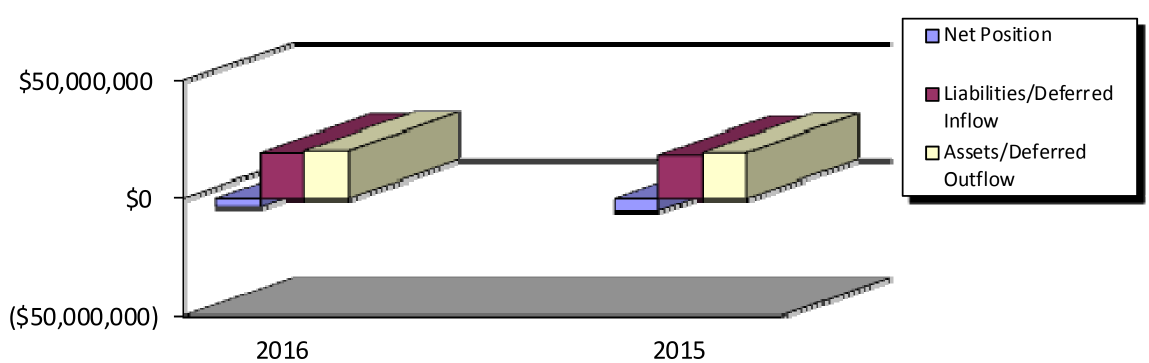
Table 1
Net Position

	Governmental Activities	
	2016	2015
Assets:		
Current and Other Assets	$14,541,514	$14,583,712
Capital Assets	4,961,134	5,024,720
Total Assets	19,502,648	19,608,432
Deferred Outflows of Resources:		
Pension	1,694,142	1,100,831
Total Deferred Outflows of Resources	1,694,142	1,100,831
Liabilities:		
Other Liabilities	1,037,393	1,070,317
Long-Term Liabilities	18,385,337	17,301,355
Total Liabilities	19,422,730	18,371,672
Deferred Inflows of Resources:		
Property Taxes	4,915,637	5,023,818
Pension	1,346,147	2,607,790
Total Deferred Inflows of Resources	6,261,784	7,631,608
Net Position:		
Net Investment in Capital Assets	3,310,714	2,856,307
Restricted	129,267	137,603
Unrestricted	(7,927,705)	(8,287,927)
Total Net Position	($4,487,724)	($5,294,017)



Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2016, the Center's liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by $4,487,724.

At year-end, capital assets represented 25% of total assets. Capital assets include land, buildings and improvements, and equipment. Capital assets, net of related debt issued to acquire the assets was $3,310,714 at June 30, 2016. These capital assets are used to provide services to the students and are not available for future spending. Although the Center's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the Center's net position, $129,267 represents resources that are subject to external restriction on how they must be used. The external restriction will not affect the availability of fund resources for future use.

Current Assets decreased mainly due to a decrease in pooled cash and investments and inventory. Long-Term Liabilities increased mainly due to the increase in the Net Pension Liability.

Table 2 shows the changes in net position for fiscal years 2016 and 2015.

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Table 2
Changes in Net Position

	Governmental Activities 2016	Governmental Activities 2015
Revenues:		
Program Revenues		
Charges for Services	$407,759	$310,053
Operating Grants and Contributions	724,238	712,120
General Revenues:		
Property Taxes	5,087,691	4,089,626
Grants and Entitlements	6,097,315	6,188,862
Other	148,793	267,176
Total Revenues	12,465,796	11,567,837
Program Expenses:		
Instruction	7,047,420	6,971,587
Support Services:		
Pupil and Instructional Staff	1,253,753	1,294,315
School Administrative, General Administration, Fiscal and Business	1,523,127	1,525,167
Operations and Maintenance	1,221,692	1,234,724
Pupil Transportation	42,831	54,499
Central	87,524	58,433
Operation of Non-Instructional Services	383,657	294,255
Extracurricular Activities	33,701	28,590
Interest and Fiscal Charges	65,798	92,082
Total Program Expenses	11,659,503	11,553,652
Change in Net Position	806,293	14,185
Net Position - Beginning of Year	(5,294,017)	(5,308,202)
Net Position - End of Year	($4,487,724)	($5,294,017)

The Center's revenues are mainly from two sources. Property taxes levied for general purposes and grants and entitlements comprised 90% of the Center's revenues for governmental activities.

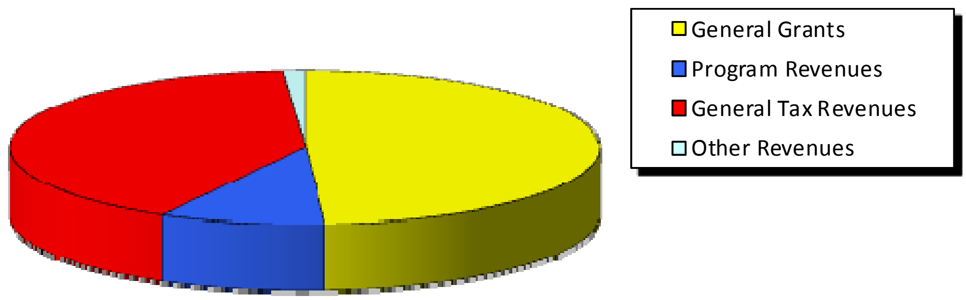
The Center depends greatly on property taxes as a revenue source. The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenues generated by a levy will not increase solely as a result of inflation. As an example, a homeowner with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

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

Property taxes made up 41% of revenues for governmental activities for the Center in fiscal year 2016. The Center's reliance upon tax revenues is demonstrated by the following graph:

Governmental Activities
Revenue Sources

	2016	Percentage
General Grants	$6,097,315	48.91%
Program Revenues	1,131,997	9.08%
General Tax Revenues	5,087,691	40.81%
Other Revenues	148,793	1.20%
Total Revenue Sources	$12,465,796	100.00%



Instruction comprises 61% of governmental program expenses. Support services expenses were 35% of governmental program expenses. All other expenses were 4%.

Total revenues increased due to increases in charges for services and property taxes collected. Total expenses increased mainly due to the general inflationary factors.

Governmental Activities

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

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Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2016	2015	2016	2015
Instruction	$7,047,420	$6,971,587	($6,325,348)	($6,323,978)
Support Services:				
Pupil and Instructional Staff	1,253,753	1,294,315	(1,232,092)	(1,254,168)
School Administrative, General Administration, Fiscal and Business	1,523,127	1,525,167	(1,520,469)	(1,518,082)
Operations and Maintenance	1,221,692	1,234,724	(1,221,692)	(1,234,724)
Pupil Transportation	42,831	54,499	(42,831)	(54,499)
Central	87,524	58,433	(87,524)	(58,433)
Operation of Non-Instructional Services	383,657	294,255	(192)	32,879
Extracurricular Activities	33,701	28,590	(31,560)	(28,392)
Interest and Fiscal Charges	65,798	92,082	(65,798)	(92,082)
Total Expenses	$11,659,503	$11,553,652	($10,527,506)	($10,531,479)

The Center's Funds

The Center has one major governmental fund: the General Fund. Assets of the general fund comprised $14,030,087 (94%) of the total $14,861,638 governmental funds' assets.

General Fund: Fund balance at June 30, 2016 was $7,518,644, an increase in fund balance of $56,095 from 2015. The fund balance increased mostly due to an increase in property tax revenue from 2016 to 2015.

