PENTA CAREER CENTER
WOOD COUNTY, OHIO

BASIC FINANCIAL STATEMENTS
(AUDITED)

FOR THE FISCAL YEAR ENDED
JUNE 30, 2018

OHIO AUDITOR OF STATE
KEITH FABER

Board of Education
Penta Career Center
9301 Buck Road
Perrysburg, Ohio 43551

We have reviewed the *Independent Auditor's Report* of the Penta Career Center, Wood County, prepared by Julian & Grube, Inc., for the audit period July 1, 2017 through June 30, 2018. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Penta Career Center is responsible for compliance with these laws and regulations.

Keith Faber

Keith Faber
Auditor of State
Columbus, Ohio

February 21, 2019

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PENTA CAREER CENTER
WOOD COUNTY, OHIO

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Julian & Grube, Inc.
Serving Ohio Local Governments
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Independent Auditor's Report

Penta Career Center
Wood County
9301 Buck Road
Perrysburg, Ohio 43551

To the Governing Board:

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 Penta Career Center, Wood County, Ohio, as of and for the fiscal year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Penta 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 Penta 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 Penta Career Center's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Penta Career Center, Wood County, Ohio, as of June 30, 2018, and the respective changes in financial position thereof for the fiscal year then ended in accordance with the accounting principles generally accepted in the United States of America.

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Emphasis of Matter

As discussed in Note 3 to the financial statements, during fiscal year 2018, the Penta 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*, required budgetary comparison schedule 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 Information

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

The Schedule of Expenditures of Federal Awards (the "Schedule") 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 17, 2018, on our consideration of the Penta 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 Penta Career Center's internal control over financial reporting and compliance.

Julian & Grube, Inc.

Julian & Grube, Inc.
December 17, 2018

PENTA CAREER CENTER
WOOD COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

The discussion and analysis of the Penta Career Center's (the "Career Center") financial performance provides an overall review of the Career Center's financial activities for the fiscal year ended June 30, 2018. The intent of this discussion and analysis is to look at the Career Center's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and basic financial statements to enhance their understanding of the Career Center's financial performance.

Financial Highlights

Key financial highlights for 2018 are as follows:

- The Career Center's net position of governmental activities increased $20,120,463 which represents a 123.95 percent increase from 2017's restated net position, which is primarily a result of the significant reduction in the net pension liability.

- General revenues accounted for $28,016,744 in revenue or 72.02 percent of all revenues. Program specific revenues in the form of charges for services and sales and operating grants and contributions accounted for $10,885,942 or 27.98 percent of total revenues of $38,902,686.

- The Career Center had $18,782,223 in expenses related to governmental activities; $10,885,942 of these expenses was offset by program specific charges for services, operating grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) were more than adequate to provide for these programs.

- The Career Center's largest major governmental fund is the general fund. The general fund had $30,782,927 in revenues and $28,119,700 in expenditures. During fiscal year 2018, the general fund's fund balance increased $2,663,227 or 17.19 percent from a balance of $15,490,304 to $18,153,531.

- The fund balance of the permanent improvement fund increased $775,045 or 7.67 percent during fiscal year 2018.

Using this Annual Financial Report

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

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

Reporting the Career Center as a Whole

Statement of Net Position and the Statement of Activities

The statement of net position and the statement of activities reflect how the Career Center did financially during fiscal year 2018. These statements include *all assets, deferred outflows, liabilities, deferred inflows, revenues and expenses* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

In the statement of net position and the statement of activities, the governmental activities include the Career Center's programs and services, including instruction, support services, operation and maintenance of plant, extracurricular activities, adult education programs and food service operations.

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

Reporting the Career Center's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

Most of the Career Center's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial assets* that can readily be converted to cash. The governmental fund financial statements provide a detailed *short-term* view of the Career Center's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental *activities* (reported in the statement of net position and the statement of activities) and governmental *funds* is reconciled in the basic financial statements. The basic governmental fund financial statements can be found on pages 19-22 of this report.

Reporting the Career Center's Fiduciary Responsibilities

The Career Center is the trustee, or fiduciary, for its scholarship programs. This activity is presented as a private-purpose trust fund. The Career Center also acts in a trustee capacity as an agent for student managed activities. These activities are reported in an agency fund. All of the Career Center's fiduciary activities are reported in separate statements of fiduciary net position and changes in fiduciary net position on pages 23 and 24. These activities are excluded from the Career Center's other financial statements because the assets cannot be utilized by the Career Center to finance its operations.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 25-70 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Career Center's budgetary basis of accounting and net pension liability and net OPEB liability in this report on pages 71-72 and 73-86, respectively.

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The Career Center as a Whole

The statement of net position provides the perspective of the Career Center as a whole. The table below provides a summary of the Career Center's net position for June 30, 2018 and June 30, 2017. The net position at June 30, 2017 has been restated as described in Note 3.A.

Net Position

	Governmental Activities 2018	Restated Governmental Activities 2017
Assets		
Current and other assets	$ 47,839,441	$ 44,242,711
Capital assets	75,364,563	76,991,565
Total assets	123,204,004	121,234,276
Deferred outflows of resources	14,678,172	13,187,503
Liabilities		
Current liabilities	4,144,978	4,026,172
Long-term liabilities:		
Due within one year	2,849,252	2,731,178
Due in more than one year:		
Net pension liability	36,029,182	51,495,536
Net OPEB liability	7,553,037	9,980,882
Other amounts	33,132,469	35,876,302
Total liabilities	83,708,918	104,110,070
Deferred inflows of resources	17,820,714	14,079,628
Net Position		
Net investment in capital assets	45,405,688	44,693,267
Restricted	11,344,075	10,482,428
Unrestricted (deficit)	(20,397,219)	(38,943,614)
Total net position	$ 36,352,544	$ 16,232,081

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.

