ASHTABULA COUNTY TECHNICAL AND CAREER CENTER
ASHTABULA COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2018

Dave Yost • Auditor of State

ASHTABULA COUNTY TECHNICAL & CAREER CENTER
ASHTABULA COUNTY
JUNE 30, 2018

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INDEPENDENT AUDITOR'S REPORT

Ashtabula County Technical & Career Center
Ashtabula County
1565 State Route 167
Jefferson, Ohio 44047

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Ashtabula County Technical & Career Center, Ashtabula County, Ohio (the Career Center), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Career Center's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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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, each major fund, and the aggregate remaining fund information of the Ashtabula County Technical & Career Center, Ashtabula County, Ohio, as of June 30, 2018, and the respective changes in financial position thereof and the respective budgetary comparisons for the General fund and Other Local Grants fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 3 to the financial statements, during 2018, the Career Center adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2018, on our consideration of the Career Center's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Career Center's internal control over financial reporting and compliance.

Dave Yost
Auditor of State
Columbus, Ohio

December 20, 2018

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As management of the Ashtabula County Technical and Career Center (the Career Center), we offer readers of the Career Center's financial statements this narrative overview and analysis of the financial activities of the Career Center for the fiscal year ended June 30, 2018. We encourage readers to consider the information presented here in conjunction with financial statements and notes to the basic financial statements to enhance their understanding of the Career Center's financial performance.

Financial Highlights

- Net Position of governmental activities increased in fiscal year 2018. There was an increase in revenues and a decrease in expenses for the year. Overall revenues outpaced expenses.

- The Career Center is committed to meeting the academic needs of their students. During fiscal year 2018, the Career Center's total expenses decreased mainly due to a change in assumptions for the pensions.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Career Center's basic financial statements. The Career Center's basic financial statements are comprised of three components: (1) government-wide statements, (2) fund financial statements, and (3) notes to the basic financial statements.

Government-wide Financial Statements The government-wide financial statements are designed to provide the reader with a broad overview of the Career Center's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Career Center's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Career Center is improving or deteriorating.

The *statement of activities* presents information showing how the Career Center's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statement distinguishes functions of the Career Center that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from those that are primarily supported through user charges *(business-type activities)*. The Career Center has no business-type activities. The governmental activities of the Career Center include instruction, support services, extracurricular activities, operation of non-instructional services and interest and fiscal charges.

The government-wide financial statements can be found on pages 15 and 16 of this report.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Career Center, like the State and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. These fund financial statements focus on the Career Center's most significant funds. The

Career Center's major governmental funds are the general fund, the other local grants special revenue fund and the permanent improvement capital projects fund. All of the funds of the Career Center can be divided into two categories: governmental and fiduciary.

Governmental Funds Most of the Career Center's activities are reported in governmental funds, which focus on how money flows into and out of those funds and balances left at year-end available for spending in future periods. These funds are reported using an accounting method called *modified accrual*, which measures cash and all other *financial assets* that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the Career Center's general governmental 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 difference) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is reconciled in the financial statements.

The basic fund financial statements can be found on pages 17-22 of this report.

Fiduciary Fund The fiduciary fund is used to account for resources held for the benefit of parties outside the government. The fiduciary fund is not reflected in the government-wide financial statement because the resources of this fund are not available to support the Career Center's own programs. These funds use the accrual basis of accounting.

The basic fiduciary fund financial statement can be found on page 23 of this report.

Notes to the Basic Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 24-59 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Table 1 provides a comparison of the Career Center's net position for fiscal year 2018 compared to fiscal year 2017.

(Table 1)
Net Position
Governmental Activities

	2018	2017	Change
Assets			
Current and Other Assets	$14,732,699	$14,371,938	$360,761
Capital Assets	4,349,085	4,653,726	(304,641)
Total Assets	19,081,784	19,025,664	56,120
Deferred Outflows of Resources			
Pension	4,241,190	3,640,050	601,140
OPEB	135,943	23,170	112,773
Total Deferred Outflows of Resources	$4,377,133	$3,663,220	$713,913

(continued)

(Table 1)
Net Position
Governmental Activities (continued)

	2018	2017	Change
Liabilities			
Current Liabilities	$1,288,658	$1,330,940	$42,282
Long-Term Liabilities			
Due within One Year	115,119	194,269	79,150
Due in More than One Year:			
Net Pension Liability	13,811,847	19,321,203	5,509,356
Net OPEB Liability	3,012,814	3,820,619	807,805
Other Amounts Due in More Than One Year	536,908	532,105	(4,803)
Total Liabilities	18,765,346	25,199,136	6,433,790
Deferred Inflows of Resources			
Property Taxes	3,558,607	3,286,269	(272,338)
Pension	1,135,714	648,439	(487,275)
OPEB	388,880	0	(388,880)
Total Deferred Inflows of Resources	5,083,201	3,934,708	(1,148,493)
Net Position			
Net Investment in Capital Assets	4,331,831	4,534,922	(203,091)
Restricted for:			
Capital Improvements	2,292,092	2,325,251	(33,159)
Other Purposes	348,420	479,364	(130,944)
Unrestricted (Deficit)	(7,361,973)	(13,784,497)	6,422,524
Total Net Position	($389,630)	($6,444,960)	$6,055,330

The net pension liability (NPL) is the largest single liability reported by the Career Center at June 30, 2018 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." For fiscal year 2018, the Career Center adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the Career Center's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

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

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

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

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

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

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

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

As a result of implementing GASB 75, the Service Center is reporting a net OPEB liability and deferred inflows/outflows of resources related to OPEB on the accrual basis of accounting. This implementation also had the effect of restating net position at June 30, 2017, from ($2,647,511) to ($6,444,960).

Net position increased from fiscal year 2017 due to a decrease in total liabilities. Total liabilities decreased due to a decrease in net pension and OPEB liabilities as a result from changes in assumptions and benefit terms related to pensions.

Table 2 shows the changes in net position for fiscal year 2018 compared to fiscal year 2017.

(Table 2)
Change in Net Position
Governmental Activities

	2018	2017	Change
Revenues			
Program Revenues			
Charges for Services and Sales	$1,346,383	$1,544,361	($197,978)
Operating Grants and Contributions	4,055,015	3,352,097	702,918
Capital Grants and Contributions	67,934	74,075	(6,141)
Total Program Revenues	5,469,332	4,970,533	498,799
General Revenues			
Property Taxes	$4,064,736	$4,663,585	($598,849)
Grants and Entitlements not Restricted	5,733,797	5,436,691	297,106
Investment Earnings	51,859	40,140	11,719
Unrestricted Contributions and Donations	1,129	0	1,129
Miscellaneous	71,475	34,602	36,873
Total General Revenues	9,922,996	10,175,018	(252,022)
Total Revenues	15,392,328	15,145,551	246,777
Program Expenses			
Current:			
Instruction:			
Regular	294,658	1,121,232	826,574
Special	284,087	807,099	523,012
Vocational	2,896,889	5,128,139	2,231,250
Adult/Continuing	1,543,051	2,095,522	552,471
Student Intervention Services	873,273	830,660	(42,613)
Support Services:			
Pupils	0	860,490	860,490
Instructional Staff	568,616	1,029,582	460,966
Board of Education	22,325	45,174	22,849
Administration	829,938	1,154,096	324,158
Fiscal	406,229	442,102	35,873
Business	45,880	78,371	32,491
Operation and Maintenance of Plant	1,076,634	998,164	(78,470)
Pupil Transportation	46,548	12,813	(33,735)
Central	174,369	106,314	(68,055)
Extracurricular Activities	36,795	27,364	(9,431)
Food Service Operations	235,305	260,866	25,561
Interest and Fiscal Charges	2,401	5,704	3,303
Total Program Expenses	9,336,998	15,003,692	5,666,694
Change in Net Position	6,055,330	141,859	5,913,471
Net Position Beginning of Year	(6,444,960)	N/A	N/A
Net Position End of Year	($389,630)	($6,444,960)	$6,055,330

The information necessary to restate the 2017 beginning balances and the 2017 OPEB expense amounts for the effects of the initial implementation of GASB 75 is not available. Therefore, 2017 functional expenses still include OPEB expense of $23,170 computed under GASB 45. GASB 45 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 75, OPEB expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of OPEB expense. Under GASB 75, the 2018 statements report negative OPEB expense of $502,410. Consequently, in order to compare 2018 total program expenses to 2017, the following adjustments are needed:

Total 2018 program expenses under GASB 75	$9,336,998
Negative OPEB expense under GASB 75	502,410
2018 contractually required contribution	29,288
Adjusted 2018 program expenses	9,868,696
Total 2017 program expenses under GASB 45	15,003,692
Decrease in program expenses not related to OPEB	($5,134,996)

The largest component of the decrease in program expenses results from changes in assumptions and benefit terms related to pensions. STRS adopted certain assumption changes, including a reduction in their discount rate, and also voted to suspend cost of living adjustments (COLA). SERS decreased their COLA assumption. (See Note 22) As a result of these changes, pension expense decreased from $1,327,926 in fiscal year 2017 to a negative pension expense of $4,676,982 for fiscal year 2018. The allocation of the fiscal year 2018 negative pension expense to program expenses is as follows:

Program Expenses	2018 Program Expenses Related to Negative Pension Expense
Instruction:	
Regular	($649,315)
Special	(386,758)
Vocational	(1,667,874)
Adult/Continuing	(399,906)
Student Intervention	(137,630)
Support Services:	
Pupils	(700,525)
Instructional Staff	(347,160)
Board of Education	(3,959)
Administration	(318,280)
Fiscal	(13,754)
Business	(3,484)
Operation and Maintenance of Plant	(35,234)
Central	(2,658)
Food Service Operations	(10,445)
Total Expenses	($4,676,982)

Governmental Activities

The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenue generated by a voted levy does not increase solely as a result of inflation. It increases as a result of new construction or collection from a new voted levy. Although Career Centers experience inflationary growth in expenses, tax revenue does not keep pace with the increased expenses due to House Bill 920. 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 and the Career Center would collect the same dollar value the levy generated in the year it passed. The 10 percent rollback on all residential/agricultural property and the 2.5 percent rollback on all owner occupied homes would reduce the amount of taxes paid.