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 2016, the Center amended its General fund budgets; however none were significant. The Center uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management. During the course of the year, the Center revised the Budgets in an attempt to deal with unexpected changes in revenues and expenditures.

For the General Fund, final budget basis revenue was $11,842,110, compared to original budget estimates of $11,406,314. Of the $435,796 difference, most was due to an underestimation of taxes revenue and intergovernmental revenue in the original budget.

The Center's ending unobligated cash balance for the General Fund was $7,448,612.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2016 the Center had $4,961,134 invested in land, vehicles, land improvements, buildings and improvements, furniture, fixtures, and equipment. Table 4 shows fiscal year 2016 balances compared to fiscal year 2015:

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

	Governmental Activities	
	2016	2015
Land	$647,488	$647,488
Land Improvements	12,319	15,367
Buildings and Improvements	3,100,336	3,235,322
Furniture, Fixtures and Equipment	1,184,097	1,024,122
Vehicles	16,894	102,421
Total Net Capital Assets	$4,961,134	$5,024,720

The decrease in capital assets is due to asset disposals and depreciation expense being greater than current year additions.

See Note 7 to the basic financial statements for further details on the Center's capital assets.

Debt

At June 30, 2016, the Center had $1,650,420 in bonds and leases outstanding, $497,993 due within one year. Table 5 summarizes debt outstanding:

Table 5
Outstanding Debt, at Year End

	Governmental Activities	
	2016	2015
HB264 Bonds	$780,000	$840,000
Capital Leases	870,420	1,328,413
	$1,650,420	$2,168,413

See Note 12 and 13 in the notes to the basic financial statements for further details on the Center's outstanding debt.

For the Future

Springfield-Clark Career Technology Center continues to be flat-lined by the State of Ohio in terms of revenue. The Center is on the guarantee, which means they are not generating any more revenue for additional students. It is up in the air as to how long the Ohio Department of Education will keep the Center on this guarantee past fiscal year 2016. Clark County experienced a re-appraisal in 2013. There were parts of the county that saw an increase, while other parts saw a decrease. Because of that, the Center has also flat-lined the Res/Ag tax revenue for the near future. The Center is not expecting to see any additional revenue to help offset the increasing expenses.

The Center is constantly looking at ways to live within the budget. The Center is always looking at ways to do the things more efficiently and cheaper. As a vocational school, the Center is required to spend 75% of the weighted funds on vocational programs. This includes items such as; textbooks, workbooks, supplies, technology, equipment, etc.

The Springfield-Clark Career Technology Center is committed to providing the students of Clark County the best vocational education resources to enhance their learning capabilities. In order to do this, the Center must find ways to be innovative in the delivery methods, which includes using the most recent technology that industries are using. The Center can achieve this by living within their means and spending weighted and grant funds wisely.

Contacting the Center's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the Center's finances and to show the Center's accountability for the money it receives. If you have questions about this report or need additional financial information contact the Treasurer's Office at Springfield-Clark Career Technology Center, 1901 Selma Road, Springfield, Ohio 45505 or call (937) 325-7368.

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Springfield-Clark Career Technology Center, Clark County, Ohio
Statement of Net Position
June 30, 2016

	Governmental Activities
Assets:	
Equity in Pooled Cash and Investments	$8,441,607
Receivables (Net):	
Taxes	5,825,226
Accounts	8,241
Interest	12,534
Intergovernmental	252,900
Inventory	1,006
Nondepreciable Capital Assets	647,488
Depreciable Capital Assets, Net	4,313,646
Total Assets	19,502,648
Deferred Outflows of Resources:	
Pension	1,694,142
Total Deferred Outflows of Resources	1,694,142
Liabilities:	
Accounts Payable	63,998
Accrued Wages and Benefits	968,784
Accrued Interest Payable	4,611
Long-Term Liabilities:	
Due Within One Year	572,037
Due In More Than One Year	
Net Pension Liability	16,050,900
Other Amounts	1,762,400
Total Liabilities	19,422,730
Deferred Inflows of Resources:	
Property Taxes	4,915,637
Pension	1,346,147
Total Deferred Inflows of Resources	6,261,784
Net Position:	
Net Investment in Capital Assets	3,310,714
Restricted for:	
Local / State Grants	69,346
Other Purposes	59,921
Unrestricted	(7,927,705)
Total Net Position	($4,487,724)

See accompanying notes to the basic financial statements.

Springfield-Clark Career Technology Center, Clark County, Ohio
Statement of Activities
For the Fiscal Year Ended June 30, 2016

		Program Revenues		Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities:				
Instruction:				
Special	$546,898	$0	$0	($546,898)
Vocational	6,398,511	234,193	487,879	(5,676,439)
Other	102,011	0	0	(102,011)
Support Services:				
Pupil	596,331	2,782	17,079	(576,470)
Instructional Staff	657,422	0	1,800	(655,622)
General Administration	52,821	0	0	(52,821)
School Administration	909,927	0	2,658	(907,269)
Fiscal	542,072	0	0	(542,072)
Business	18,307	0	0	(18,307)
Operations and Maintenance	1,221,692	0	0	(1,221,692)
Pupil Transportation	42,831	0	0	(42,831)
Central	87,524	0	0	(87,524)
Operation of Non-Instructional Services	383,657	168,643	214,822	(192)
Extracurricular Activities	33,701	2,141	0	(31,560)
Interest and Fiscal Charges	65,798	0	0	(65,798)
Total Governmental Activities	$11,659,503	$407,759	$724,238	(10,527,506)

General Revenues:	
Property Taxes Levied for:	
General Purposes	5,087,691
Grants and Entitlements, Not Restricted	6,097,315
Investment Earnings	81,975
Other Revenues	66,818
Total General Revenues	11,333,799
Change in Net Position	806,293
Net Position - Beginning of Year	(5,294,017)
Net Position - End of Year	($4,487,724)

See accompanying notes to the basic financial statements.

Springfield-Clark Career Technology Center, Clark County, Ohio
Balance Sheet
Governmental Funds
June 30, 2016

	General	Other Governmental Funds	Total Governmental Funds
Assets:			
Equity in Pooled Cash and Investments	$7,863,962	$577,645	$8,441,607
Receivables (Net):			
Taxes	5,825,226	0	5,825,226
Accounts	8,241	0	8,241
Interest	12,534	0	12,534
Intergovernmental	0	252,900	252,900
Interfund	320,124	0	320,124
Inventory	0	1,006	1,006
Total Assets	14,030,087	831,551	14,861,638
Liabilities:			
Accounts Payable	48,922	15,076	63,998
Accrued Wages and Benefits	906,057	62,727	968,784
Compensated Absences	21,743	0	21,743
Interfund Payable	0	320,124	320,124
Total Liabilities	976,722	397,927	1,374,649
Deferred Inflows of Resources:			
Property Taxes	4,915,637	0	4,915,637
Unavailable Revenue	606,550	0	606,550
Grants and Other Taxes	0	68,124	68,124
Investment Earnings	12,534	0	12,534
Total Deferred Inflows of Resources	5,534,721	68,124	5,602,845
Fund Balances:			
Restricted	0	136,049	136,049
Assigned	1,340,449	304,132	1,644,581
Unassigned	6,178,195	(74,681)	6,103,514
Total Fund Balances	7,518,644	365,500	7,884,144
Total Liabilities, Deferred Inflows and Fund Balances	$14,030,087	$831,551	$14,861,638

See accompanying notes to the basic financial statements.