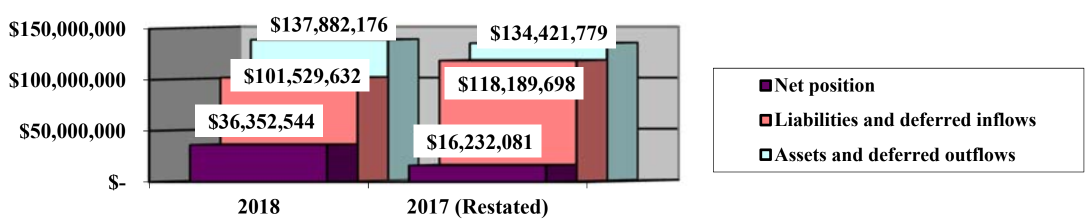
As a result of implementing GASB 75, the Career Center is reporting a net OPEB liability and deferred inflows/outflows of resources related to OPEB on the accrual basis of accounting. This implementation also had the effect of restating net position at June 30, 2017, from $26,180,155 to $16,232,081.

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2018, the Career Center's assets and deferred outflows exceeded liabilities and deferred inflows by $36,352,544.

At June 30, 2018, capital assets represented 61.17 percent of total assets. Capital assets include land, land improvements, buildings and building improvements, furniture, fixtures and equipment and vehicles. The net investment in capital assets at June 30, 2018 was $45,405,688. These capital assets are used to provide services to the students and are not available for future spending. Although the Career Center's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the Career Center's net position, $11,344,075, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position was a deficit of $20,397,219. The deficit balance in unrestricted net position was the result of reporting the net pension liability required by GASB 68.

Governmental Activities



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The table below shows the changes in net position for governmental activities between 2018 and 2017.

Change in Net Position

	Governmental Activities 2018	Governmental Activities 2017
Revenues		
Program revenues:		
Charges for services and sales	$ 1,699,169	$ 2,066,862
Operating grants and contributions	9,186,773	9,134,281
General revenues:		
Property taxes	15,986,440	17,426,651
Payment in lieu of taxes	266,053	187,673
Grants and entitlements	10,956,402	11,763,493
Investment earnings	506,529	335,757
Change in fair value of investments	239,872	523,034
Miscellaneous	61,448	19,404
Total revenues	38,902,686	41,457,155

- (Continued)

Change in Net Position - (Continued)

	Governmental Activities 2018	Governmental Activities 2017
Expenses		
Program expenses:		
Instruction:		
Special	$ 386,471	$ 979,969
Vocational	8,780,879	19,378,997
Adult/continuing	528,505	1,074,131
Other	213,092	780,387
Support services:		
Pupil	1,234,820	3,248,239
Instructional staff	1,057,974	3,396,705
Board of education	52,714	58,777
Administration	594,841	1,375,175
Fiscal	460,556	749,504
Operations and maintenance	2,372,123	3,120,231
Pupil transportation	5,971	-
Central	271,292	356,863
Other non-instructional services	209,669	264,389
Food service operations	513,253	745,725
Extracurricular activities	396,682	387,410
Interest and fiscal charges	1,703,381	2,013,119
Total expenses	18,782,223	37,929,621
Change in net position	20,120,463	3,527,534
Net position at beginning of year	16,232,081	N/A
Net position at end of year	$ 36,352,544	$ 16,232,081

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 $32,808 computed under GASB 45. GASB 45 required recognizing OPEB 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 $1,443,265. Consequently, in order to compare 2018 total program expenses to 2017, the following adjustments are needed:

Total 2018 program expenses under GASB 75	$ 18,782,223
Negative OPEB expense under GASB 75	1,443,265
2018 contractually required contributions	51,292
Adjusted 2018 program expenses	20,276,780
Total 2017 program expenses under GASB 45	37,929,621
Decrease in program expenses not related to OPEB	$ (17,652,841)

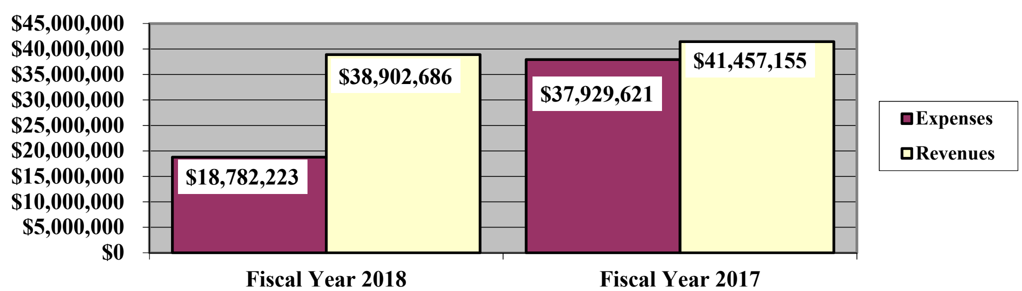
Governmental Activities

Net position of the Career Center's governmental activities increased during fiscal year 2018 by $20,120,463. Total revenues decreased 6.16 percent during fiscal year 2018. Property tax revenue decreased by $1,440,211 during fiscal year 2018 due to fluctuations in the property tax advances available at fiscal year-end. During fiscal year 2018, the Career Center received less unrestricted state foundation revenue due to Ohio Department of Education funding report adjustments. Total interest revenues increased during fiscal year 2018 due to an increase in the fair value of the Career Center's investments that was reported at June 30, 2018. Payment in lieu of tax revenue increased during fiscal year 2018 the scheduled payments due from businesses were paid during the fiscal year. Fiscal year 2018 total expenses decreased by 50.48 percent from fiscal year 2017.