Thus career centers dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to the voters to maintain a constant level of service. Property tax revenues decreased during fiscal year 2018.

Overall, the Career Center experienced a decrease in program expenses from the prior fiscal year due to changes in assumptions and benefit terms related to pensions. Instruction expenses comprise the largest portion of all program expenses for the Career Center. These expenses pay for teacher salary and benefits which increase at set levels every year through negotiated agreements. These increases were offset during fiscal year 2018 by the hiring of personnel at a lower pay scale.

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 for fiscal year 2018 compared to fiscal year 2017.

(Table 3)
Total and Net Cost of Program Services
Governmental Activities

	2018		2017	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction	$5,891,958	$1,842,871	$9,982,652	$6,058,182
Support Services:				
Pupils and Instructional Staff	568,616	102,872	1,890,072	1,664,856
Board of Education, Administration, Fiscal and Business	1,304,372	776,327	1,719,743	1,328,631
Operation and Maintenance of Plant	1,076,634	977,224	998,164	899,234
Pupil Transportation	46,548	46,548	12,813	12,813
Central	174,369	113,622	106,314	19,958
Extracurricular Activities	36,795	(17,627)	27,364	(185,859)
Food Service Operations	235,305	23,428	260,866	229,640
Interest and Fiscal Charges	2,401	2,401	5,704	5,704
Total Expenses	$9,336,998	$3,867,666	$15,003,692	$10,033,159

The dependence upon general revenues for governmental activities is apparent as local property tax and grants and entitlements account for a majority of total revenues in fiscal year 2018.

Financial Analysis of the Government's Funds

Governmental Funds Information about the Career Center's major funds starts on page 17. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of $15,411,792 and expenditures of $15,261,623. The total governmental fund balance increased $150,169. The net change in the governmental fund balance for the year was most significant in the general fund, other local grants special revenue fund and permanent improvement capital projects fund for fiscal year 2018.

A key factor in the increase of fund balance for the general fund was a result of revenues outpacing expenditures for the fiscal year. The increase in the other local grants special revenue fund was due to an increase in grant monies received during fiscal year 2018. The permanent improvement capital projects major fund decrease is a result of a decrease in property tax revenue offset by fewer capital improvements made during the fiscal year.

General Fund Budgeting Highlights

Budgeting is prescribed by the Ohio Revised Code. Essentially, the budget is the Career Center's appropriations which are restricted by the amounts of anticipated revenues certified by the Budget Commission in accordance with the Revised Code. During the course of fiscal year 2018, the Career Center amended its general fund budget numerous times to allow for insignificant amendments. Actual revenues received were slightly more than the amount certified at the end of the year due to more interest received on investments. Actual expenditures were the same as final appropriations showing the Career Center working to keep costs within the budget.

Capital Assets and Long-term Liabilities

Capital Assets The following table shows fiscal year 2018 values compared to fiscal year 2017.

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

	2018	2017	Change
Land	$153,226	$153,226	$0
Land Improvements	156,228	160,893	(4,665)
Buildings and Improvements	2,525,365	2,742,243	(216,878)
Furniture, Equipment and Fixtures	1,392,401	1,468,721	(76,320)
Vehicles	121,865	128,643	(6,778)
Total	$4,349,085	$4,653,726	($304,641)

The Career Center capital asset acquisitions during the fiscal year included footer drains installed, updated equipment throughout the Career Center including five diesel tractors for maintenance and the acquisition of two used buses and a used Chevy Malibu for instructional purposes. The decrease in capital assets was due to another year of depreciation exceeding additions. Additional information on the Career Center's capital assets can be found in Note 13 of the basic financial statements.

Long-term Liabilities During fiscal year 2015, the Career Center entered into a capital lease agreement for equipment. At June 30, 2018, $17,254 remained outstanding. The Career Center also had compensated absences. The Career Center's compensated absences overall liability increased $27,203 from $607,570 to $634,773. Additional information on the Career Center's long-term liabilities can be found in Note 16 of the basic financial statements.

Current Financial Related Activities

Ashtabula County Technical and Career Center is strong financially. As the preceding information shows, the Career Center heavily depends on its property taxpayers. The Career Center has passed two levies that will allow the continuation of its education programs. The Career Center has a total of 4.11 mills levied, a 3.81 Mill Current Expense Tax Levy and a 0.30 Mill Permanent Improvement Tax Levy, both of which are continuing millage as of June 30, 2018.

With the passage of these levies the Career Center has been able to continue its educational programs. However, financially the future is not without challenges. While the Career Center was successful in maintaining its tax revenue base during the past few years, this does not constitute an actual increase. Some of the challenges include the unpredictable future of the State funding and the struggle to keep a competitive salary scale to retain quality personnel. Another example is seen in low interest rates being very good for issuing debt, but not attractive for maintaining investment revenues. Thus management must diligently plan expenses, staying carefully within the Career Center's five-year forecast.

Property valuations provide no significant increase in future revenues. Any increases in property tax revenues, along with questionable increases in State foundation payments, may help to keep up with increased costs. However, personal property tax has been phased out, there will be revenue reimbursement during a "hold-harmless period" and a new Commercial Activity Tax has been instituted. But the enrollment is dependent on many factors and the Career Center must work hard to maintain its current enrollment, as they do not have a "captive audience" of automatic students enrolling. Right now we are in a two year State budget cycle where enrollment does play a part in the Foundation payment. They are subject to average daily membership funding and slight increase in per pupil amount in a new funding formula for fiscal year 2016. They went on the Guarentee in fiscal year 2015, which is based on fiscal year 2013 funding levels. With its major sources of revenue just slightly more than expenditure increases, the Career Center must still be vigilant to continue current operations. However, the Career Center cannot look to the State of Ohio for increased revenue of any significance.

Management needs to plan carefully and prudently to provide the resources to meet student needs over the next several years.

Contacting the Career Center's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the Career Center's finances and to show the Career Center's accountability for the money it receives. If you have questions about this report or need additional financial information contact Lindsey Elly, Treasurer at Ashtabula County Technical and Career Center, 1565 State Route 167, Jefferson, Ohio 44047.

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Ashtabula County Technical and Career Center

Statement of Net Position
June 30, 2018

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	$9,292,533
Accrued Interest Receivable	7,630
Accounts Receivable	128,175
Intergovernmental Receivable	496,211
Inventory Held for Resale	3,557
Materials and Supplies Inventory	27,415
Property Taxes Receivable	4,777,178
Nondepreciable Capital Assets	153,226
Depreciable Capital Assets, Net	4,195,859
Total Assets	19,081,784
Deferred Outflows of Resources	
Pension	4,241,190
OPEB	135,943
Total Deferred Outflows of Resources	4,377,133
Liabilities	
Accounts Payable	188,312
Accrued Wages and Benefits	1,017,036
Intergovernmental Payable	83,310
Long-Term Liabilities:	
Due Within One Year	115,119
Due in More Than One Year:	
Net Pension Liability (See Note 22)	13,811,847
Net OPEB Liability (See Note 23)	3,012,814
Other Amounts Due in More Than One Year	536,908
Total Liabilities	18,765,346
Deferred Inflows of Resources	
Property Taxes	3,558,607
Pension	1,135,714
OPEB	388,880
Total Deferred Inflows of Resources	5,083,201
Net Position	
Net Investment in Capital Assets	4,331,831
Restricted for:	
Capital Improvements	2,292,092
Unclaimed Monies	7,698
Adult Education	47,934
Nursing Program	176,175
Cosmetology	35,885
Adult Continuing Instruction	50,709
Other Purposes	30,019
Unrestricted (Deficit)	(7,361,973)
Total Net Position	($389,630)

See accompanying notes to the basic financial statements

Ashtabula County Technical and Career Center

Statement of Activities

For the Fiscal Year Ended June 30, 2018

		Program Revenues			Net Revenue/(Expense) and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
Instruction:					
Regular	$294,658	$0	$0	$0	($294,658)
Special	284,087	162,398	140,730	0	19,041
Vocational	2,896,889	246,920	395,641	0	(2,254,328)
Adult/Continuing	1,543,051	584,579	1,401,459	0	442,987
Student Intervention Services	873,273	0	1,117,360	0	244,087
Support Services:					
Pupils	0	0	465,744	0	465,744
Instructional Staff	568,616	0	0	0	(568,616)
Board of Education	22,325	0	0	0	(22,325)
Administration	829,938	187,481	340,564	0	(301,893)
Fiscal	406,229	0	0	0	(406,229)
Business	45,880	0	0	0	(45,880)
Operation and Maintenance of Plant	1,076,634	31,476	0	67,934	(977,224)
Pupil Transportation	46,548	0	0	0	(46,548)
Central	174,369	33,134	27,613	0	(113,622)
Extracurricular Activities	36,795	12,076	42,346	0	17,627
Food Service Operations	235,305	88,319	123,558	0	(23,428)
Interest and Fiscal Charges	2,401	0	0	0	(2,401)
Totals	$9,336,998	$1,346,383	$4,055,015	$67,934	(3,867,666)

General Revenues	
Property Taxes Levied for:	
General Purposes	3,605,902
Capital Outlay	458,834
Grants and Entitlements not Restricted to Specific Programs	5,733,797
Investment Earnings	51,859
Unrestricted Contributions and Donations	1,129
Miscellaneous	71,475
Total General Revenues	9,922,996
Change in Net Position	6,055,330
Net Position Beginning of Year - Restated (See Note 3)	(6,444,960)
Net Position End of Year	($389,630)

See accompanying notes to the basic financial statements

Ashtabula County Technical and Career Center
Balance Sheet
Governmental Funds
June 30, 2018