Springfield-Clark Career Technology Center, Clark County, Ohio
Reconciliation of Total Governmental Fund Balance to
Net Position of Governmental Activities
June 30, 2016

Total Governmental Fund Balance		$7,884,144
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets used in the operation of Governmental Funds		4,961,134
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		
Delinquent Property Taxes	$606,550	
Interest	12,534	
Intergovernmental	68,124	
		687,208
In the statement of net position interest payable is accrued when incurred; whereas, in the governmental funds interest is reported as a liability only when it will require the use of current financial resources.		(4,611)
Some liabilities reported in the statement of net position do not require the use of current financial resources and, therefore, are not reported as liabilities in governmental funds.		
Compensated Absences		(662,274)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions	$1,694,142	
Deferred inflows of resources related to pensions	(1,346,147)	
		347,995
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Net Pension Liability	($16,050,900)	
Other Amounts	(1,650,420)	
		(17,701,320)
Net Position of Governmental Activities		($4,487,724)

See accompanying notes to the basic financial statements.

Springfield-Clark Career Technology Center, Clark County, Ohio
Statement of Revenues, Expenditures
and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended June 30, 2016

	General	Other Governmental Funds	Total Governmental Funds
Revenues:			
Property and Other Taxes	$5,089,251	$0	$5,089,251
Tuition and Fees	181,077	0	181,077
Investment Earnings	74,291	0	74,291
Intergovernmental	6,172,842	630,505	6,803,347
Charges for Services	52,698	174,643	227,341
Other Revenues	37,063	29,096	66,159
Total Revenues	11,607,222	834,244	12,441,466
Expenditures:			
Current:			
Instruction:			
Special	564,008	0	564,008
Vocational	5,819,586	462,520	6,282,106
Other	104,785	0	104,785
Support Services:			
Pupil	617,772	27,462	645,234
Instructional Staff	662,119	2,699	664,818
General Administration	52,596	0	52,596
School Administration	922,322	4,809	927,131
Fiscal	583,818	0	583,818
Business	21,688	0	21,688
Operations and Maintenance	1,231,232	26,024	1,257,256
Pupil Transportation	42,831	0	42,831
Central	17,680	1,227	18,907
Operation of Non-Instructional Services	0	365,995	365,995
Extracurricular Activities	27,612	6,858	34,470
Capital Outlay	0	181,956	181,956
Debt Service:			
Principal Retirement	517,993	0	517,993
Interest and Fiscal Charges	67,371	0	67,371
Total Expenditures	11,253,413	1,079,550	12,332,963
Excess of Revenues Over (Under) Expenditures	353,809	(245,306)	108,503
Other Financing Sources (Uses):			
Proceeds from Sale of Assets	2,286	0	2,286
Transfers In	0	300,000	300,000
Transfers (Out)	(300,000)	0	(300,000)
Total Other Financing Sources (Uses)	(297,714)	300,000	2,286
Net Change in Fund Balance	56,095	54,694	110,789
Fund Balance - Beginning of Year	7,462,549	310,806	7,773,355
Fund Balance - End of Year	$7,518,644	$365,500	$7,884,144

See accompanying notes to the basic financial statements.

Springfield-Clark Career Technology Center, Clark County, Ohio
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2016

Net Change in Fund Balance - Total Governmental Funds		$110,789
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital asset additions as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of the difference between capital asset additions and depreciation in the current period.		
Capital assets used in governmental activities	$167,508	
Depreciation Expense	(151,911)	
		15,597
Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. The amount of the proceeds must be removed and the gain or loss on the disposal of capital assets must be recognized. This is the amount of the difference between the proceeds and the gain or loss.		(79,183)
Governmental funds report pension contributions as expenditures. However in the Statement of Activites, the cost of pension benefits earned net of employee contributions is reported as pension expense.		
Pension contributions	$956,135	
Cost of benefits earned net of employee contributions	(786,975)	
		169,160
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Delinquent Property Taxes	($1,560)	
Interest	7,684	
Intergovernmental	18,206	
		24,330
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		517,993
In the statement of activities interest expense is accrued when incurred; whereas, in governmental funds an interest expenditure is reported when due.		1,573
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Compensated Absences		46,034
Change in Net Position of Governmental Activities		$806,293

See accompanying notes to the basic financial statements.

Springfield-Clark Career Technology Center, Clark County, Ohio
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2016

	Private Purpose Trust	Agency
Assets:		
Equity in Pooled Cash and Investments	$196,471	$38,757
Total Assets	196,471	38,757
Liabilities:		
Other Liabilities	0	38,757
Total Liabilities	0	$38,757
Net Position:		
Held in Trust	196,471	
Total Net Position	$196,471	

See accompanying notes to the basic financial statements.

Springfield-Clark Career Technology Center, Clark County, Ohio
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Fiscal Year Ended June 30, 2016

	Private Purpose Trust
Additions:	
Investment Earnings	$3,312
Total Additions	3,312
Deductions:	
Scholarships	0
Total Deductions	0
Change in Net Position	3,312
Net Position - Beginning of Year	193,159
Net Position - End of Year	$196,471

See accompanying notes to the basic financial statements.

Note 1 – Description of the Center and Reporting Entity

The Springfield-Clark Career Technology Center (the "Center") is a joint vocational school district as defined by Section 3322.28 of the Ohio Revised Code. The Center is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The Springfield-Clark County "JVS Plan" was approved by the State Department of Education on April 13, 1964. On May 18, 1964, the Springfield-Clark County Joint Vocational School Board of Education was organized. The Board is comprised of two (2) members of the Springfield City Board of Education and one (1) from the Clark County Educational Service Center. The number of representatives from the City and the Educational Service Center was based on the student population at the time. The City and the Educational Service center each selected who will also serve as members of the board of the Center. In 1998, the Board of Education passed a resolution to expand from the five (5) board members to a nine (9) member Board of Education with local, ESC, and City school district representatives. Each district including: Clark-Shawnee Local, Greenon Local, Northeastern Local, Northwestern Local, Southeastern Local, and Tecumseh Local would have one (1) seat. The ESC would have one (1) seat and Springfield City would have two (2) seats. The Center is staffed by 28 classified employees, 68 certified teaching personnel, and 6 administrative employees who provide services to 754 students and other community members. The Center currently operates six (6) instructional buildings and an administrative building. During 2008, our name was changed from Joint Vocational School to Career Technology Center.

The school systems participating in the Center include: Springfield City, Northeastern Local, Southeastern Local, Clark-Shawnee Local, Greenon Local, Tecumseh Local and Northwestern Local. Each of these districts may send students to the Center, which offers students job training leading to employment upon graduation from high school. Each of the participating districts appoints a member from its Board to the Springfield-Clark Career Technology Center Board.

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements are not misleading. 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, preschool 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. The Center has no component units.

The following entity which performs activities within the Center boundaries for the benefit of its residents is excluded from the accompanying financial statements because the Center is not financially accountable for this entity nor is it fiscally dependent on the Center.

City of Springfield – The city government of Springfield is a separate body politic and corporate. The council is elected independent of any Center relationships and administers the provision of traditional city services. Council acts as the taxing and budgeting authority for these city services.