Expenses of the governmental activities decreased $19,147,398 or 50.48%. This decrease is primarily the result of the State Teachers Retirement System (STRS) indefinitely suspending the Cost of Living Adjustment ("COLA") and the School Employees Retirement System (SERS) lowering the COLA from 3.00% to 2.50%. On an accrual basis, the Career Center reported ($11,965,562) in pension expense and ($1,443,265) in OPEB expense mainly due to these benefit changes.

The graph below presents the Career Center's governmental activities revenue and expenses for fiscal year 2018 and 2017.

Governmental Activities - Revenues and Expenses



The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for fiscal years 2018 and 2017. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

Governmental Activities

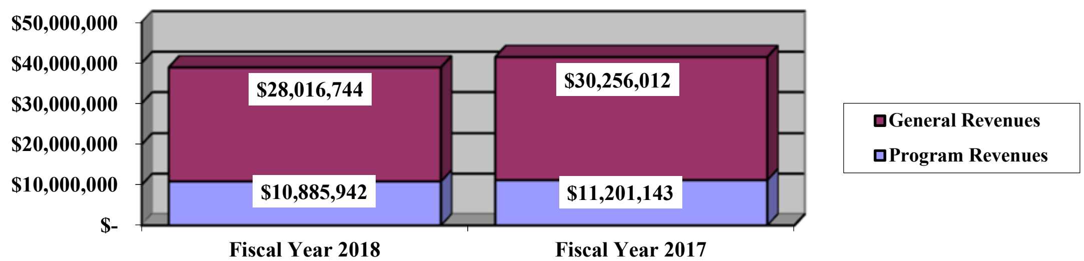
	Total Cost of Services 2018	Net Cost of Services 2018	Total Cost of Services 2017	Net Cost of Services 2017
Program expenses				
Instruction:				
Special	$ 386,471	$ 30,904	$ 979,969	$ 641,142
Vocational	8,780,879	1,197,516	19,378,997	11,759,407
Adult/continuing	528,505	(366,825)	1,074,131	(12,237)
Other	213,092	(158,416)	780,387	397,326
Support services:				
Pupil	1,234,820	987,909	3,248,239	2,986,698
Instructional staff	1,057,974	749,892	3,396,705	3,114,274
Board of education	52,714	52,714	58,777	58,777
Administration	594,841	435,898	1,375,175	1,149,299
Fiscal	460,556	460,556	749,504	749,504
Operations and maintenance	2,372,123	2,372,123	3,120,231	3,120,231
Pupil transportation	5,971	858	-	-
Central	271,292	271,292	356,863	356,863
Other non-instructional services	209,669	(136,635)	264,389	(83,009)
Food service operations	513,253	(101,568)	745,725	89,674
Extracurricular activities	396,682	396,682	387,410	387,410
Interest and fiscal charges	1,703,381	1,703,381	2,013,119	2,013,119
Total expenses	$ 18,782,223	$ 7,896,281	$ 37,929,621	$ 26,728,478

The dependence upon taxes and other general revenues for governmental activities is apparent; for all governmental activities, general revenue support is 42.04 percent and 70.47 percent for fiscal years 2018 and 2017. The Career Center's taxpayers and unrestricted grants and entitlements, as a whole, are by far the primary support for Career Center's students.

Several programs, however, receive significant contributions from program revenues. For instance, 86.36 percent of vocational instruction costs are provided for through program revenues, primarily operating grants and contributions and charges for services which include tuition and fees.

The graph below presents the Career Center's governmental activities revenue for fiscal years 2018 and 2017.

Governmental Activities - General and Program Revenues



The Career Center's Funds

The Career Center's governmental funds (as presented on the balance sheet on page 19) reported a combined fund balance of $29,660,879, which is higher than last year's total of $26,196,828. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2018 and 2017.

	Fund Balance June 30, 2018	Fund Balance June 30, 2017	Increase
General	$ 18,153,531	$ 15,490,304	$ 2,663,227
Permanent improvement	10,878,664	10,103,619	775,045
Other Governmental	628,684	602,905	25,779
Total	$ 29,660,879	$ 26,196,828	$ 3,464,051

The fund balance of the Career Center's other governmental funds increased $25,779 during fiscal year 2018 as a result of an increase of $48,498 in the Adult Education fund, $17,478 in the Food Services fund, $400 in the Vocational Education fund, $6,320 in the Improving Teacher Quality fund, and decreases of $13,179 in the Adult Basic Education fund and $33,738 in the Vocational Education Enhancement fund. There was no change in the fund balance for Miscellaneous State Grants.