	General	Other Local Grants	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Assets					
Equity in Pooled Cash and Cash Equivalents	$6,517,392	$137,892	$2,169,496	$460,055	$9,284,835
Restricted Assets:					
Equity in Pooled Cash and Cash Equivalents	7,698	0	0	0	7,698
Property Taxes Receivable	4,252,842	0	524,336	0	4,777,178
Accounts Receivable	17,542	0	0	110,633	128,175
Intergovernmental Receivable	11,070	388,624	0	96,517	496,211
Interfund Receivable	764,570	0	0	1,746	766,316
Accrued Interest Receivable	7,630	0	0	0	7,630
Inventory Held for Resale	0	0	0	3,557	3,557
Materials and Supplies Inventory	26,429	0	0	986	27,415
Total Assets	$11,605,173	$526,516	$2,693,832	$673,494	$15,499,015
Liabilities					
Accounts Payable	$74,705	$91,190	$16,090	$6,327	$188,312
Accrued Wages and Benefits	889,916	16,698	0	110,422	1,017,036
Intergovernmental Payable	57,272	7,723	0	18,315	83,310
Interfund Payable	0	530,341	0	235,975	766,316
Total Liabilities	1,021,893	645,952	16,090	371,039	2,054,974
Deferred Inflows of Resources					
Property Taxes	3,172,957	0	385,650	0	3,558,607
Unavailable Revenue	553,340	319,171	67,584	187,844	1,127,939
Total Deferred Inflows of Resources	3,726,297	319,171	453,234	187,844	4,686,546
Fund Balances:					
Nonspendable	34,127	0	0	986	35,113
Restricted	0	0	2,224,508	282,584	2,507,092
Assigned	1,195,880	0	0	0	1,195,880
Unassigned (Deficit)	5,626,976	(438,607)	0	(168,959)	5,019,410
Total Fund Balances	6,856,983	(438,607)	2,224,508	114,611	8,757,495
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$11,605,173	$526,516	$2,693,832	$673,494	$15,499,015

See accompanying notes to the basic financial statements

Ashtabula County Technical and Career Center

Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
June 30, 2018

Total Governmental Funds Balances		$8,757,495
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.		4,349,085
Other long-term assets are not available to pay for current-period expenditures and therefore are reported as unavailable revenue in the funds:		
Delinquent Property Taxes	592,881	
Intergovernmental	417,344	
Charges for Services	17,406	
Tuition	100,308	
Total		1,127,939
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Compensated Absences	(634,773)	
Capital Leases Payable	(17,254)	
Total		(652,027)
The net pension liability and net OPEB liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:		
Deferred Outflows - Pension	4,241,190	
Deferred Inflows - Pension	(1,135,714)	
Net Pension Liability	(13,811,847)	
Deferred Outflows - OPEB	135,943	
Deferred Inflows - OPEB	(388,880)	
Net OPEB Liability	(3,012,814)	
Total		(13,972,122)
Net Position of Governmental Activities		($389,630)

See accompanying notes to the basic financial statements

Ashtabula County Technical and Career Center
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2018

	General	Other Local Grants	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Revenues					
Property Taxes	$3,605,902	$0	$458,834	$0	$4,064,736
Intergovernmental	5,722,727	1,765,804	67,934	2,192,189	9,748,654
Interest	51,848	0	0	11	51,859
Charges for Services	99,381	0	0	356,659	456,040
Tuition and Fees	144,207	0	0	781,101	925,308
Extracurricular Activities	0	0	0	12,076	12,076
Rentals	36,933	0	0	0	36,933
Contributions and Donations	1,129	0	0	43,582	44,711
Miscellaneous	56,072	0	0	15,403	71,475
Total Revenues	9,718,199	1,765,804	526,768	3,401,021	15,411,792
Expenditures					
Current:					
Instruction:					
Regular	1,119,214	0	0	0	1,119,214
Special	513,030	36,916	0	233,035	782,981
Vocational	4,051,791	0	0	404,606	4,456,397
Adult/Continuing	0	28,298	0	2,000,347	2,028,645
Student Intervention Services	8,244	1,043,379	0	0	1,051,623
Support Services:					
Pupils	460,284	367,430	0	76,025	903,739
Instructional Staff	935,683	0	22,063	25,885	983,631
Board of Education	30,537	0	0	0	30,537
Administration	655,305	182,547	0	385,251	1,223,103
Fiscal	421,536	0	10,440	520	432,496
Business	59,526	0	0	506	60,032
Operation and Maintenance of Plant	1,054,885	0	0	0	1,054,885
Pupil Transportation	34,152	0	0	0	34,152
Central	102,584	0	0	77,036	179,620
Extracurricular Activities	0	0	0	36,795	36,795
Food Service Operations	163	0	0	252,235	252,398
Capital Outlay	0	0	527,424	0	527,424
Debt Service:					
Principal Retirement	0	0	0	101,550	101,550
Interest and Fiscal Charges	0	0	0	2,401	2,401
Total Expenditures	9,446,934	1,658,570	559,927	3,596,192	15,261,623
Excess of Revenues Over (Under) Expenditures	271,265	107,234	(33,159)	(195,171)	150,169
Other Financing Sources (Uses)					
Transfers In	0	0	0	23,718	23,718
Transfers Out	(23,718)	0	0	0	(23,718)
Total Other Financing Sources (Uses)	(23,718)	0	0	23,718	0
Net Change in Fund Balances	247,547	107,234	(33,159)	(171,453)	150,169
Fund Balances (Deficit) Beginning of Year	6,609,436	(545,841)	2,257,667	286,064	8,607,326
Fund Balances (Deficit) End of Year	$6,856,983	($438,607)	$2,224,508	$114,611	$8,757,495

See accompanying notes to the basic financial statements

Ashtabula County Technical and Career Center

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2018

Net Change in Fund Balances -Total Governmental Funds		$150,169
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period:		
Capital Asset Additions	215,321	
Current Year Depreciation	(486,010)	
Total		(270,689)
Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.		(33,952)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:		
Intergovernmental	64,510	
Charges for Services	(829)	
Tuition	(83,145)	
Total		(19,464)
Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		101,550
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		(27,203)
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	946,239	
OPEB	29,288	
Total		975,527
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability are reported as pension/OPEB expense in the statement of activities.		
Pension	4,676,982	
OPEB	502,410	
Total		5,179,392
Change in Net Position of Governmental Activities		$6,055,330

See accompanying notes to the basic financial statements

Ashtabula County Technical and Career Center
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Positive (Negative)
Revenues				
Property Taxes	$3,625,261	$3,804,184	$3,804,184	$0
Intergovernmental	4,972,124	5,725,259	5,725,259	0
Interest	46,964	63,734	63,965	231
Charges for Services	25,242	23,252	23,252	0
Tuition and Fees	82,234	66,872	66,872	0
Rentals	6,405	36,933	36,933	0
Contributions and Donations	2,708	1,129	1,129	0
Miscellaneous	18,116	55,947	55,947	0
Total Revenues	8,779,054	9,777,310	9,777,541	231
Expenditures				
Current:				
Instruction:				
Regular	1,065,277	1,108,310	1,108,310	0
Special	501,615	502,419	502,419	0
Vocational	3,768,172	3,972,586	3,972,586	0
Student Intervention Services	2,583	8,244	8,244	0
Support Services:				
Pupils	486,267	464,753	464,753	0
Instructional Staff	1,027,093	944,299	944,299	0
Board of Education	53,366	39,780	39,780	0
Administration	699,415	668,450	668,450	0
Fiscal	480,633	421,954	421,954	0
Business	66,292	59,500	59,500	0
Operation and Maintenance of Plant	1,064,989	1,084,006	1,084,006	0
Pupil Transportation	11,827	33,060	33,060	0
Central	47,803	117,532	117,532	0
Food Service Operations	51	60	60	0
Total Expenditures	9,275,383	9,424,953	9,424,953	0
Excess of Revenues Over (Under) Expenditures	(496,329)	352,357	352,588	231
Other Financing Sources (Uses)				
Advances In	972,480	577,000	577,000	0
Advances Out	(889,440)	0	(743,000)	(743,000)
Transfers Out	(338,059)	(23,718)	(23,718)	0
Total Other Financing Sources (Uses)	(255,019)	553,282	(189,718)	(743,000)
Net Change in Fund Balance	(751,348)	905,639	162,870	(742,769)
Fund Balance Beginning of Year	5,952,664	5,952,664	5,952,664	0
Prior Year Encumbrances Appropriated	91,971	91,971	91,971	0
Fund Balance End of Year	$5,293,287	$6,950,274	$6,207,505	($742,769)

See accompanying notes to the basic financial statements

Ashtabula County Technical and Career Center

Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Other Local Grants Fund
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Positive (Negative)
Revenues				
Intergovernmental	$1,688,046	$1,734,021	$1,734,021	$0
Expenditures				
Current:				
Instruction:				
Special	56,059	48,805	48,804	1
Adult/Continuing	61,086	29,038	29,038	0
Student Intervention Services	1,185,467	1,243,979	1,243,979	0
Support Services:				
Pupils	370,592	401,666	399,245	2,421
Administration	136,474	161,971	161,970	1
Total Expenditures	1,809,678	1,885,459	1,883,036	2,423
Excess of Revenues Over (Under) Expenditures	(121,632)	(151,438)	(149,015)	2,423
Other Financing Sources (Uses)				
Advances In	296,400	508,771	508,771	0
Advances Out	(252,800)	0	(462,000)	(462,000)
Total Other Financing Sources (Uses)	43,600	508,771	46,771	(462,000)
Net Change in Fund Balance	(78,032)	357,333	(102,244)	(459,577)
Fund Balance Beginning of Year	21,416	21,416	21,416	0
Prior Year Encumbrances Appropriated	80,828	80,828	80,828	0
Fund Balance End of Year	$24,212	$459,577	$0	($459,577)

See accompanying notes to the basic financial statements

Ashtabula County Technical and Career Center

Statement of Fiduciary Assets and Liabilities
Agency Fund
June 30, 2018

Assets	
Equity in Pooled Cash and Cash Equivalents	$39,223
Liabilities	
Due to Students	$39,223

See accompanying notes to the basic financial statements

Note 1 - Description of the Career Center

Ashtabula County Technical and Career Center (the "Career Center") is organized under Article VI, Section 2 of the Constitution of the State of Ohio. The Career Center operates under a seven member Board of Education. Membership is comprised of Board Members from the following school districts: Ashtabula Area City (2 representatives), Ashtabula County Educational Service Center (3 representatives), Conneaut Area City (1 representative), and Geneva Area City (1 representative). The Career Center provides job training leading to employment upon graduation from high school. The Career Center fosters cooperative relationships with business and industry, professional organizations, participating Career Centers, and other interested, concerned groups and organizations to consider, plan and implement education programs designed to meet the common needs and interests of students.