The Center is associated with one joint venture, three jointly governed organizations and one insurance purchasing pool. These organizations are discussed in Notes 15, 16 and 17 to the basic financial statements. These organizations are:

Joint Venture:
Early Childhood Education Center (the Center)

Jointly Governed Organizations:
Miami Valley Educational Computer Association (MVECA), Southwestern Ohio Educational Purchasing Council (SOEPC), Southwestern Ohio Instructional Technology Association (SOITA)

Insurance Purchasing Pool:
Ohio School Board Association Workers' Compensation Group Rating Plan

Note 2 – Summary of Significant Accounting Policies

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

Basis of Presentation

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

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

Fund Financial Statements

During the year, the Center segregates transactions related to certain Center functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Center at this more detailed level. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. The major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type on a separate financial statement.

Fund Accounting

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

Governmental Funds

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

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

The other governmental funds of the Center account for grants and other resources and capital projects of the Center whose uses are restricted or assigned to a particular purpose.

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Trust funds are used to account for assets held by the Center under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the Center's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Center has various funds established to provide scholarships to its students that are classified as private-purpose trust funds. Funds used to account for the activity of the numerous student-managed activities within the Center are classified as agency funds.

Measurement Focus

Government-Wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the Center are included on the Statement of Net position.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds. Fiduciary funds are reported using the accrual basis of accounting; however, since the agency funds only report assets and liabilities they have no measurement focus whereas the private purpose trust fund uses the economic resource measurement focus.

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

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current fiscal year or 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. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the 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, grants, investment earnings, and student fees.

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the Center, deferred inflows of resources include property taxes, pension, and grants and other taxes. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2016, but which were levied to finance year 2017 operations. These amounts have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements.

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.

Equity in Pooled Cash and Investments

To improve cash management, cash received by the Center is pooled. Monies for all funds, including fiduciary 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 statement of net position and governmental balance sheet.

During fiscal year 2016, investments included were limited to non-negotiable certificates of deposits, Federal Home Loan Bank Notes, Federal Home Loan Mortgage Corporation Notes, Federal National Mortgage Association Notes, Federal Farm Credit Bank Notes, Commercial Paper, STAROhio, and money market accounts.

During fiscal year 2016, the Center invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The Center measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For the fiscal year 2016, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding $25 million. STAR Ohio reserves the right to limit the transaction to $50 million, requiring the excess amount to be transacted the following business day(s), but only to the $50 million limit. All accounts of the participant will be combined for these purposes.

The Center allocates interest according to State statutes. Interest revenue credited to the General Fund during fiscal year was $74,291, including amounts allocated from other funds.

Inventory

On the government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used.

On the fund financial statements, inventories of governmental funds are stated at cost. For all funds, cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items is recorded as an expenditure in the governmental funds when purchased. Reported inventory is also reported as restricted fund balance.

Estimates

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

Capital Assets and Depreciation

Capital assets, which include land, land improvements, buildings and improvements, furniture, fixtures, equipment and vehicles, are reported in the government-wide financial statements. All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements throughout the year. Donated capital assets are recorded at their fair market values as of the date received. The Center maintains a capitalization threshold of $2,500. The Center does not possess any infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of capital assets is also not capitalized.

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

Description	Estimated Lives
Land Improvements	15 - 30 years
Buildings and Improvements	20 - 40 years
Furniture, Fixtures and Equipment	5 - 20 years
Vehicles	5 years

Interfund Activity

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

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

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

Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the Center will compensate the employees for the benefits through paid time off or some other means. The Center records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

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

For governmental funds, the current portion of unpaid compensated absences is the amount normally due for payment during the current year. These amounts are reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The entire liability is reported on the government-wide statement of net position.

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. Long-term general obligation bonds and capital leases are recognized as a liability on the governmental fund financial statements when due.

Pensions

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

Net Position

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

Fund Balance

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

> Nonspendable – resources that are not in spendable form or have legal or contractual requirements to maintain the balance intact.
>
> Restricted – resources that have external purpose restraints imposed on them by providers, such as creditors, grantors, or other regulators.
>
> Committed – resources that can be used only for the specific purposes imposed by a formal action (board resolution) of the Center's Board of Education. The Board of Education is the highest level of decision making authority for the Center. Those committed resources cannot be used for any other purpose unless the Center's Board of Education removes or changes the specified use by taking the same type of action (board resolution) it employed to previously commit those resources.
>
> Assigned – resources that are intended to be used for specific purposes as approved through the Center's formal purchasing procedure by the Treasurer. In the general fund, assigned amounts represent intended uses established by policies of the Center's Board of Education. The adoption of the board appropriation resolution is the established policy, which gives the authorization to assign resources for a specific purpose.
>
> Unassigned – residual fund balance within the General Fund that is not restricted, committed, or assigned. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from incurred expenses for specific purposes exceeding amounts which had been restricted, committed or assigned for said purposes.

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

Note 3 – Accountability

The following funds had deficit fund balances/net position at June 30, 2016:

Fund	Deficit
Miscellaneous Federal Grants	$2,237
Perkins Grant	72,444

The deficits were created by application of generally accepted accounting principles. The general fund provides cash to these funds; however, that does not happen until needed.

Note 4 – Equity in Pooled Cash 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 the Board of Education has identified as not required for use within the current five-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

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

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

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

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

2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National

Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

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

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

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

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

7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred and eighty days in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time, and;

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

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the 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. Payments for investments may be made only upon delivery of the securities representing the investments to the Treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Deposits: Custodial credit risk is the risk that in the event of a bank failure, the Center's deposits may not be returned to it. According to state law, public depositories must give security for all public funds on deposit in excess of those funds that are insured by the Federal Deposit Insurance Corporation (FDIC) or by any other agency or instrumentality of the federal government. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by the FDIC, or may pledge a pool of government securities valued at least 105% of the total value of public monies on deposit at the institution. The Center's policy is to deposit money with financial institutions that are able to abide by the laws governing insurance and collateral of public funds.

As of June 30, 2016, $2,446,059 of the Center's bank balance of $4,196,059 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Center's name.

Investments: The Center's investments are categorized to give an indication of the level of risk assumed by the Center at fiscal year end. Category 1 includes investments that are insured or registered for which the Center or its agent in the Center's name holds the securities. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the Center's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department or agent but not in the Center's name. STAR Ohio is an unclassified investment since it is not evidenced by securities that exist in physical or book entry form.

Investment Type	Fair Value	Weighted Average Maturity (Years)	% of Total
Federal Home Loan Bank	$381,031	0.90	11%
Federal National Mortgage Association	1,422,420	2.62	40%
Federal Farm Credit Bank	221,703	2.18	6%
Federal Home Loan Mortgage Association	825,370	3.63	23%
Commercial Paper	359,950	0.03	10%
Money Market Fund	356,307	0.00	10%
Total Fair Value	$3,566,781		100%
Portfolio Weighted Average Maturity		1.87	

The Center categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The above table identifies the Center's recurring fair value measurements as of June 30, 2016. All investments of the Center are valued using quoted market prices.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with the investment policy, the Center manages its exposure to decline in fair values by limiting the weighted average maturity of its investment portfolio.

Credit Risk: The Center's investments, except for the Commercial Paper, and Money Market Funds were rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively. Commercial Paper was rated P-1 by Moody's Investor Services and A-1 by Standard & Poor's. The Money Market Funds are not rated. The Center's investment policy does not specifically address credit risk beyond requiring the Center to only invest in securities authorized by State statute. Ohio Revised Code 135.14(B)(7)(a) limits commercial paper purchases to those assigned the highest credit rating by two nationally recognized rating services.

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single user. The Center's investment policy allows investments in Federal Agencies or Instrumentalities.