General Fund

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

	2018 Amount	2017 Amount	Percentage Change
Revenues			
Taxes	$ 11,104,214	$ 12,175,939	(8.80) %
Tuition	622,868	743,650	(16.24) %
Earnings on investments	337,819	227,060	48.78 %
Intergovernmental	17,745,268	18,702,414	(5.12) %
Other revenues	972,758	1,077,509	(9.72) %
Total	$ 30,782,927	$ 32,926,572	(6.51) %
Expenditures			
Instruction	$ 17,775,785	$ 17,973,694	(1.10) %
Support services	9,682,598	9,774,467	(0.94) %
Other non-instructional services	209,669	264,389	(20.70) %
Extracurricular activities	396,682	387,410	2.39 %
Debt service	54,966	112,027	(50.94) %
Total	$ 28,119,700	$ 28,511,987	(1.38) %

The general fund balance increased by $2,663,227 during fiscal year 2018. Tax revenue decreased 8.80 percent when compared to the prior fiscal year as a result of fluctuations in the amount of property tax available for advance at fiscal year-end. Tuition revenue decreased due to a decrease in revenue received from open enrollment through state foundation. The increase in earnings on investments is due to more interest earned on investments and higher interest rates during fiscal year 2018. Intergovernmental revenues decreased as less unrestricted state foundation revenue was received as a result of Ohio Department of Education funding report adjustments.

Overall expenditures decreased by 1.38 percent during fiscal year 2018 and were comparable to the prior year. The decrease in debt service is related to payment of the capital lease obligations.

Permanent Improvement Fund

The 7.67 percent increase in the fund balance of the permanent improvement fund is a result of current year revenues exceeding the cost of maintenance and construction projects undertaken during fiscal year 2018. During fiscal year 2018, the permanent improvement fund made $2,375,000 and $1,633,588 in current principal and interest payments, respectively, on the certificates of participation. The increase in fund balance of $775,045 was carried over to the next fiscal year resulting in a year end fund balance of $10,878,664.

General Fund Budgeting Highlights

The Career Center's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the general fund shown as supplemental information on pages 71-72.

During the course of fiscal year 2018, the Career Center amended its general fund budget several times. For the general fund, original and final budgeted revenues and other financing sources were $30,073,619 and $30,155,537, respectively. Actual revenues and other financing sources for fiscal year 2018 were $30,193,984. This represents a $38,447 increase from final budgeted revenues.

General fund original and final appropriations (appropriated expenditures plus other financing uses) were $30,680,647 and $30,680,648, respectively. The actual budget basis expenditures and other financing uses for fiscal year 2018 totaled $29,143,539, which was $1,537,109 less than the final budget appropriations.

Capital Assets

At the end of fiscal 2018, the Career Center had $75,364,563 invested in land, land improvements, buildings and building improvements, furniture, fixtures and equipment, and vehicles. This entire amount is reported in governmental activities. The following table shows fiscal 2018 balances compared to 2017:

Capital Assets at June 30
(Net of Depreciation)

	Governmental Activities	
	2018	2017
Land	$ 7,202,778	$ 7,150,778
Land improvements	1,278,574	1,139,226
Building and building improvements	64,115,840	65,788,966
Furniture and equipment	2,499,998	2,678,655
Vehicles	267,373	233,940
Total	$ 75,364,563	$ 76,991,565

The overall decrease in capital assets of $1,627,002 occurred as a result of the 2018 depreciation expense of $2,796,672 and disposals of $35,226 (net of accumulated depreciation) being more than additions of $1,204,896.

See Note 9 to the basic financial statements for additional information on the Career Center's capital assets.

Debt Administration

At June 30, 2018 and June 30, 2017, the Career Center had the following debt obligations outstanding:

	Governmental Activities	
	2018	2017
Certificates of participation	$ 33,021,266	$ 35,646,139
Capital lease obligation	154,711	199,220
Total	$ 33,175,977	$ 35,845,359

At June 30, 2018 the Career Center's overall legal debt margin was $488,082,775 with an unvoted debt margin of $5,423,142.

See Notes 10 and 11 to the basic financial statements for more detail on the Career Center's debt obligations.

Current Related Financial Activities

The formula for career technical education (CTE) funding changed in fiscal year 2017. Previously, CTE was subject to a district's cap or guarantee, if applicable. Beginning in fiscal year 2017, CTE funding is calculated outside the cap and guarantee and paid at the district's state share percentage regardless if the district is on the cap or guarantee.

In fiscal year 2019, the legislated per pupil amount (opportunity grant) will be $6,020 (up from $6,010 in fiscal year 2018).

Contacting the Career Center's Financial Management

This financial report is designed to provide our citizens, taxpayers, and 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 Carrie J. Herringshaw, Treasurer, Penta Career Center, 9301 Buck Road, Perrysburg, Ohio 43551.