The Career Center was established in 1965 through the consolidation of existing land areas and Career Centers. The Career Center serves Ashtabula County. It is located in Ashtabula County. It is staffed by 37 non-certified employees, 70 certified full-time teaching personnel and 8 administrators who provide services to 1,431 students and many other community members. The Career Center currently operates five instructional buildings and a bus garage.

Reporting Entity

Since the Career Center does not have a separately elected governing board and does not meet the definition of a component unit, it is classified as a stand alone government under the provisions of Governmental Accounting Standards Board Statement 14, "The Financial Reporting Entity."

The reporting entity is comprised of the stand-alone government, component units and other organizations that are included to ensure that the financial statements of the Career Center are not misleading. The stand-alone government consists of all funds, departments, agencies and offices that are not legally separate from the Career Center. For Ashtabula County Career and Technical Center, this includes the agencies and departments that provide the following services: general operations, food service and student related activities of the Career Center.

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

The Career Center is associated with a jointly governed organization, an insurance purchasing pool and two shared risk pools. These organizations are the Northeast Ohio Management Information Network, the Ohio Association of School Business Officials Workers' Compensation Group Rating Program, the Ohio School Plan and the Ashtabula County Schools Council of Governments. These organizations are presented in Notes 18 and 19 to the basic financial statements.

Note 2 - Summary of Significant Accounting Policies

The financial statements of the Career 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 Career Center's accounting policies are described as follows.

Basis of Presentation

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

Government-wide Financial Statements The statement of net position and the statement of activities display information about the Career Center as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements usually distinguish between those activities of the Career Center that are governmental and those that are considered business-type activities. The Career Center, however, has no business-type activities.

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

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

Fund Accounting

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

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

The difference between governmental fund assets and liabilities and deferred inflows of resources is reported as fund balance. The following are the Career Center's major governmental funds:

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

Other Local Grants Fund The other local grants fund is used to account for and report local grant monies received restricted for youth opportunities.

Permanent Improvement Fund The permanent improvement fund accounts for and reports property taxes restricted to the acquiring, construction, or improving of such permanent improvements as are authorized by Chapter 5705, Revised Code.

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

Fiduciary Fund Type Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the Career Center under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the Career Center’s own programs. The Career Center had no trust funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Career Center’s agency fund accounts for student activities.

Measurement Focus

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

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

Basis of Accounting

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

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

Nonexchange transactions, in which the Career Center receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 8). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the Career Center must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Career Center on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

Deferred Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the Career Center deferred outflows of resources are reported on the government-wide statement of net position for pension and OPEB plans. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 22 and 23.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the Career Center, deferred inflows of resources include property taxes, pension, OPEB plans and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2018, but which were levied to finance fiscal year 2019 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the Career Center unavailable revenue includes delinquent property taxes, intergovernmental, charges for services and tuition. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities found on page 18. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position (See Notes 22 and 23).

Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability, deferred outflows of resources, and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension 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/OPEB plans report investments at fair value.

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

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

Budgetary Data

All funds, other than agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution and the certificate of estimated resources, which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the special cost center for all funds. The Treasurer has been given the authority to allocate Board appropriations to the function and object level within all funds without resolution by the Board of Education.

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

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

Cash and Cash Equivalents

To improve cash management, all cash received by the Career Center is pooled. Monies for all funds are maintained in this pool. Interest in the pool is presented as "equity in pooled cash and cash equivalents" on the basic financial statements.

During fiscal year 2018, investments were limited to non-negotiable certificates of deposit which are reported at cost.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2018 amounted to $51,848 which includes $15,593 assigned from other Career Center funds.

Investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the Career Center are presented on the financial statements as cash equivalents.

Restricted Assets

Assets are reported as restricted when limitations on their use change in nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments or imposed by law through constitutional provisions. Restricted assets in the general fund represent money required by State statute to be set aside for unclaimed monies.

Inventory

Inventories are presented at cost on a first-in, first-out basis and are expended/expensed when used. Inventories consist of donated and purchased food held for resale and materials and supplies held for consumption.

Capital Assets

The Career Center's only capital assets are general capital assets. General capital assets are those assets related to activities reported in the governmental funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. The Career Center was able to estimate the historical cost for the initial reporting of assets by backtrending (i.e., estimating the current replacement cost of the asset to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year.) Donated capital assets are recorded at their acquisition values as of the date received. The Career Center maintains a capitalization threshold of three thousand dollars. The Career Center does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

Description	Governmental Activities Estimated Lives
Land Improvements	5 years
Buildings and Improvements	10 to 50 years
Furniture, Equipment and Fixtures	15 to 20 years
Vehicles	10 to 20 years

Interfund Balances

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 of the statement of net position.

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 Career Center will compensate the employees for the benefits through paid time off or some other means. The Career 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 eligible to receive termination benefits and those the Career 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 Career Center's termination policy. The Career Center records a liability for accumulated unused sick leave for all employees after ten years of teaching and 5 years of service at the Career Center.

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

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 fiscal year. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

Net Position

Net position represents the difference between all other elements in a statement of financial position. 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 their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted for other purposes include grants and resources restricted for vocational and extracurricular activities.

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

Fund Balance

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

Nonspendable The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.

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

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

Assigned Amounts in the assigned fund balance classification are intended to be used by the Career Center for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance includes the remaining amount that is not restricted or committed. These amounts are assigned by the Career Center Board of Education. In the general fund, assigned amounts represent intended uses established by the Career Center Board of Education or a Career Center official delegated that authority by State Statute. State statute authorizes the Treasurer to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. The Career Center Board of Education assigned fund balance to cover a gap between fiscal year 2019's estimated revenue and appropriated budget and for classroom support services.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

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

Internal Activity

Transfers between governmental activities are eliminated on the statement of activities. Internal events that are allocations of overhead expenses from one function to another or within the same function are eliminated on the statement of activities. Payments for interfund services provided and used are not eliminated.

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.

Estimates

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

Note 3 – Change in Accounting Principle and Restatement of Net Position

For fiscal year 2018, the Career Center implemented Governmental Accounting Standards Board (GASB) Statement No. 85, *Omnibus 2017*, Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions,* and related guidance from (GASB) Implementation Guide No. 2017-3, *Accounting and Financial Reporting for Postemployment Benefits other Than Pensions (and Certain Issues Related to OPEB Plan Reporting).*

For fiscal year 2018, the Career Center also implemented the Governmental Accounting Standards Board's (GASB) *Implementation Guide No. 2017-1*. These changes were incorporated in the Career Center's fiscal year 2018 financial statements; however, there was no effect on beginning net position/fund balance.

GASB 85 addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits (OPEB)). These changes were incorporated in the Career Center's fiscal year 2018 financial statements; however, there was no effect on beginning net position/fund balance.

GASB 75 established standards for measuring and recognizing Postemployment benefit liabilities, deferred outflows of resources, deferred inflows of resources and expense/expenditure. The implementation of this pronouncement had the following effect on net position as reported June 30, 2017:

Net Position June 30, 2017	($2,647,511)
Adjustments:	
Net OPEB Liability	(3,820,619)
Deferred Outflow - Payments Subsequent to Measurement Date	23,170
Restated Net Position June 30, 2017	($6,444,960)

Other than employer contributions subsequent to the measurement date, the Career Center made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available.

Note 4 – Fund Balance

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Career Center is bound to observe constraints imposed upon the use of the resources in the government funds.

The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented as follows:

Fund Balances	General	Other Local Grants	Permanent Improvement	Other Governmental Funds	Total
Nonspendable					
Inventory	$26,429	$0	$0	$986	$27,415
Unclaimed Monies	7,698	0	0	0	7,698
Total Nonspendable	34,127	0	0	986	35,113
Restricted for					
Adult Education	0	0	0	22,779	22,779
Cosmetology	0	0	0	35,885	35,885
District Managed Activities	0	0	0	8,176	8,176
Nursing Program	0	0	0	147,621	147,621
Adult Continuing Instruction	0	0	0	58,709	58,709
Vocational Education	0	0	0	9,414	9,414
Capital Improvements	0	0	2,224,508	0	2,224,508
Total Restricted	0	0	2,224,508	282,584	2,507,092
Assigned to					
Purchases on Order - Support Services	91,548	0	0	0	91,548
Fiscal Year 2019 Appropriations	923,107	0	0	0	923,107
Classroom support services	181,225	0	0	0	181,225
Total Assigned	1,195,880	0	0	0	1,195,880
Unassigned (Deficit)	5,626,976	(438,607)	0	(168,959)	5,019,410
Total Fund Balances	$6,856,983	($438,607)	$2,224,508	$114,611	$8,757,495

Note 5 - Accountability

The following funds had deficit fund balances at June 30, 2018:

	Amount
Special Revenue Funds:	
Other Local Grants	$438,607
Food Service	6,759
Adult Education	112,291
Pell Grants	1,721
Carl Perkins Vocational Grant	48,188

The special revenue funds' deficits are caused by the recognition of expenditures on a modified accrual basis of accounting which are substantially greater than the expenditures recognized on a cash basis. The general fund is liable for any deficit in the special revenue funds and provides transfers when cash is required, not when accruals occur.

Note 6 - Budgetary Basis of Accounting

While the Career Center is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The statement of revenues, expenditures and changes in fund balance - budget (non-GAAP Basis) and actual are presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

The major differences between the budget basis and GAAP basis are as follows:

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

2. Investments are reported at fair value (GAAP basis) rather than cost (budget basis).

3. Advances In and Advances Out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).

4. Budgetary revenues and expenditures of the public school support, uniform school supply, and rotary – customer service funds are classified to the general fund for GAAP reporting

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

6. Encumbrances are treated as expenditures (budget) rather than as restricted, committed or assigned fund balance (GAAP).

The following tables summarize the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund and other local grants special revenue fund:

Net Change in Fund Balance

	General	Other Local Grants
GAAP Basis	$247,547	$107,234
Net Adjustment for Revenue Accruals	175,197	(31,783)
Beginning Fair Value Adjustment for Investments	1,174	0
Ending Fair Value Adjustment for Investments	14,422	0
Advances In	577,000	508,771
Perspective Difference:		
Public School Support	6,736	0
Uniform School Supply	103	0
Rotary - Customer Service	(14,079)	0
Net Adjustment for Expenditure Accruals	48,550	(86,574)
Advances Out	(743,000)	(462,000)
Adjustment for Encumbrances	(150,780)	(137,892)
Budget Basis	$162,870	($102,244)

Note 7 - Deposits and Investments

Monies held by the Career Center are classified by State statute into three categories.