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. The federal agency securities and U.S. Treasury notes are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent but not in the Center's name. 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.

Note 5 – Property Taxes

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

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. The Center receives property taxes from Clark, Miami, Champaign, and Greene 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, 2016, are available to finance fiscal year 2017 operations. The amount available for advance can vary based on the date the tax bills are sent.

Accrued property taxes receivable represent delinquent taxes outstanding and real property, personal property and public utility taxes which became measurable at June 30, 2016. Delinquent property taxes collected within 60 days are included as a receivable and tax revenue as of June 30, 2016 on the fund statements. The entire amount of delinquent taxes receivable is recognized as revenue on the government-wide financial statements. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is available to finance current year operations. The receivable is, therefore, offset by a credit to deferred inflows of resources for that portion not intended to finance current year operations. The amount available as an advance at June 30, 2016, was $303,039 for General Fund and is recognized as revenue.

The assessed value, by property classification, upon which taxes collected in 2016 were based as follows:

	Current Year Amount	Prior Year Amount
Agricultural/Residental and Other Real Estate	$2,176,809,835	$2,187,044,713
Public Utility	105,660,750	98,299,510
Total	$2,282,470,585	$2,285,344,223

Note 6 – Receivables

Receivables at June 30, 2016, consisted of current and delinquent property taxes, accounts (rent and student fees), intergovernmental grants, interest and interfund transactions. 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 fiscal year guarantee of federal funds.

Note 7 – Capital Assets

Capital asset activity for the fiscal year ended June 30, 2016, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities:				
Capital Assets, not being depreciated:				
Land	$647,488	$0	$0	$647,488
Total capital assets, not being depreciated	647,488	0	0	647,488
Capital Assets, being depreciated:				
Land Improvements	364,938	0	0	364,938
Building and Improvements	8,538,308	0	0	8,538,308
Furniture, Fixtures and Equipment	3,095,799	167,508	0	3,263,307
Vehicles	386,340	0	127,943	258,397
Total capital assets being depreciated	12,385,385	167,508	127,943	12,424,950
Totals at Historical Cost	13,032,873	167,508	127,943	13,072,438
Less Accumulated Depreciation For:				
Land Improvements	349,571	3,048	0	352,619
Building and Improvements	5,302,986	134,986	0	5,437,972
Furniture, Fixtures and Equipment	2,071,677	7,533	0	2,079,210
Vehicles	283,919	6,344	48,760	241,503
Total Accumulated Depreciation	8,008,153	151,911	48,760	8,111,304
Total capital assets, net	$5,024,720	$15,597	$79,183	$4,961,134

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Vocational	$108,396
Support Services:	
Instructional Staff	6,983
School Administration	1,890
Operations and Maintenance	3,726
Central	30,457
Operation of Non-Instructional Services	459
Total Depreciation Expense	$151,911

Note 8 – Risk Management

Property and Liability

The Center is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2016, the Center contracted with Selective Insurance Company and Travelers Insurance Company for the coverages identified below.

Building and Contents-replacement cost (no deductible)	$350,000,000
Automobile Liability (no deductible)	5,000,000
General Liability:	
Per occurrence	5,000,000
Total per year	5,000,000

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

Workers' Compensation

For fiscal year 2016, the Center participated in the Ohio School Board Association Workers' Compensation Group Retro Rating Plan (GRRP), a workers' compensation insurance purchasing pool (Note 17). The intent of the GRRP is to achieve the benefit of a reduced premium for the Center by virtue of its grouping and representation with other participants in the GRRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRRP rather than its individual rate.

Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRRP.

A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund." This "equity pooling" arrangement ensures that each participant shares equally in the overall performance of the GRRP. Participation in the GRRP is limited to school districts that can meet the GRRP's selection criteria. Comp Management, Inc. provides administrative, cost control and actuarial services to the GRRP.

Note 9 - Defined Benefit Pension Plans

Net Pension Liability

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

Ohio Revised Code limits the 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 *accrued wages and benefits* on both the accrual and modified accrual bases of accounting.

Plan Description - School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

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

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

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

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

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the Center is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2016, the allocation to pension, death benefits, and Medicare B was 14 percent. None of the 14 percent employer contribution rate was allocated to the Health Care Fund.

The Center's contractually required contribution to SERS was $191,284 for fiscal year 2016. Of this amount $7,162 is reported as accrued wages and benefits.

Plan Description - State Teachers Retirement System (STRS)

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

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

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

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

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

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

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The statutory maximum employee contribution rate was increased one percent July 1, 2014, and will be increased one percent each year until it reaches 14 percent on July 1, 2016. For the fiscal year ended June 30, 2016, plan members were required to contribute 13 percent of their annual covered salary. The Center was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2016 contribution rates were equal to the statutory maximum rates.

The Center's contractually required contribution to STRS was $764,851 for fiscal year 2016. Of this amount $93,770 is reported as accrued wages and benefits.

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

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Center's proportion of the net pension liability was based on the Center's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share:

	SERS	STRS	Total
Proportionate Share of the Net Pension Liability	$2,575,029	$13,475,871	$16,050,900
Proportion of the Net Pension Liability	0.04512770%	0.04876012%	
Pension Expense	216,006	570,969	786,975

At June 30, 2016, the Center reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	$41,463	$614,330	$655,793
Changes in employer proportion and differences between contributions and proportionate share of contributions	82,214	0	82,214
Center contributions subsequent to the measurement date	191,284	764,851	956,135
Total Deferred Outflows of Resources	$314,961	$1,379,181	$1,694,142
Deferred Inflows of Resources			
Net difference between projected and actual earnings on pension plan investments	$85,319	$969,170	$1,054,489
Changes in employer proportionate share of net pension liability	0	291,658	291,658
Total Deferred Inflows of Resources	$85,319	$1,260,828	$1,346,147

$956,135 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, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2017	($4,718)	($291,625)	($296,343)
2018	(4,718)	(291,625)	(296,343)
2019	(4,914)	(291,625)	(296,539)
2020	52,708	228,377	281,085
Total	$38,358	($646,498)	($608,140)

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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, 2015, are presented below:

Wage Inflation	3.25 percent
Future Salary Increases, including inflation	4 percent to 22 percent
COLA or Ad Hoc COLA	3 percent
Investment Rate of Return	7.75 percent net of investments expense, including inflation
Actuarial Cost Method	Entry Age Normal

For post-retirement mortality, the table used in evaluating allowances to be paid is the 1994 Group Annuity Mortality Table set back one year for both men and women. Special mortality tables are used for the period after disability retirement.

The most recent experience study was completed June 30, 2010.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	1.00 %	0.00 %
US Stocks	22.50	5.00
Non-US Stocks	22.50	5.50
Fixed Income	19.00	1.50
Private Equity	10.00	10.00
Real Assets	10.00	5.00
Multi-Asset Strategies	15.00	7.50
Total	100.00 %	

Discount Rate The total pension liability was calculated using the discount rate of 7.75 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.75 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the Center's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.75 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.75 percent), or one percentage point higher (8.75 percent) than the current rate.

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
Center's proportionate share of the net pension liability	$3,570,642	$2,575,029	$1,736,644

Changes Between Measurement Date and Report Date In April 2016, the SERS Board adopted certain assumption changes which impacted their annual actuarial valuation prepared as of June 30, 2016. The most significant change is a reduction in the discount rate from 7.75 percent to 7.5 percent. Although the exact amount of these changes is not known, the impact to the Center's net pension liability is expected to be significant.