BASIC
FINANCIAL STATEMENTS

PENTA CAREER CENTER
WOOD COUNTY, OHIO

STATEMENT OF NET POSITION
JUNE 30, 2018

	Governmental Activities
Assets:	
Equity in pooled cash and investments.	$ 30,861,478
Receivables:	
Property taxes	16,279,290
Payment in lieu of taxes	297,418
Accounts.	26,901
Accrued interest	47,806
Intergovernmental	205,323
Prepayments	109,089
Materials and supplies inventory.	3,535
Inventory held for resale	8,601
Capital assets:	
Nondepreciable capital assets	7,202,778
Depreciable capital assets, net.	68,161,785
Capital assets, net	75,364,563
Total assets.	123,204,004
Deferred outflows of resources:	
Unamortized deferred charges on certificates of participation refunding	3,217,102
Pension	11,125,226
OPEB	335,844
Total deferred outflows of resources	14,678,172
Liabilities:	
Accounts payable.	497,885
Contracts payable.	234,231
Accrued wages and benefits payable	2,512,998
Intergovernmental payable	521,523
Accrued interest payable	378,341
Long-term liabilities:	
Due within one year.	2,849,252
Due in more than one year:	
Net pension liability (See Note 14)	36,029,182
Net OPEB liability (See Note 15)	7,553,037
Other amounts due in more than one year	33,132,469
Total liabilities	83,708,918
Deferred inflows of resources:	
Property taxes levied for the next fiscal year	13,722,301
Payment in lieu of taxes levied for the next fiscal year .	297,418
Pension.	2,564,671
OPEB.	1,236,324
Total deferred inflows of resources	17,820,714
Net position:	
Net investment in capital assets	45,405,688
Restricted for:	
Capital projects	10,559,073
Adult education	577,256
Food service operations	139,043
State funded programs.	68,703
Unrestricted (deficit)	(20,397,219)
Total net position.	$ 36,352,544

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

PENTA CAREER CENTER
WOOD COUNTY, OHIO

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

		Program Revenues		Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental activities:				
Instruction:				
Special	$ 386,471	$ -	$ 355,567	$ (30,904)
Vocational	8,780,879	681,949	6,901,414	(1,197,516)
Adult/continuing.	528,505	231,856	663,474	366,825
Other	213,092	-	371,508	158,416
Support services:				
Pupil.	1,234,820	54,925	191,986	(987,909)
Instructional staff	1,057,974	-	308,082	(749,892)
Board of education	52,714	-	-	(52,714)
Administration.	594,841	98,533	60,410	(435,898)
Fiscal.	460,556	-	-	(460,556)
Operations and maintenance	2,372,123	-	-	(2,372,123)
Pupil transportation	5,971	-	5,113	(858)
Central	271,292	-	-	(271,292)
Operation of non-instructional services:				
Other non-instructional services	209,669	346,304	-	136,635
Food service operations	513,253	285,602	329,219	101,568
Extracurricular activities.	396,682	-	-	(396,682)
Interest and fiscal charges	1,703,381	-	-	(1,703,381)
Total governmental activities	$ 18,782,223	$ 1,699,169	$ 9,186,773	(7,896,281)
	General revenues:			
	Property taxes levied for:			
	General purposes			11,109,344
	Capital outlay.			4,877,096
	Payments in lieu of taxes			266,053
	Grants and entitlements not restricted to specific programs			10,956,402
	Investment earnings			506,529
	Increase in fair value of investments			239,872
	Miscellaneous			61,448
	Total general revenues			28,016,744
	Change in net position			20,120,463
	Net position at beginning of year (restated).			16,232,081
	Net position at end of year			$ 36,352,544

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

PENTA CAREER CENTER
WOOD COUNTY, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018

	General	Permanent Improvement	Nonmajor Governmental Funds	Total Governmental Funds
Assets:				
Equity in pooled cash				
and investments.	$ 19,547,624	$ 10,408,305	$ 905,549	$ 30,861,478
Receivables:				
Property taxes.	11,246,990	5,032,300	-	16,279,290
Payment in lieu of taxes	297,418	-	-	297,418
Accounts	26,834	-	67	26,901
Accrued interest	47,806	-	-	47,806
Interfund loans	169,197	-	-	169,197
Intergovernmental.	32,640	-	172,683	205,323
Prepayments.	108,126	-	963	109,089
Materials and supplies inventory.	-	-	3,535	3,535
Inventory held for resale.	-	-	8,601	8,601
Total assets	$ 31,476,635	$ 15,440,605	$ 1,091,398	$ 48,008,638
Liabilities:				
Accounts payable	$ 472,464	$ 13,441	$ 11,980	$ 497,885
Contracts payable	-	234,231	-	234,231
Accrued wages and benefits payable.	2,440,811	-	72,187	2,512,998
Intergovernmental payable.	484,856	-	36,667	521,523
Interfund loans payable	-	-	169,197	169,197
Total liabilities.	3,398,131	247,672	290,031	3,935,834
Deferred inflows of resources:				
Property taxes levied for the next fiscal year. . .	9,466,782	4,255,519	-	13,722,301
Payment in lieu of taxes levied for the next fiscal year.	297,418	-	-	297,418
Delinquent property tax revenue not available. . .	132,088	58,750	-	190,838
Intergovernmental revenue not available	-	-	172,683	172,683
Accrued interest not available.	28,685	-	-	28,685
Total deferred inflows of resources.	9,924,973	4,314,269	172,683	14,411,925
Total liabilities and deferred inflows of resources .	13,323,104	4,561,941	462,714	18,347,759
Fund balances:				
Nonspendable:				
Materials and supplies inventory	-	-	3,535	3,535
Prepaids.	108,126	-	963	109,089
Restricted:				
Capital improvements	-	10,878,664	-	10,878,664
Adult education	-	-	583,044	583,044
Food service operations	-	-	152,919	152,919
State funded programs.	-	-	68,703	68,703
Committed:				
Education foundation	6,214,063	-	-	6,214,063
Assigned:				
Student instruction	644,883	-	-	644,883
Student and staff support.	444,420	-	-	444,420
Extracurricular activities	16,150	-	-	16,150
Other purposes	428,648	-	-	428,648
Unassigned (deficit).	10,297,241	-	(180,480)	10,116,761
Total fund balances	18,153,531	10,878,664	628,684	29,660,879
Total liabilities, deferred inflows and fund balances .	$ 31,476,635	$ 15,440,605	$ 1,091,398	$ 48,008,638