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

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

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

Interim monies held by the Career Center can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, 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 obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

3. Written repurchase agreements in the securities listed above provided 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 the term of the agreement must not exceed thirty days;

4. Bonds and other obligations of the State of Ohio, and with certain limitations bonds and other obligations of political subdivisions of the State of Ohio;

5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;

6. 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;

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

8. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met.

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 School District, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Career Center will not be able to recover deposits or collateral securities that are in the possession of an outside party. At June 30, 2018, $1,826,126 of the Career Center's total bank balance of $9,552,149 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent but not in the government's name.

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

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

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

Note 8 - Property Taxes

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

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

Public utility property tax revenues received in calendar year 2018 represent the collection of calendar year 2017 taxes. Public utility real and tangible personal property taxes received in calendar year 2018 became a lien on December 31, 2016, were levied after April 1, 2017, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

The Career Center receives property taxes from Ashtabula County. The County Auditor periodically advances to the Career Center its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2018, are available to finance fiscal year 2018 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property and public utility property taxes which are measurable as of June 30, 2018, and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations are reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows of resources – property taxes. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

The amount available as an advance at June 30, 2018 was $554,588 in the general fund and $71,102 in the permanent improvement capital projects fund. The amount available as an advance at June 30, 2017 was $752,870 in the general fund and $99,124 in the permanent improvement capital projects fund.

The assessed values upon which the fiscal year 2018 taxes were collected are:

	2017 Second Half Collections		2018 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	$1,696,579,870	93.65 %	$1,768,536,170	93.27 %
Public Utility Personal	115,040,940	6.35	127,596,200	6.73
Total	$1,811,620,810	100.00 %	$1,896,132,370	100.00 %
Full Tax Rate per $1,000 of Assessed Valuation	$4.11		$4.11	

Note 9 – Tax Abatements

The Career Center property taxes were reduced as follows under various community reinvestment area and enterprise zone tax exemption agreements entered into by overlapping governments as follows:

Overlapping Government	Amount of Fiscal Year 2018 Taxes Abated
Community Reinvestment Areas:	
City of Ashtabula	$4,328
City of Conneaut	1,201
City of Geneva	75
Village of Orwell	2,853
Total	$8,457
Enterprise Zone Tax Exemptions:	
Jefferson Township	$54
Village of Jefferson	518
Village of North Kingsville	62
Village of Rock Creek	14
Total	$648

Note 10 - Interfund Transactions

Interfund Balances

The Career Center had the following interfund balances at June 30, 2018:

	Interfund Receivable		
Interfund Payable	General	Other Governmental Funds	Total
Other Local Grants	$530,341	$0	$530,341
Other Governmental Funds:			
Adult Education	215,705	0	215,705
Able Grant	16,537	0	16,537
Pell Grants	0	1,746	1,746
Vocational Education - Carl D. Perkins	1,987	0	1,987
Total Other Governmental Funds	234,229	1,746	235,975
Total All Funds	$764,570	$1,746	$766,316

The interfund receivables and payables were due to the timing of the receipt of grant monies and the collection of tuition and fees received by the various funds. The general fund provides temporary funding of the program until the grant dollars are received. All interfund receivables will be repaid within one year.

Interfund Transfers

The general fund made a transfer to the food service special revenue fund in the amount of $23,718 to provide additional resources.

Note 11 - Receivables

Receivables at June 30, 2018, consisted of taxes, accounts (charges for services, student fees and tuition), and intergovernmental grants. 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. All receivables, except for delinquent property taxes, are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

A summary of the principal items of intergovernmental receivables follows:

	Amounts
Governmental Activities	
Miscellaneous Local Grants	$388,624
Vocational Education - Carl D. Perkins	58,987
ABLE Grant	28,116
Ohio Department of Education	11,070
Miscellaneous Federal Grants	9,414
Total Intergovernmental Receivables	$496,211

Note 12 - Contingencies

Grants

The Career 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, in the opinion of management, the effect of any such disallowed claims on the overall financial position of the Career Center at June 30, 2018, if applicable, cannot be determined at this time.

School Foundation

Career Center foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, additional ODE adjustments for fiscal year 2018 are not finalized. As a result, the impact of future FTE adjustments on the fiscal year 2018 financial statements is not determinable, at this time. Management believes this may result in either an additional receivable to, or a liability of, the Career Center.

Litigation

The Career Center is not party to legal proceedings as of June 30, 2018.

Note 13 – Capital Assets

Capital asset activity for the fiscal year ended June 30, 2018, was as follows:

Governmental Activities	Balance 06/30/17	Additions	Deductions	Balance 06/30/18
Capital Assets not being Depreciated:				
Land	$153,226	$0	$0	$153,226
Capital Assets being Depreciated:				
Land Improvements	330,875	0	0	330,875
Buildings and Improvements	7,486,430	4,800	0	7,491,230
Furniture, Equipment and Fixtures	4,747,735	188,551	(142,807)	4,793,479
Vehicles	434,472	21,970	(10,910)	445,532
Total Capital Assets being Depreciated	12,999,512	215,321	(153,717)	13,061,116
Less Accumulated Depreciation:				
Land Improvements	(169,982)	(4,665)	0	(174,647)
Buildings and Improvements	(4,744,187)	(221,678)	0	(4,965,865)
Furniture, Equipment and Fixtures	(3,279,014)	(230,919)	108,855	(3,401,078)
Vehicles	(305,829)	(28,748)	10,910	(323,667)
Total Accumulated Depreciation	(8,499,012)	(486,010) *	119,765	(8,865,257)
Total Capital Assets being Depreciated, Net	4,500,500	(270,689)	(33,952)	4,195,859
Governmental Activities Capital Assets, Net	$4,653,726	($270,689)	($33,952)	$4,349,085

*Depreciation expense was charged to governmental activities as follows:

Instruction:	
Regular	$7,072
Special	3,432
Vocational	345,268
Adult/Continuing	35,018
Support Services:	
Pupils	675
Instructional Staff	10,125
Administration	30,243
Fiscal	385
Operation and Maintenance of Plant	47,598
Pupil Transportation	800
Food Service Operations	5,394
Total Depreciation Expense	$486,010

Note 14 - Risk Management

Property and Liability

The Career Center is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2018, the Career Center contracted with Ohio School Plan for various types of insurance.

Coverage is as follows:

Coverage	Amount
Blanket Building and Contents ($1,000 Deductible)	$40,164,155
Fleet Insurance	1,000,000
General Liability - per Occurrence	5,000,000
Aggregate	7,000,000
Excess Liability	5,000,000

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

Employee Medical Benefits

The Career Center participates in the Ashtabula County Schools Council of Governments, a shared risk pool (Note 19) to provide employee medical/surgical, prescription drug, dental and vision benefits. Rates are set through an annual calculation process. The Career Center pays a monthly contribution which is placed in a common fund from which the claim payments are made for all participating districts. The Career Center's Board of Education pays $762 for single coverage and $1,930, monthly, for family coverage for all employees.

Worker's Compensation

For fiscal year 2018, the Career Center participated in the Ohio Association of School Business Officials Workers' Compensation Group Retrospective Rating Program (GRP), an insurance purchasing pool (Note 19). The intent of the GRP is to achieve the benefit of a reduced premium for the Career Center by virtue of its grouping and representation with other participants in the GRP. 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 GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Sheakley provides administrative, cost control and actuarial services to the GRP.

Note 15 – Other Employee Benefits

Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Each employee is entitled to fifteen (15) days sick leave with pay each year under contract and accrues sick leave at the rate of one and one-fourth (1-1/4) days for each calendar month under contract. Sick leave may be accumulated to a maximum based upon negotiated agreements. Certified staff accumulate sick leave to a maximum of 336 days; severance pay is based upon an incremental scale up to a maximum of 84 days. Classified staff who are members of the teamsters union accumulate sick leave to a maximum of 235 days; severance is paid up to a maximum of 80 days. Non-union school employees of the Career Center who served at least 10 years in any political subdivision at the time of their retirement shall receive pay for one-quarter of their unused sick leave to a maximum of 200 days or payment of 50 days. Employees, who have 10 years of service and have accumulated more than 200 days, shall be paid for one-tenth of their remaining unused and un-reimbursed sick leave to a maximum of 80 days or payment of 8 days pay.

Classified employees earn ten (10) to twenty (20) days of vacation per year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Non-union classified staff, teamsters and secretaries receive an additional day of vacation for each year beyond 19 years of service. Administrative personnel earn 20 to 25 days of vacation leave annually.

Insurance

Life insurance is offered to employees through the Educational Employees Life Insurance Trust Company. Certified and classified employees are covered as follows:

- $35,000 for Teamsters Union and Secretaries Association employees at $3.68 per month;
- $35,000 for Administration, Non-union employees and Teachers at $3.68 per month.

Health Insurance Benefits

The Career Center provides employee medical and surgical insurance, prescription drug, dental, and vision insurance through the Ashtabula County Schools Council of Governments.

Note 16 - Long-Term Obligations

Changes in long-term obligations of the Career Center during fiscal year 2018 were as follows:

	Balance 6/30/17	Additions	Deductions	Balance 6/30/18	Amounts Due in One Year
Governmental Activities					
Net Pension Liability:					
SERS	$3,132,880	$0	$570,273	$2,562,607	$0
STRS	16,188,323	0	4,939,083	11,249,240	0
Total Net Pension Liability	19,321,203	0	5,509,356	13,811,847	0
Net OPEB Liability:					
SERS	1,234,190	0	68,986	1,165,204	0
STRS	2,586,429	0	738,819	1,847,610	0
Total Net OPEB Liability	3,820,619	0	807,805	3,012,814	0
Compensated Absences	607,570	119,922	92,719	634,773	97,865
Capital Lease	118,804	0	101,550	17,254	17,254
Total Long-Term Obligations	$23,868,196	$119,922	$6,511,430	$17,476,688	$115,119

There is no repayment schedule for the net pension liability and net OPEB liability. However, employer pension and OPEB contributions are made from the following funds: general fund and food services, adult education, other local grants, Licensed Practical Nurse program, ABLE grant and Carl Perkins grant special revenue funds. For additional information related to the net pension and net OPEB liabilities see Notes 22 and 23. Compensated absences will be paid from the general fund and the food service, adult education, other local grants, Licensed Practical Nurse program, ABLE grant and Carl Perkins grant special revenue funds. The capital lease will be paid from the adult education special revenue fund.