Actuarial Assumptions - STRS

The total pension liability in the July 1, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

Actuarial assumptions used in the June 30, 2015, valuation are based on the results of an actuarial experience study, effective July 1, 2012.

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

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

Discount Rate The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2015. 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, 2015. Therefore, the long-term expected rate of return on pension plan investments of 7.75 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2015.

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

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
Center's proportionate share of the net pension liability	$18,719,001	$13,475,871	$9,042,022

Note 10 - Post Employment Benefits

School Employees Retirement System

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 45 purposes, this plan is considered a cost-sharing, multiple-employer, defined benefit other postemployment benefit (OPEB) plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's, Medicare Advantage, and traditional indemnity plans as well as a prescription drug program. The financial report of the Plan is included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Health care is financed through a combination of employer contributions and retiree premiums, copays and deductibles on covered health care expenses, investment returns, and any funds received as a result of SERS' participation in Medicare programs. Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of 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 basic benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. For the year ended June 30, 2016, the health care allocation is 0%. In addition, employers pay a surcharge for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. For fiscal year 2016, this amount was $23,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2016, the Center's surcharge obligation was $7,146.

The Center's contributions for health care for the fiscal years ended June 30, 2016, 2015, and 2014 were $7,146, $17,978, and $2,145, respectively. The full amount has been contributed for fiscal years 2016, 2015 and 2014.

State Teachers Retirement System

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

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. All benefit recipients, for the most recent year, pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For fiscal year 2016, STRS did not allocate any employer contributions to post-employment health care. The Center's contributions for health care for the fiscal years ended June 30, 2016, 2015, and 2014 were $0, $0, and $54,164, respectively. The full amount has been contributed for fiscal years 2016, 2015, and 2014.

Note 11 – Other Employee Benefits

Compensated Absences

The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees earn ten (10) to twenty (20) days of vacation per fiscal year, depending upon length of service.

Accumulated, unused vacation time is paid to classified employees upon termination of employment. Teachers and administrators do not earn vacation time with the exception of the Superintendent, Treasurer, and Technology Director.

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 240 days for all employees. Upon retirement, payment is made for 25% of the first 120 days of sick leave days and 20.833% of sick leave days accumulated in excess of 120. The maximum severance is not to exceed 55 days for teachers and classified employees. For administrators, 30% of the first 120 days of total sick leave accumulation is paid, plus 20% of days in excess of 120 up to a maximum of 65 days for administrative personnel.

Insurance Benefits

The Center provides life insurance to most employees through Coresource. Medical benefits are provided through Anthem Blue Cross and Blue Shield. Dental benefits are provided through Coresource. Vision benefits are provided through VSP.

Note 12 – Capital Leases - Lessee Disclosure

During 2013 and 2009, the Center entered into capitalized leases for copiers. Also during 2008, the Center entered into capitalized leases as part of the OASBO loan financing program for the improvement of the educational facility. Each lease meets the criteria of a capital lease as defined by Statement of

Financial Accounting Standards No. 13, "Accounting for Leases," which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the fund financial statements in the General Fund.

Principal payments for capital leases in fiscal year 2016 totaled $457,993 in the General Fund.

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of June 30, 2016.

Fiscal Year Ending June 30	Payment
2017	$462,960
2018	440,850
Total Minimum Lease Payments	$903,810
Amount Representing Interest	(33,390)
Present Value of Minimum Lease Payments	$870,420

Note 13 – Long-Term Obligations

Changes in long-term obligations of the Center during fiscal year 2016 were as follows:

	Interest Rate	Beginning Balance	Issued	Retired	Ending Balance	Due In One Year
Governmental Activities:						
2014 HB264 Bonds	3.25%	$840,000	$0	($60,000)	$780,000	$60,000
Net Pension Liability						
STRS		12,170,985	2,337,941	(1,033,055)	13,475,871	0
SERS		2,194,121	469,760	(88,852)	2,575,029	0
Total Net Pension Liability		14,365,106	2,807,701	(1,121,907)	16,050,900	0
Capital Leases		1,328,413	0	(457,993)	870,420	437,993
Subtotal Bonds, Pension and Capital Leases		16,533,519	2,807,701	(1,639,900)	17,701,320	497,993
Compensated Absences		767,836	34,580	(118,399)	684,017	74,044
Total Governmental Activities Long-Term Liabilities		$17,301,355	$2,842,281	($1,758,299)	$18,385,337	$572,037

On December 1, 2013 the Center issued HB264 bonds in the amount of $897,020 at an interest rate of 3.25% for the purposes of school energy improvements. The bonds will be retired from the general fund. The bonds mature on December 1, 2028.

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

Fiscal Year	HB264 Bonds		
Ending June 30	Principal	Interest	Total
2017	$60,000	$23,437	$83,437
2018	60,000	22,425	82,425
2019	60,000	20,475	80,475
2020	60,000	18,525	78,525
2021	60,000	16,575	76,575
2022-2026	300,000	53,625	353,625
2027-2029	180,000	8,775	188,775
Total	$780,000	$163,837	$943,837

Capital leases will be paid from the General Fund. Compensated absences will be paid from the fund from which the employees' salaries are paid.

Note 14 – Interfund Activity

Interfund transactions at June 30, 2016, consisted of the following individual fund receivables and payables and transfers in and out:

	Interfund		Transfers	
	Receivable	Payable	In	Out
General Fund	$320,124	$0	$0	$300,000
Other Governmental Funds	0	320,124	300,000	0
Total All Funds	$320,124	$320,124	$300,000	$300,000

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

Note 15 – Joint Venture

Early Childhood Education Center – The Springfield-Clark Career Technology Center entered into an agreement with Clark State Community College to operate the Early Childhood Education Center (the ECE Center). Clark State Community College is acting as the fiscal agent. The Center has a financial responsibility to the ECE Center to finance any operating deficits based upon a formula in the agreement. The ECE Center did not incur an operating loss during fiscal year 2016. To obtain financial information, write to Joe Jackson, who serves as Vice President of Business Affairs, at 770 East Leffel Lane, Post Office Box 570, Springfield, Ohio 45501.

Note 16 – Jointly Governed Organizations

Miami Valley Educational Computer Association – The Center is a participant in the Miami Valley Educational Computer Association (MVECA) which is a computer consortium. MVECA is an association of public school districts within the boundaries of Clark, Clinton, Fayette, Greene and Highland Counties.

The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The governing board of MVECA consists of six representatives from the member districts elected by majority vote of all charter member school districts within each county plus one representative from the fiscal agent. The Center paid MVECA $24,388 for services provided during the fiscal year. Financial information can be obtained from Thor Sage, Executive Director, at MVECA at 330 Enon Road, Yellow Springs, Ohio 45387.

Southwestern Ohio Educational Purchasing Council – The Southwestern Ohio Educational Purchasing Council (SOEPC) is a purchasing cooperative made up of 124 school districts in 18 counties. The purpose of the cooperative is to obtain prices for quality merchandise and services commonly used by schools. All member districts are obligated to pay all fees, charges, or other assessments as established by the SOEPC. Each member district has one voting representative. Title to any and all equipment, furniture and supplies purchased by the SOEPC is held in trust for the member districts. Any district withdrawing from the SOEPC shall forfeit its claim to any and all SOEPC assets. One year prior notice is necessary for withdrawal from the group.