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

PENTA CAREER CENTER
WOOD COUNTY, OHIO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2018

Total governmental fund balances		
Amounts reported for governmental activities on the statement of net position are different because:		29,660,879
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		75,364,563
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Property taxes receivable	$ 190,838	
Accrued interest receivable	28,685	
Intergovernmental receivable	172,683	
Total		392,206
Unamortized premiums on certificates of participation are not recognized in the funds.		(2,436,266)
Unamortized deferred outflows from refunding of certificates of particpation are not recognized in the funds.		3,217,102
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(378,341)
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows of resources are not reported in governmental funds:		
Deferred outflows of resources - pension	11,125,226	
Deferred inflows of resources - pension	(2,564,671)	
Net pension liability	(36,029,182)	
Total		(27,468,627)
The OPEB pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows of resources are not reported in governmental funds:		
Deferred outflows of resources - OPEB	335,844	
Deferred inflows of resources - OPEB	(1,236,324)	
Net OPEB liability	(7,553,037)	
Total		(8,453,517)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
General obligation bonds	(30,585,000)	
Capital lease obligations	(154,711)	
Compensated absences	(2,805,744)	
Total		(33,545,455)
Net position of governmental activities		$ 36,352,544

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

PENTA CAREER CENTER
WOOD COUNTY, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	General	Permanent Improvement	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
From local sources:				
Property taxes	$ 11,104,214	$ 4,874,553	$ -	$ 15,978,767
Payment in lieu of taxes	266,053	-	-	266,053
Tuition	622,868	-	377,287	1,000,155
Earnings on investments	337,819	160,920	-	498,739
Change in fair value of investments	239,872	-	-	239,872
Charges for services	-	-	285,602	285,602
Contract services	361,079	-	300	361,379
Extracurricular	44,306	-	-	44,306
Classroom materials and fees	-	-	7,727	7,727
Contributions and donations	3,161	-	-	3,161
Other local revenues	58,287	-	2,398	60,685
Intergovernmental - state	17,745,268	662,360	480,842	18,888,470
Intergovernmental - federal	-	-	1,217,348	1,217,348
Total revenues	30,782,927	5,697,833	2,371,504	38,852,264
Expenditures:				
Current:				
Instruction:				
Special	848,008	-	-	848,008
Vocational	16,350,452	-	57,853	16,408,305
Adult/continuing	-	-	877,711	877,711
Other	577,325	-	149,139	726,464
Support services:				
Pupil	2,712,071	-	261,868	2,973,939
Instructional staff	2,392,515	-	255,682	2,648,197
Board of education	52,126	-	-	52,126
Administration	1,149,767	-	137,548	1,287,315
Fiscal	612,671	57,278	-	669,949
Operations and maintenance	2,433,521	443,878	-	2,877,399
Pupil transportation	-	-	5,971	5,971
Central	329,927	-	-	329,927
Operation of non-instructional services:				
Other operation of non-instructional	209,669	-	-	209,669
Food service operations	-	-	597,343	597,343
Extracurricular activities	396,682	-	-	396,682
Facilities acquisition and construction	-	413,044	-	413,044
Debt service:				
Principal retirement	42,491	2,375,000	2,018	2,419,509
Interest and fiscal charges	12,475	1,633,588	592	1,646,655
Total expenditures	28,119,700	4,922,788	2,345,725	35,388,213
Net change in fund balances	2,663,227	775,045	25,779	3,464,051
Fund balances at beginning of year	15,490,304	10,103,619	602,905	26,196,828
Fund balances at end of year	$ 18,153,531	$ 10,878,664	$ 628,684	$ 29,660,879

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

PENTA CAREER CENTER
WOOD COUNTY, OHIO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Net change in fund balances - total governmental funds		$ 3,464,051
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 are allocated over their estimated estimated useful lives as depreciation expense.		
Capital asset additions	$ 1,204,896	
Current year depreciation	(2,796,672)	
Total		(1,591,776)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.		(35,226)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Delinquent property tax revenue	7,673	
Earnings on investments	7,790	
Intergovernmental	34,959	
Total		50,422
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position. Principal payments during the year were:		
Certificates of participation	2,375,000	
Capital leases	44,509	
Total		2,419,509
In the statement of activities, interest is accrued on outstanding certificates of particpation, whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in additional interest being reported in the statement of activities:		
Decrease in accrued interest payable	23,360	
Amortization of certificates of participation premium	249,873	
Amortization of deferred charges on certificates of particpation refundings	(329,959)	
Total		(56,726)
Contractually required pension contributions are reported as expenditures in governmental funds; however, the statement of activities reports these amounts as deferred outflows.		2,453,713
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.		11,965,562
Contractually required OPEB contributions are reported as expenditures in governmental funds; however, the statement of activities reports these amounts as deferred outflows.		51,292
Except for amounts reported as deferred inflows/outflows, changes in the net OPEB liability are reported as pension expense in the statement of activities.		1,443,265
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.		(43,623)
Change in net position of governmental activities		$ 20,120,463

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

PENTA CAREER CENTER
WOOD COUNTY, OHIO

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2018

	Private Purpose Trust	
	Scholarship	Agency
Assets:		
Equity in pooled cash and investments	$ 80,086	$ 52,409
Total assets.	80,086	$ 52,409
Liabilities:		
Accounts payable.	4,573	$ 581
Due to students.	-	51,828
Total liabilities	4,573	$ 52,409
Net position:		
Held in trust for scholarships	75,513	
Total net position.	$ 75,513	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