Note 17 – Capital Lease

In a prior fiscal year, the Career Center entered into a capitalized lease obligation for training equipment. This lease meets the criteria for a capital lease and has been recorded on the government-wide statements. The original amount capitalized for the capital lease and the book value as of June 30, 2018, follows:

	Amounts
Assets:	
Equipment	$386,630
Less: Accumulated Depreciation	(309,304)
Current Book Value	$77,326

The following is a schedule of the future minimum lease payments required under the capital lease and the present value of the minimum lease payments as of June 30, 2018.

	Amounts
2019	$17,325
Less: Amount Representing Interest	(71)
Present Value of Minimum Lease Payments	$17,254

Note 18 - Jointly Governed Organization

Northeast Ohio Management Information Network (NEOMIN) – The North East Ohio Management Information Network (NEOMIN) is a jointly governed organization among 30 school districts in Trumbull and Ashtabula Counties. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. Each of the districts supports NEOMIN based upon a per pupil charge. The Career Center paid $49,431 to NEOMIN during fiscal year 2018.

The Governing Board consists of ten members: the Trumbull and Ashtabula County superintendents (permanent members), three superintendents from Ashtabula County participating school districts, three superintendents from Trumbull County participating school districts, and a principal and treasurer (non-voting members who must be employed by a participating school district, the fiscal agent or NEOMIN). The Board exercises total control over the operations of NEOMIN including budgeting, appropriating, contracting and designating management. The degree of control exercised by a participating school district is limited to its representation on the Governing Board. To obtain a copy of NEOMIN's financial statements, write to the Trumbull Career and Technical Center, 528 Educational Highway, Warren, Ohio 44483.

Note 19 – Public Entity Risk Pools

Insurance Purchasing Pool

The Career Center participates in a group rating program for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. The Ohio Association of School Business Officials Workers' Compensation Group Retrospective Rating Program (GRP) was established through the Ohio Association of School Business Officials (OASBO) as a group purchasing pool. The Executive Director of the OASBO, or his designee, serves as coordinator of the GRP. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

Shared Risk Pools

Ohio School Plan – The Career Center participates in the Ohio School Plan (OSP), a shared risk pool. The Ohio School Plan (OSP) is created and organized pursuant to and as authorized by Section 2744.081 of the Ohio Revised Code. The OSP is an unincorporated, non-profit association of its members and an instrumentality for each member for the purpose of enabling members of the Plan to provide for a formalized, joint insurance purchasing program to maintain adequate insurance protection, risk management programs and other administrative services. The OSP's business and affairs are conducted by a fifteen member Board of directors consisting of District superintendents and treasurers, as well as the president of Harcum-Shuett Insurance Agency and a partner of the Hylant Group. Hylant Group is the Administrator of the OSP and is responsible for processing claims. Harcum-Shuett Insurance Agency is the sales and marketing representative, which establishes agreements between OSP and member schools.

The Career Center has contracted with the Ashtabula County Schools Council of Governments ("the Council) to provide employee medical/surgical, prescription drug, dental and vision benefits. The Council is organized under Chapter 167 of the Ohio Revised Code and is comprised of seven Ashtabula County school districts. Rates are set by the Council's board of directors. The Career Center pays a monthly contribution, which is placed in a common fund from which claim payments are made for all participating school districts. Claims are paid for all participants regardless of claims flow. The Council is a separate and independent entity governed by its own set of by-laws and constitution. All assets and liabilities are the responsibility of the Council. The program is operated as a full indemnity program with no financial liability (other than monthly premiums) or risk to the Career Center. The Council shall pay the run out of all claims for a withdrawing Member. Any Member which withdraws from the Council pursuant to the Council Agreement shall have no claim to the Council's assets.

Note 20 - Set-Aside Calculation

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

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

	Capital Improvements
Set-aside Cash Balance as of June 30, 2017	$0
Current Year Set-aside Requirement	108,599
Current Year Offsets	(554,790)
Qualifying Expenditures	(521,773)
Totals	($967,964)
Set-aside Balance Carried Forward to Future Fiscal Years	$0
Set-aside Balance as of June 30, 2018	$0

The Career Center had qualifying disbursements and offsets during the fiscal year that reduced the capital improvements set-aside amounts below zero. The negative set-aside balance for the capital improvements may not be used to reduce the set-aside requirements of future years. This negative balance is therefore not presented as being carried forward to future years.

Note 21 – Encumbrances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At fiscal year end the amount of encumbrances expected to be honored upon performance by the vendor in the next fiscal year were as follows:

General	$150,780
Other Local Grants	137,892
Permanent Improvement	115,698
Other Governmental Funds	37,404
Total	$441,774

Note 22 – Defined Benefit Pension Plans

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

Net Pension Liability/Net OPEB Liability

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

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

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

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

The proportionate share of each plan's unfunded benefits is presented as a long-term *net pension/OPEB liability* on the accrual basis of accounting. Any liability for the contractually-required pension/OPEB contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting. The remainder of this note includes the required pension disclosures. See Note 23 for the required OPEB disclosures.

Plan Description - School Employees Retirement System (SERS)

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

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 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 years of service; 2.2 percent for the first thirty years of service and 2.5 percent for years of service credit over 30. Final average salary is the average of the highest three years of salary.

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 School District 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, 2018, the allocation to pension, death benefits, and Medicare B was 13.5 percent. The remaining .5 percent was allocated to the Health Care Fund.

The Career Center's contractually required contribution to SERS was $197,102 for fiscal year 2018. Of this amount $4,590 is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

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

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

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. Effective July 1, 2017, the cost-of-living adjustment was reduced to zero. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 26 years of service, or 31 years of service regardless of age. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

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

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

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

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For the fiscal year ended June 30, 2018, the employer rate was 14 percent and the plan members were also required to contribute 14 percent of covered salary. The fiscal year 2018 contribution rates were equal to the statutory maximum rates.

The Career Center contractually required contributions to STRS was $749,137 for fiscal year 2018. Of this amount $111,906 is reported as an intergovernmental payable.

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

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Career Center's proportion of the net pension liability was based on the Career Center's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	SERS	STRS	Total
Proportion of the Net Pension Liability Prior Measurement Date	0.04280430%	0.04836231%	
Proportion of the Net Pension Liability Current Measurement Date	0.04289040%	0.04735482%	
Change in Proportionate Share	0.00008610%	-0.00100749%	
Proportionate Share of the Net Pension Liability	$2,562,607	$11,249,240	$13,811,847
Pension Expense	($146,445)	($4,530,537)	($4,676,982)

At June 30, 2018, the Career Center reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	$110,285	$434,393	$544,678
Changes of assumptions	132,515	2,460,332	2,592,847
Changes in proportionate share and difference between Career Center contributions and proportionate share of contributions	4,285	153,141	157,426
Career Center contributions subsequent to the measurement date	197,102	749,137	946,239
Total Deferred Outflows of Resources	$444,187	$3,797,003	$4,241,190

	SERS	STRS	Total
Deferred Inflows of Resources			
Differences between expected and actual experience	$0	$90,664	$90,664
Net difference between projected and actual earnings on pension plan investments	12,164	371,238	383,402
Changes in proportionate share and difference between Career Center contributions and proportionate share of contributions	67,297	594,351	661,648
Total Deferred Inflows of Resources	$79,461	$1,056,253	$1,135,714

$946,239 reported as deferred outflows of resources related to pension resulting from Career Center contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2019. 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:			
2019	$56,366	$319,309	$375,675
2020	131,281	824,320	955,601
2021	39,715	710,607	750,322
2022	(59,738)	137,377	77,639
Total	$167,624	$1,991,613	$2,159,237

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, 2017, are presented as follows:

Wage Inflation	3.00 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent
COLA or Ad Hoc COLA	2.5 percent
Investment Rate of Return	7.50 percent net of investments expense, including inflation
Actuarial Cost Method	Entry Age Normal

Prior to 2017, an assumption of 3 percent was used for COLA or Ad Hoc COLA.

For 2017, the mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females. Mortality among service retired members, and beneficiaries were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120 percent of male rates, and 110 percent of female rates. Mortality among disabled members were based upon the RP-2000 Disabled Mortality Table, 90 percent for male rates and 100 percent for female rates, set back five years is used for the period after disability retirement.

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

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

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

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

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

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Career Center's proportionate share of the net pension liability	$3,556,232	$2,562,607	$1,730,243

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2017, actuarial valuation, compared with July 1, 2016 are presented below:

	July 1, 2017	July 1, 2016
Inflation	2.50 percent	2.75 percent
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65	12.25 percent at age 20 to 2.75 percent at age 70
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation	7.75 percent, net of investment expenses, including inflation
Payroll Increases	3 percent	3.5 percent
Cost-of-Living Adjustments (COLA)	0.0 percent, effective July 1, 2017	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 commences on fifth anniversary of retirement date.

For the July 1, 2017, actuarial valuation, post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

For the July 1, 2016 actuarial valuation, 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 no set back from age 90 and above.

Actuarial assumptions used in the July 1, 2017, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016. Actuarial assumptions used in the June 30, 2016, valuation are based on the results of an actuarial experience study, effective July 1, 2012.

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

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

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

Discount Rate The discount rate used to measure the total pension liability was 7.45 percent as of June 30, 2017. The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2016. The projection of cash flows used to determine the discount rate assumes that 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. 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, 2017. Therefore, the long-term expected rate of return on pension plan investments of 7.45 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2017.

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

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
Career Center's proportionate share of the net pension liability	$16,125,401	$11,249,240	$7,141,803

Note 23 - Defined Benefit OPEB Plans

See Note 22 for a description of the net OPEB liability

Plan Description - School Employees Retirement System (SERS)

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

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2018, .5 percent of covered payroll was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2018, this amount was $23,700. 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 2018, the Career Center's surcharge obligation was $21,785.