During this time, the withdrawing member is liable for all member obligations. Payments to SOEPC are made from the general fund. During fiscal year 2016, the Center paid $37,615 to the SOEPC. To obtain financial information, write to the Southwestern Ohio Educational Purchasing Council, Ken Swink, who serves as Director, at 303 Corporate Center Drive, Suite 208, Vandalia, OH 45377.

Southwestern Ohio Instructional Technology Association – The Southwestern Ohio Instructional Technology Association (SOITA) is a not-for-profit corporation. The purpose of the corporation is to serve the educational needs of the area through television programming for the advancement of educational programs. The Board of Trustees is comprised of twenty-three representatives of SOITA member schools or institutions. Twenty-one representatives are elected from within the counties by the qualified members within the counties, i.e., Auglaize, Brown, Butler, Champaign, Clark, Clermont, Clinton, Darke, Fayette, Greene, Hamilton, Logan, Mercer, Miami, Montgomery, Preble, Shelby, and Warren. Montgomery, Greene and Butler Counties elect two representatives per area. All others elect one representative per area. One at-large non-public representative is elected by the non-public school SOITA members in the State-assigned SOITA service area representative. One at-large higher education representative is elected by higher education SOITA members from within the State-assigned SOITA service area.

All member districts are obligated to pay all fees, charges, or other assessments as established by the SOITA. Upon dissolution, the net position shall be distributed to the federal government, or to a state or local government, for a public purpose. Payments to SOITA are made from the general fund. During fiscal year 2016, the Center did not pay SOITA. To obtain financial information, write to the Southwestern Ohio Instructional Technology Association, Frank DePalma, who serves as Interim Director, at 1205 East Fifth Street, Dayton, Ohio 45402.

Note 17 – Insurance Pool

Ohio School Boards Workers' Compensation Group Rating Plan - The Center participates in the Ohio School Board Association Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by an eleven member Executive Committee consisting of the Chairperson, the Vice-Chairperson, a representative from the Montgomery County

Educational Service Center and eight other members elected by majority vote of all member school districts. The Chief Administrator of GRP serves as the coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

Note 18 – Contingencies

Foundation Funding

Center Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Effective for the 2014-2015 school year, traditional school districts must comply with minimum hours of instruction, instead of a minimum number of school days each year. The funding formula the Ohio Department of Education (ODE) is legislatively required to follow will continue to adjust as enrollment information is updated by the school district, which can extend past the fiscal year end. As of the date of this report, ODE has not finalized the impact of enrollment adjustments to the June 30, 2015 or June 30, 2016 Foundation funding for the Center; therefore, the financial statement impact is not determinable at this time. ODE and management believe this will result in either a receivable to or liability of the Center.

Grants

The Center received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, the effect of any such disallowed claims on the overall financial position of the Center at June 30, 2016, if applicable, cannot be determined at this time.

Litigation

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

Note 19 – Subsequent Event

On January 1, 2017 the Center terminated the Early Childhood Education Center Agreement with Clark State Community College via Resolution 44-16, dissolving the Council of Clark County Day Care Center and its COG.

Note 20 - Fund Balance Reserves for Set-Asides

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

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

	Capital Acquisition
Set Aside Reserve Balance as of June 30, 205	$0
Current Year Set Aside Requirements	125,882
Qualified Disbursements	(78,611)
Current Year Offsets	(47,271)
Set Aside Reserve Balance as of June 30, 2016	$0
Restricted Cash as of June 30, 2016	$0

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

Note 21 - Fund Balance Allocation

The Center has chosen to present to the consolidated summary of fund balance classification on the financial statements. The detail of those fund balance classifications are outlined below:

Fund Balances	General	Other Governmental Funds	Total
Restricted for:			
Other Grants	$0	$63,098	$63,098
S.A.F.E Student Emergency	0	19,587	19,587
Management Information System	0	2,494	2,494
HSTW	0	2,004	2,004
Food Service	0	48,866	48,866
Total Restricted	0	136,049	136,049
Assigned to:			
Budgetary Variances	1,054,699	0	1,054,699
Encumbrances	271,076	0	271,076
Public School Support	14,674	0	14,674
Permanent Improvement	0	304,132	304,132
Total Assigned	1,340,449	304,132	1,644,581
Unassigned (Deficit)	6,178,195	(74,681)	6,103,514
Total Fund Balance	$7,518,644	$365,500	$7,884,144

Note 22 – Implementation of New Accounting Principles

For the fiscal year ended June 30, 2016, the Center has implemented Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*, GASB Statement

No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68,* GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments* and GASB Statement No. 79, *Certain External Investment Pools and Pool Participants.*

GASB Statement No. 72 clarifies the definition of fair value for financial reporting purposes, establishes general principles for measuring fair value, provides additional fair value application guidance, and enhances disclosures about fair value measurements. These changes were incorporated in the Center's fiscal year 2016 note disclosures; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 73 establishes requirements for defined benefit pensions that are not within the scope of GASB Statement No. 68 as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement 68. It also clarifies the application of certain provisions of GASB Statements 67 and 68. The implementation of GASB Statement No. 73 did not have an effect on the financial statements of the Center.

GASB Statement No. 76 reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The implementation of GASB Statement No. 76 did not have an effect on the financial statements of the Center.

GASB Statement No. 79 establishes accounting and financial reporting standards for qualifying external investment pools that elect to measure for financial reporting purposes all of their investments at amortized cost. This Statement provides accounting and financial reporting guidance also establishes additional note disclosure requirements for governments that participate in those pools. The Center participates in STAR Ohio which implemented GASB Statement No. 79 for fiscal year 2016. The Center incorporated the corresponding GASB 79 guidance into their fiscal year 2016 financial statements; however, there was no effect on beginning net position/fund balance.

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REQUIRED SUPPLEMENTARY INFORMATION

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	$4,869,357	$5,055,399	$4,998,978	($56,421)
Tuition and Fees	168,987	175,443	173,485	(1,958)
Investment Earnings	43,192	44,842	44,342	(500)
Intergovernmental	6,012,783	6,242,512	6,172,842	(69,670)
Charges for Services	641	665	658	(7)
Other Revenues	26,190	27,190	26,887	(303)
Total Revenues	11,121,150	11,546,051	11,417,192	(128,859)
Expenditures:				
Current:				
Instruction:				
Special	590,212	597,489	571,449	26,040
Vocational	6,119,767	6,195,212	5,925,214	269,998
Other	109,027	110,371	105,561	4,810
Support Services:				
Pupil	640,020	647,910	619,673	28,237
Instructional Staff	728,228	737,206	705,077	32,129
General Administration	55,544	56,229	53,778	2,451
School Administration	1,000,167	1,012,497	968,371	44,126
Fiscal	613,480	621,043	593,977	27,066
Business	25,711	26,028	24,894	1,134
Operations and Maintenance	1,349,922	1,366,564	1,307,007	59,557
Pupil Transportation	44,237	44,783	42,831	1,952
Central	21,422	21,686	20,741	945
Extracurricular Activities	27,894	28,238	27,007	1,231
Debt Service:				
Principal Retirement	503,964	503,964	482,000	21,964
Interest and Fiscal Charges	70,441	70,441	67,371	3,070
Total Expenditures	11,900,036	12,039,661	11,514,951	524,710
Excess of Revenues Over (Under) Expenditures	(778,886)	(493,610)	(97,759)	395,851
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	2,227	2,312	2,286	(26)
Advances In	247,183	256,627	253,763	(2,864)
Advances (Out)	(259,138)	(262,333)	(250,900)	11,433
Transfers In	35,754	37,120	36,706	(414)
Transfers (Out)	(347,762)	(352,049)	(336,706)	15,343
Total Other Financing Sources (Uses)	(321,736)	(318,323)	(294,851)	23,472
Net Change in Fund Balance	(1,100,622)	(811,933)	(392,610)	419,323
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	7,841,222	7,841,222	7,841,222	0
Fund Balance - End of Year	$6,740,600	$7,029,289	$7,448,612	$419,323

See accompanying notes to the required supplementary information.