PENTA CAREER CENTER
WOOD COUNTY, OHIO

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Private Purpose Trust
	Scholarship
Additions:	
Gifts and contributions.	$ 55,830
Deductions:	
Scholarships awarded	26,156
Change in net position	29,674
Net position at beginning of year	45,839
Net position at end of year	$ 75,513

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 - DESCRIPTION OF THE CAREER CENTER

Penta Career Center (Career Center) is a distinct political subdivision of the State of Ohio operated under the direction of a nine member Board of Education consisting of a representative from the participating school districts' elected Boards. The Board consists of one representative from each exempted village and/or city school district: Bowling Green, Maumee, Perrysburg and Rossford; one representative from each of the three counties: Fulton, Ottawa, and Lucas; and two representatives from Wood. The Board possesses its own budgeting and taxing authority. The Career Center exposes students to job training skills leading to employment upon graduation from high school.

The Career Center was established in 1964. The Career Center serves Fulton, Hancock, Henry, Lucas, Ottawa, Sandusky and Wood Counties. It is staffed by 75 classified employees, 191 certified teaching personnel and 17 administrative employees who provide services to 1,899 students and other community members. The Career Center currently operates one instructional building.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

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

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

JOINTLY GOVERNED ORGANIZATIONS

Northwest Ohio Computer Association
The Career Center is a participant in the Northwest Ohio Computer Association (NWOCA), which is a computer consortium. NWOCA is an association of educational entities within the boundaries of Defiance, Fulton, Henry, Lucas, Williams, and Wood Counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member educational entities.

The NWOCA Assembly consists of a superintendent from each participating educational entity and a representative from the fiscal agent. The Assembly elects the Governing Council of two representatives from each of the six counties in which member educational entities are located and the representative from the member educational entity serving as fiscal agent for NWOCA. The degree of control exercised by any participating educational entity is limited to its representation on the Board. Financial information can be obtained from the Northwest Ohio Computer Association, 209 Nolan Parkway, Archbold, Ohio 43502.

Northern Buckeye Education Council
The Northern Buckeye Education Council (NBEC) was established in 1979 to foster cooperation among educational entities located in Defiance, Fulton, Henry, Lucas, Williams and Wood Counties. NBEC is organized under Ohio laws as a regional council of governments pursuant to a written agreement entered into by its member educational entities and bylaws adopted by the representatives of the member educational entities. NBEC is governed by an elected Board consisting of two representatives from each of the six counties in which the member educational entities are located. The Board is elected from an Assembly consisting of a representative from each participating educational entity. Financial information can be obtained from the Northern Buckeye Education Council, 209 Nolan Parkway, Archbold, Ohio 43502.

Ohio Schools’ Council
The Ohio Schools’ Council (Council) is a consortium of 200 school districts, educational service centers, joint vocational districts and Developmental Disabilities boards in 34 northern Ohio counties. The jointly governed organization was formed to purchase quality products and services at the lowest possible cost to the member districts. Each district supports the Council by paying an annual participation fee. The Council’s Board consists of nine superintendents from member districts whose term rotates every year. The degree of control exercised by any district is limited to its representation on the Board. In fiscal year 2018, the Career Center participated in the Power4Schools Electric program. Financial information can be obtained by contacting William Zelei, Executive Director of the Ohio Schools Council at 6393 Oak Tree Blvd., Suite 377, Independence, Ohio, 44131.

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

INSURANCE POOLS

Ohio School Plan
The Career Center participates in the Ohio School Plan (Plan), an insurance purchasing pool established under Section 2744.081 of the Ohio Revised Code. The Plan is an unincorporated nonprofit association of its members which enables the participants to provide for a formalized joint insurance purchasing program for maintaining adequate insurance protection and provides risk management programs and other administrative services. The Plan's business and affairs are conducted by a thirteen-member Board consisting of individual representatives from various Plan members. Hylant Administrative Services is the Plan's administrator and is responsible for processing claims, sales, and customer service. Financial information can be obtained from Hylant Administrative Services, LLC, 811 Madison Avenue, P.O. Box 2083, Toledo, Ohio 43603-2083

Workers' Compensation Group Rating Plan
The Career Center participates in a group rating plan (GRP) through the Ohio Schools Council, administered by Sheakley, for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. 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 Career Center pays a fee to the GRP to cover the costs of administering the program.

Wood County Schools Benefit Plan Association
The Wood County Schools Benefit Plan Association (Association) is a public entity shared risk pool consisting of six local school districts, two exempted village school districts, a city school district, the Career Center, and an educational service center. The Association is organized as a Voluntary Employee Benefit Association under Section 501(c)(9) of the Internal Revenue Code and provides medical, dental, and other benefits to the employees of the participating entities. Each participating entity's superintendent is appointed to an Administrative Committee which advises the Trustee, Huntington Bank, concerning aspects of the administration of the Association.

Each entity decides which plans offered by the Administrative Committee will be extended to its employees. Participation in the Association is by written application subject to acceptance by the Administrative Committee and payment of the monthly premiums. Financial information may be obtained from Huntington Retirement Plan Services, 519 Madison Avenue - 3rd Floor, Toledo, Ohio 43604.

B. Basis of Presentation

The Career Center's basic financial statements consist of government-wide financial 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.