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The Career Center's contractually required contribution to SERS was $29,288 for fiscal year 2018. Of this amount $21,955 is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

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

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2018, STRS did not allocate any employer contributions to post-employment health care.

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

The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Career Center's proportion of the net OPEB liability was based on the Career Center's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	SERS	STRS	Total
Proportion of the Net OPEB Liability Prior Measurement Date	0.04329930%	0.04836231%	
Proportion of the Net OPEB Liability Current Measurement Date	0.04341720%	0.04735482%	
Change in Proportionate Share	0.00011790%	-0.00100749%	
Proportionate Share of the Net OPEB Liability	$1,165,204	$1,847,610	$3,012,814
OPEB Expense	$69,078	($571,488)	($502,410)

At June 30, 2018, the Career Center reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	$0	$106,655	$106,655
Career Center contributions subsequent to the measurement date	29,288	0	29,288
Total Deferred Outflows of Resources	$29,288	$106,655	$135,943
Deferred Inflows of Resources			
Changes of assumptions	$110,572	$148,831	$259,403
Net difference between projected and actual earnings on OPEB plan investments	3,077	78,971	82,048
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	1,245	46,184	47,429
Total Deferred Inflows of Resources	$114,894	$273,986	$388,880

$29,288 reported as deferred outflows of resources related to OPEB resulting from Career Center contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2019	($41,283)	($34,469)	($75,752)
2020	(41,283)	(34,469)	(75,752)
2021	(31,560)	(34,469)	(66,029)
2022	(768)	(34,470)	(35,238)
2023	0	(14,726)	(14,726)
Thereafter	0	(14,728)	(14,728)
Total	($114,894)	($167,331)	($282,225)

Actuarial Assumptions - SERS

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

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

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

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2017, are presented below:

Wage Inflation	3.00 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent
Investment Rate of Return	7.50 percent net of investments expense, including inflation
Municipal Bond Index Rate:	
Measurement Date	3.56 percent
Prior Measurement Date	2.92 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation	
Measurement Date	3.63 percent
Prior Measurement Date	2.98 percent
Medical Trend Assumption	
Medicare	5.50 to 5.00 percent
Pre-Medicare	7.50 to 5.00 percent

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

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

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

The SERS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 22.

Discount Rate The discount rate used to measure the total OPEB liability at June 30, 2017 was 3.63 percent. The discount rate used to measure total OPEB liability prior to June 30, 2017 was 2.98 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the state statute contribution rate of 2.00 percent of projected covered employee payroll each year, which includes a 1.50 percent payroll surcharge and 0.50 percent of contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2025. Therefore, the long-term expected rate of return on OPEB plan assets was used to present value the projected benefit payments through the fiscal year ending June 30, 2024 and the Fidelity General Obligation 20-year Municipal Bond Index rate of 3.56 percent, as of June 30, 2017 (i.e. municipal bond rate), was used to present value the projected benefit payments for the remaining years in the projection. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The projection of future benefit payments for all current plan members was until the benefit payments ran out.

Sensitivity of the Career Center's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.63%) and higher (4.63%) than the current discount rate (3.63%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.5% decreasing to 4.0%) and higher (8.5% decreasing to 6.0%) than the current rate.

	1% Decrease (2.63%)	Current Discount Rate (3.63%)	1% Increase (4.63%)
Career Center's proportionate share of the net OPEB liability	$1,407,132	$1,165,204	$973,535

	1% Decrease (6.5 % decreasing to 4.0 %)	Current Trend Rate (7.5 % decreasing to 5.0 %)	1% Increase (8.5 % decreasing to 6.0 %)
Career Center's proportionate share of the net OPEB liability	$945,475	$1,165,204	$1,456,018

Actuarial Assumptions – STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2017, actuarial valuation are presented below:

Inflation	2.50 percent
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation
Payroll Increases	3 percent
Cost-of-Living Adjustments (COLA)	0.0 percent, effective July 1, 2017
Blended Discount Rate of Return	4.13 percent
Health Care Cost Trends	6 to 11 percent initial, 4.5 percent ultimate

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

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

Actuarial assumptions used in the June 30, 2017, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

Since the prior measurement date, the discount rate was increased from 3.26 percent to 4.13 percent based on the methodology defined under GASB *Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)* and the long term expected rate of return was reduced from 7.75 percent to 7.45 percent. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

Also since the prior measurement date, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1 percent to 1.9 percent per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019. Subsequent to the current measurement date, the date for discontinuing remaining Medicare Part B premium reimbursements was extended to January 2020.

The STRS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 22.

Discount Rate The discount rate used to measure the total OPEB liability was 4.13 percent as of June 30, 2017. The projection of cash flows used to determine the discount rate assumes STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was not projected to be sufficient to make all projected future benefit payments of current plan members. The OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2037. Therefore, the long-term expected rate of return on OPEB plan assets was used to determine the present value of the projected benefit payments through the fiscal year ending June 30, 2036 and the Bond Buyer 20-year municipal bond rate of 3.58 percent as of June 30, 2017 (i.e. municipal bond rate), was used to determine the present value of the projected benefit payments for the remaining years in the projection. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The blended discount rate of 4.13 percent, which represents the long-term expected rate of return of 7.45 percent for the funded benefit payments and the Bond Buyer 20-year municipal bond rate of 3.58 percent for the unfunded benefit payments, was used to measure the total OPEB liability as of June 30, 2017. A blended discount rate of 3.26 percent which represents the long term expected rate of return of 7.75 percent for the funded benefit payments and the Bond Buyer 20-year municipal bond rate of 2.85 percent for the unfunded benefit payments was used to measure the total OPEB liability at June 30, 2016.

Sensitivity of the Career Center's Proportionate Share of the Net OPEB Liability to Changes in the Discount and Health Care Cost Trend Rate The following table represents the net OPEB liability as of June 30, 2017, calculated using the current period discount rate assumption of 4.13 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.13 percent) or one percentage point higher (5.13 percent) than the current assumption. Also shown is the net OPEB liability as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease (3.13%)	Current Discount Rate (4.13%)	1% Increase (5.13%)
Career Center's proportionate share of the net OPEB liability	$2,480,387	$1,847,610	$1,347,510

	1% Decrease	Current Trend Rate	1% Increase
Career Center's proportionate share of the net OPEB liability	$1,283,640	$1,847,610	$2,589,861

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Required Supplementary Information

Ashtabula County Technical and Career Center

Required Supplementary Information

Schedule of the Career Center's Proportionate Share of the Net Pension Liability

School Employees Retirement System of Ohio

Last Five Fiscal Years (1)

	2018	2017	2016
Career Center's Proportion of the Net Pension Liability	0.04289040%	0.04280430%	0.04484530%
Career Center's Proportionate Share of the Net Pension Liability	$2,562,607	$3,132,880	$2,558,917
Career Center's Covered Payroll	$1,381,450	$1,359,414	$1,322,179
Career Center's Proportionate Share of the Net Pension Liability as a Percentage of its Covered - Payroll	185.50%	230.46%	193.54%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.50%	62.98%	69.16%

(1) Information prior to 2014 is not available.

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

See accompanying notes to the required supplementary information

2015	2014
0.04587600%	0.04587600%
$2,321,758	$2,728,098
$1,344,550	$1,325,305
172.68%	205.85%
71.70%	65.52%

Ashtabula County Technical and Career Center

Required Supplementary Information

Schedule of the Career Center's Proportionate Share of the Net OPEB Liability

School Employees Retirement System of Ohio

Last Two Fiscal Years (1)

	2018	2017
Career Center's Proportion of the Net OPEB Liability	0.04341720%	0.04329930%
Career Center's Proportionate Share of the Net OPEB Liability	$1,165,204	$1,234,190
Career Center's Covered Payroll	$1,381,450	$1,359,414
Career Center's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered - Payroll	84.35%	90.79%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	12.46%	11.49%

(1) Information prior to 2017 is not available.

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

See accompanying notes to the required supplementary information

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Ashtabula County Technical and Career Center

Required Supplementary Information

Schedule of the Career Center's Proportionate Share of the Net Pension Liability

State Teachers Retirement System of Ohio

Last Five Fiscal Years (1)

	2018	2017	2016
Career Center's Proportion of the Net Pension Liability	0.04735482%	0.04836231%	0.04748618%
Career Center's Proportionate Share of the Net Pension Liability	$11,249,240	$16,188,323	$13,123,791
Career Center's Covered Payroll	$5,246,414	$5,116,057	$4,944,314
Career Center's Proportionate Share of the Net Pension Liability as a Percentage of its Covered - Payroll	214.42%	316.42%	265.43%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.30%	66.80%	72.10%

(1) Information prior to 2014 is not available.

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

See accompanying notes to the required supplementary information

2015	2014
0.05057587%	0.05057587%
$12,301,802	$14,653,826
$5,102,886	$5,521,654
241.08%	265.39%
74.70%	69.30%

Ashtabula County Technical and Career Center

Required Supplementary Information

Schedule of the Career Center's Proportionate Share of the Net OPEB Liability

State Teachers Retirement System of Ohio

Last Two Fiscal Years (1)

	2018	2017
Career Center's Proportion of the Net OPEB Liability	0.04735482%	0.04836231%
Career Center's Proportionate Share of the Net OPEB Liability	$1,847,610	$2,586,429
Career Center's Covered Payroll	$5,246,414	$5,116,057
Career Center's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered - Payroll	35.22%	50.56%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	47.10%	37.30%

(1) Information prior to 2017 is not available.