Note 1 – Budgetary Process

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Career Technology Center Treasurer. The amounts reported as the original budgeted amounts on the budgetary schedules reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary schedules reflect the amounts on the final amended certificate of estimated resources issued during the fiscal year 2016.

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

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

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

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

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

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

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

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

Net Change in Fund Balance

	General
GAAP Basis	$56,095
Revenue Accruals	(190,030)
Expenditure Accruals	44,674
Transfers In	36,706
Transfers (Out)	(36,706)
Advances In	253,763
Advances (Out)	(250,900)
Encumbrances	(300,079)
Funds Budgeted Elsewhere	(6,133)
Budget Basis	($392,610)

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Springfield-Clark Career Technology Center, Clark County, Ohio
Required Supplementary Information
Schedule of the Center's Proportionate Share
of the Net Pension Liability
State Teachers Retirement System of Ohio
Last Three Fiscal Years (1)

	2015	2014	2013
Center's Proportion of the Net Pension Liability	0.04876012%	0.05003805%	0.05003805%
Center's Proportionate Share of the Net Pension Liability	$13,475,871	$12,170,985	$14,458,954
Center's Covered-Employee Payroll	$5,386,371	$5,505,777	$5,690,277
Center's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	250.18%	221.06%	254.10%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.10%	74.70%	69.30%

(1) - Information prior to 2013 is not available

Springfield-Clark Career Technology Center, Clark County, Ohio
Required Supplementary Information
Schedule of the Center's Proportionate Share
of the Net Pension Liability
School Employees Retirement System of Ohio
Last Three Fiscal Years (1)

	2015	2014	2013
Center's Proportion of the Net Pension Liability	0.04512770%	0.04335400%	0.04335400%
Center's Proportionate Share of the Net Pension Liability	$2,575,029	$2,194,121	$2,578,898
Center's Covered-Employee Payroll	$1,600,099	$1,272,518	$1,480,029
Center's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	160.93%	172.42%	174.25%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.16%	71.70%	65.52%

(1) - Information prior to 2013 is not available

Springfield-Clark Career Technology Center, Clark County, Ohio
Required Supplementary Information
Schedule of Center Contributions
State Teachers Retirement System of Ohio
Last Eight Fiscal Years (1)

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Contractually Required Contribution	$764,851	$754,092	$715,751	$739,736	$680,856	$646,868	$437,894	$610,177	N/A	N/A
Contributions in Relation to the Contractually Required Contribution	(764,851)	(754,092)	(715,751)	(739,736)	(680,856)	(646,868)	(437,894)	(610,177)	N/A	N/A
Contribution Deficiency (Excess)	$0	$0	$0	$0	$0	$0	$0	$0	N/A	N/A
Center Covered-Employee Payroll	$5,463,221	$5,386,371	$5,505,777	$5,690,277	$5,237,354	$4,975,908	$3,368,415	$4,693,669	N/A	N/A
Contributions as a Percentage of Covered-Employee Payroll	14.00%	14.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	N/A	N/A

(1) - Information prior to 2009 is not available

Springfield-Clark Career Technology Center, Clark County, Ohio
Required Supplementary Information
Schedule of Center Contributions
School Employees Retirement System of Ohio
Last Eight Fiscal Years (1)

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Contractually Required Contribution	$191,284	$210,893	$176,371	$204,836	$201,881	$175,660	$134,536	$132,757	N/A	N/A
Contributions in Relation to the Contractually Required Contribution	(191,284)	(210,893)	(176,371)	(204,836)	(201,881)	(175,660)	(134,536)	(132,757)	N/A	N/A
Contribution Deficiency (Excess)	$0	$0	$0	$0	$0	$0	$0	$0	N/A	N/A
Center Covered-Employee Payroll	$1,366,314	$1,600,099	$1,272,518	$1,480,029	$1,500,974	$1,397,454	$993,619	$1,349,157	N/A	N/A
Contributions as a Percentage of Covered-Employee Payroll	14.00%	13.18%	13.86%	13.84%	13.45%	12.57%	13.54%	9.84%	N/A	N/A

(1) - Information prior to 2009 is not available

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

Springfield-Clark Career Technology Center
Clark County
1901 Selma Road
Springfield, Ohio 45505

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Springfield-Clark Career Technology Center, Clark County, Ohio (the Center), as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Center's basic financial statements and have issued our report thereon dated June 5, 2017.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a material weakness. We consider finding 2016-001 to be a material weakness.

Compliance and Other Matters

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

Center's Response to Finding

The Center's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the Center's response and, accordingly, we express no opinion on it.

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 communication is not suitable for any other purpose.

Dave Yost

Dave Yost
Auditor of State
Columbus, Ohio

June 5, 2017

SPRINGFIELD - CLARK CAREER TECHNOLOGY CENTER
CLARK COUNTY

SCHEDULE OF FINDINGS
JUNE 30, 2016

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

FINDING NUMBER 2016-001

Material Weakness

Financial Reporting

Sound financial reporting is the responsibility of the Center's Treasurer and the Board and is essential to ensure that the information which is provided to the readers of the financial statements is complete and accurate.

Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27 and* Governmental Accounting Standards Board (GASB) Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* are applicable for periods beginning after June 30, 2014. These statements focus on an earnings approach for recognizing a liability on an accrual basis as pensions are earned by employees. As a result of implementing GASB 68, the Center is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting. Additionally, the Center's financial statements include an annual pension expense for their proportionate share of the pension plan's change in net pension liability not accounted for as deferred inflows/outflows.

The deferred inflows and outflows for pension as reported on the Center's financial statements were overstated by $834,218 and $839,124, respectively, which also resulted in an understatement of pension expense of $4,906. In addition, the Center overstated net depreciable capital assets by $837,204 which resulted in an understatement of expense in the amount of $837,204. The financial statements have been adjusted to properly reflect the activity.

Failure to properly report financial activity on the GAAP basis could result in misleading the public about the Center's financial condition.

The Center should implement additional procedures to provide assurance over the completeness and accuracy of information reported within the financial statements. The adjustments should be reviewed by the Treasurer to verify that similar errors are not reported on the financial statements in subsequent years.

Officials' Response:

The Center will work closely with the GAAP consultants and complete a thorough review of the financial statements.

SPRINGFIELD–CLARK CAREER TECHNOLOGY CENTER
CLARK COUNTY

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2016

Finding Number	Finding Summary	Status	Additional Information
2015-001	**34 CFR § 80.36(b)(1)/(d) -** Failure to follow procurement procedures for Federal expenditures.	Not fully Corrected	Repeated in management letter.
2015-002	**34 CFR § 80.21(c)** and **34 CFR § 80.20(b)(7) -** Failure to liquidate advanced Federal monies within the required time frame.	Not fully Corrected	Repeated in management letter.

SPRINGFIELD-CLARK CAREER TECHNOLOGY CENTER

CLARK COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
JUNE 27, 2017

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