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

See accompanying notes to the required supplementary information

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Ashtabula County Technical and Career Center
Required Supplementary Information
Schedule of the Career Center's Contributions
School Employees Retirement System of Ohio
Last Ten Fiscal Years

	2018	2017	2016	2015
Net Pension Liability				
Contractually Required Contribution	$197,102	$193,403	$190,318	$174,263
Contributions in Relation to the Contractually Required Contribution	(197,102)	(193,403)	(190,318)	(174,263)
Contribution Deficiency (Excess)	$0	$0	$0	$0
Career Center Covered Payroll (1)	$1,460,015	$1,381,450	$1,359,414	$1,322,179
Pension Contributions as a Percentage of Covered Payroll	13.50%	14.00%	14.00%	13.18%
Net OPEB Liability				
Contractually Required Contribution (2)	29,288	23,170	21,574	29,776
Contributions in Relation to the Contractually Required Contribution	(29,288)	(23,170)	(21,574)	(29,776)
Contribution Deficiency (Excess)	$0	$0	$0	$0
OPEB Contributions as a Percentage of Covered Payroll	2.01%	1.68%	1.59%	2.25%
Total Contributions as a Percentage of Covered Payroll (2)	15.51%	15.68%	15.59%	15.43%

(1) The Career Center's covered payroll is the same for Pension and OPEB.
(2) Includes Surcharge

See accompanying notes to the required supplementary information

2014	2013	2012	2011	2010	2009
$186,355	$183,422	$164,671	$165,218	$185,729	$130,870
(186,355)	(183,422)	(164,671)	(165,218)	(185,729)	(130,870)
$0	$0	$0	$0	$0	$0
$1,344,550	$1,325,305	$1,224,323	$1,314,386	$1,371,706	$1,329,978
13.86%	13.84%	13.45%	12.57%	13.54%	9.84%
22,703	22,528	26,175	38,532	26,744	75,395
(22,703)	(22,528)	(26,175)	(38,532)	(26,744)	(75,395)
$0	$0	$0	$0	$0	$0
1.69%	1.70%	2.14%	2.93%	1.95%	5.67%
15.55%	15.54%	15.59%	15.50%	15.49%	15.51%

Ashtabula County Technical and Career Center

Required Supplementary Information

Schedule of the Career Center's Contributions

State Teachers Retirement System of Ohio

Last Ten Fiscal Years

	2018	2017	2016	2015
Net Pension Liability				
Contractually Required Contribution	$749,137	$734,498	$716,248	$692,204
Contributions in Relation to the Contractually Required Contribution	(749,137)	(734,498)	(716,248)	(692,204)
Contribution Deficiency (Excess)	$0	$0	$0	$0
Career Center Covered Payroll (1)	$5,350,979	$5,246,414	$5,116,057	$4,944,314
Pension Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%
Net OPEB Liability				
Contractually Required Contribution	$0	$0	$0	$0
Contributions in Relation to the Contractually Required Contribution	0	0	0	0
Contribution Deficiency (Excess)	$0	$0	$0	$0
OPEB Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%
Total Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%

(1) The Career Center's covered payroll is the same for Pension and OPEB.

See accompanying notes to the required supplementary information

2014	2013	2012	2011	2010	2009
$663,375	$717,815	$776,760	$796,189	$777,157	$747,603
(663,375)	(717,815)	(776,760)	(796,189)	(777,157)	(747,603)
$0	$0	$0	$0	$0	$0
$5,102,886	$5,521,654	$5,975,077	$6,124,531	$5,978,131	$5,750,792
13.00%	13.00%	13.00%	13.00%	13.00%	13.00%
$51,029	$55,217	$59,751	$61,245	$59,781	$57,508
(51,029)	(55,217)	(59,751)	(61,245)	(59,781)	(57,508)
$0	$0	$0	$0	$0	$0
1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

Net Pension Liability

Changes in Assumptions – SERS

For fiscal year 2018, an assumption of 2.5 percent was used for COLA or Ad Hoc Cola. Prior to 2018, an assumption of 3 percent was used.

Beginning with fiscal year 2017, amounts reported incorporate changes in assumptions used by SERS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in fiscal year 2016 and prior are presented below:

	Fiscal Year 2017	Fiscal Year 2016 and Prior
Wage Inflation	3.00 percent	3.25 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent	4.00 percent to 22.00 percent
Investment Rate of Return	7.50 percent net of investments expense, including inflation	7.75 percent net of investments expense, including inflation

Beginning with fiscal year 2017, mortality assumptions use mortality rates that are based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females. Amounts reported for fiscal year 2016 and prior, use mortality assumptions that are based on the 1994 Group Annuity Mortality Table set back one year for both men and women. Special mortality tables were used for the period after disability retirement.

Changes in Assumptions - STRS

Amounts reported for fiscal year 2018 incorporate changes in assumptions and changes in benefit terms used by STRS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in fiscal year 2017 and prior are presented below:

	Fiscal Year 2018	Fiscal Year 2017 and Prior
Inflation	2.50 percent	2.75 percent
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65	12.25 percent at age 20 to 2.75 percent at age 70
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation	7.75 percent, net of investment expenses, including inflation
Payroll Increases	3 percent	3.5 percent
Cost-of-Living Adjustments (COLA)	0.0 percent, effective July 1, 2017	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 commences on fifth anniversary of retirement date.

For fiscal year 2018 post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70% of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014

Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

For fiscal year 2017 and prior actuarial valuation, 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 no set back from age 90 and above.

Net OPEB Liability

Changes in Assumptions – SERS

Amounts reported for fiscal year 2018 incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

Municipal Bond Index Rate:	
Fiscal year 2018	3.56 percent
Fiscal year 2017	2.92 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation	
Fiscal year 2018	3.63 percent
Fiscal year 2017	2.98 percent

Changes in Assumptions – STRS

For fiscal year 2018, the discount rate was increased from 3.26 percent to 4.13 percent based on the methodology defined under GASB *Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)* and the long term expected rate of return was reduced from 7.75 percent to 7.45 percent. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

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

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ASHTABULA COUNTY TECHNICAL & CAREER CENTER
ASHTABULA COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018

FEDERAL GRANTOR / ***Pass Through Grantor*** / **Program / Cluster Title**	**Federal CFDA Number**	**Pass Through Entity Identifying Number**	**Passed Through to Subrecipients**	**Total Federal Expenditures**
U.S. DEPARTMENT OF AGRICULTURE				
Passed Through Ohio Department of Education:				
Child Nutrition Cluster:				
National School Lunch Program	10.555	2018		$120,756
Non-Cash Food Commodities	10.555	2018		28,333
Sub-Total - Child Nutrition Cluster				**149,089**
Total U.S. Department of Agriculture				**149,089**
U.S. DEPARTMENT OF EDUCATION				
Direct Programs:				
Student Financial Assistance Cluster:				
Pell Grants	84.063	2018		395,481
Direct Student Loans	84.268	2018		712,279
Sub-Total - Student Financial Assistance Cluster				**1,107,760**
Passed Through the Ohio Board of Regents:				
Adult Education - State Grant Program	84.002	2017		7,013
		2018		117,855
Sub-Total - State Grant Program				**124,868**
Career & Technical Education-Basic Grants to States	84.048	2017		2,470
Full Service Center Payment		2018		22,096
Sub-Total - Full Service Center Payment				**24,566**
Total Ohio Board of Regents				**149,434**
Passed Through the Ohio Department of Education:				
Career & Technical Education-Basic Grants to States	84.048	2017		25,159
		2018		112,680
		2017		70,543
		2018		258,126
Sub-Total - Basic Grants to States				**466,508**
Rural Education Grant	84.358	2017		40,765
		2018		40,854
Sub-Total - Rural Education				**81,619**
Total Ohio Department of Education:				**548,127**
Total U.S Department of Education				**1,805,321**
Totals				**$1,954,410**

The accompanying notes to this schedule are an integral part of this schedule.

ASHTABULA COUNTY TECHNICAL & CAREER CENTER
ASHTABULA COUNTY

NOTE TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FISCAL YEAR ENDED JUNE 30, 2018

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Ashtabula County Technical and Career Center (the Career Center) under programs of the federal government for the year ended June 30, 2018. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Career Center, it is not intended to and does not present the financial position or changes in net position of the Career Center.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

The Career Center has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D - CHILD NUTRITION CLUSTER

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

NOTE E – FOOD DONATION PROGRAM

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

NOTE F - MATCHING REQUIREMENTS

Certain Federal programs require the Career Center to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The Career Center has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

NOTE G – FEDERAL DIRECT STUDENT LOANS PROGRAM

The amount included on the Schedule represents new loans advanced during the fiscal year ended June 30, 2018. The District is not a direct lender of Federal Direct Student Loans. The amount represents the value of new Federal Direct Student Loans awarded and disbursed to the District's students during the year as follows:

Federal Subsidized Stafford Loans	$190,155
Federal Unsubsidized Stafford Loans	277,873
Federal Plus Loans	5,188
Total Direct Student Loans	**$473,216**

Dave Yost • Auditor of State

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

Ashtabula County Technical & Career Center
Ashtabula County
1565 State Route 167
Jefferson, Ohio 44047

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Ashtabula County Technical & Career Center, Ashtabula County, (the Career Center) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Career Center's basic financial statements and have issued our report thereon dated December 20, 2018, wherein we noted the Career Center adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*.

Internal Control Over Financial Reporting

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

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

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

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www.ohioauditor.gov

Compliance and Other Matters

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

Purpose of this Report

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

Dave Yost

Dave Yost
Auditor of State
Columbus, Ohio

December 20, 2018

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

Ashtabula County Technical & Career Center
Ashtabula County
1565 State Route 167
Jefferson, Ohio 44047

To the Board of Education:

Report on Compliance for the Major Federal Program

We have audited the Ashtabula County Technical & Career Center's (the Career Center) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect the Ashtabula County Technical & Career Center's major federal program for the year ended June 30, 2018. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the Career Center's major federal program.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on the Major Federal Program

In our opinion, the Ashtabula County Technical & Career Center complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended June 30, 2018.

Report on Internal Control Over Compliance

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

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

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

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

Dave Yost

Dave Yost
Auditor of State
Columbus, Ohio

December 20, 2018

ASHTABULA COUNTY TECHNICAL & CAREER CENTER
ASHTABULA COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2018

1. SUMMARY OF AUDITOR'S RESULTS

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

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

ASHTABULA COUNTY
Technical & Career Center

Jerome R. Brockway, Ph.D.
Superintendent

Mrs. Lindsey M. Elly
Treasurer

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR 200.511(b)
June 30, 2018

Finding Number	Finding Summary	Status	Additional Information
2017-001	Intergovernmental receivable posting error	Corrective action taken and fully corrected	

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ASHTABULA COUNTY TECHNICAL AND CAREER CENTER

ASHTABULA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
JANUARY 8, 2019