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

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 stand-alone government, except for fiduciary funds. These statements usually distinguish between those activities of the Career Center that are governmental activities (primarily supported by taxes and intergovernmental revenues) and those that are considered business-type activities (primarily supported by fees and charges). However, the Career center 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 and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the 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 fund type.

C. Fund Accounting

The Career Center uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary. The Career Center has no proprietary funds.

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

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

Permanent Improvement Fund - The Permanent Improvement Capital Projects Fund accounts for property taxes restricted for the acquisition, construction, or improvement of capital facilities.

Other governmental funds of the Career Center are used to account for specific revenue sources that are restricted or committed to expenditures for specified purposes.

FIDUCIARY FUNDS

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the Career Center under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the Career Center's own programs. The Career Center's private purpose trust fund accounts for programs that provide college scholarships to students after graduation. 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 various student-managed activities.

D. 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 (e.g., revenues) and decreases (e.g., 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/deferred outflows of resources and current liabilities/deferred inflows of resources are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reflects the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the fund financial statements for governmental funds.

The private purpose trust fund is accounted for using a flow of economic resources measurement focus.

E. Basis of Accounting

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

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

Revenues - Exchange and Nonexchange 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 6).

Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the 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, student fees, contract services, and charges for services.

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the Career Center, See Notes 14 and 15 for deferred outflows of resources related the Career Center’s net pension liability and net OPEB liability, respectively. In addition, deferred outflows of resources include a deferred charge on debt refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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

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

For the Career Center, See Notes 14 and 15 for deferred inflows of resources related to the Career Center's net pension liability and net OPEB liability, respectively. This deferred inflow of resources is only reported on the government-wide statement of net position.

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

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

Unpaid contractually required pension/OPEB obligations due at year end (See Notes 14 and 15) are recorded as liabilities and expenses/expenditures in both the government-wide and fund financial statements.

F. Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the estimate of revenues, certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The estimate of revenues provides information regarding the estimated revenues for all funds, along with a schedule of outstanding general obligation debt. The certificate of estimated resources establishes a limit on the amount the Board of Education may appropriate. The appropriations resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by the Board. The legal level of control selected by the Board is the fund level for all funds. Any budgetary modifications at this level may only be made by resolution of the Board of Education. Budgetary allocations at the function and object level for these funds are made by the Treasurer. Although the legal level of control was established at the fund level of expenditures, the Career Center has elected to present the general fund's budgetary statement comparison at the fund and function level of expenditures.

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

The appropriations resolution is subject to amendment throughout the fiscal year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriations resolution for that fund that covered the entire fiscal year, including amounts automatically carried forward 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.

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

G. Cash and Investments

To improve cash management, cash received by the Career Center is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through Career Center records. Interest in the pool is presented as "equity in pooled cash and investments".

During fiscal year 2018, the Career Center's investments included nonnegotiable certificates of deposit, commercial paper, federal agency securities, negotiable certificates of deposit, U.S. Government money markets, mutual funds and STAR Ohio. Investments are reported at fair value, except for nonnegotiable certificates of deposit, which are reported at cost. Fair value is based on quoted market price or current share price.

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

For fiscal year 2018, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding $25 million. STAR Ohio reserves the right to limit the transaction to $100 million, requiring the excess amount to be transacted the following business day(s), but only to the $100 million limit. All accounts of the participant will be combined for these purposes.

The Board of Education, by resolution, allocates interest earnings at the end of each fiscal year. Interest revenue credited to the general fund during fiscal year 2018 was $337,819, which includes $37,174 assigned from other Career Center funds.

Investments of the Career Center's 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. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

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

H. Prepayments

Payments made to vendors for services that will benefit periods beyond June 30, 2018, are recorded as prepayments using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed.

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

I. Inventory

On government-wide and fund financial statements, purchased inventories are presented at the cost and donated commodities are presented at their entitlement value.

Inventory is presented at cost on a first-in, first-out basis and is expended/expensed when used. Inventory consists of administrative supplies and donated food and purchased food.

J. Unamortized Premium/Deferred Charges and Issue Costs

On government-wide financial statements, premiums on issuance of certificates of participation are amortized over the term of the issue using the straight-line method. Premiums are presented as an addition to the face amount of the certificates of participation.

On government-wide financial statements, for an advance refunding resulting in the defeasance of certificates, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense. This accounting gain or loss is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, and is presented as a deferred outflow.

On the governmental fund financial statements, issuance costs, premiums, and deferred charges from refunding are recognized in the current period. The reconciliation between the face value of the certificates of participation and the amount reported on the statement of net position is presented in Note 11.

K. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, laws of other governments, or imposed by law through constitutional provisions or enabling legislation. The Career Center had no restricted assets at June 30, 2018.

L. Capital Assets

General capital assets are those assets specifically related to governmental activities. These assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The Career Center maintains a capitalization threshold of $5,000 for its general capital assets. 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.

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

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

Description	Useful lives
Land improvements	15 - 40 years
Buildings and building improvements	15 - 40 years
Furniture, fixtures and equipment	5 - 20 years
Vehicles	5 - 10 years
Technology	3 - 5 years

M. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund loans receivable/payable". These amounts are eliminated in the governmental activities column on the statement of net position.

N. 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 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 termination method. The liability includes earned sick leave to the extent it is probable that benefits will result in termination payments. The liability is an estimate based on the Career Center's past experience of making termination payments.

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

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

O. 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, net pension liability and net OPEB liability that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Certificates of participation and capital leases are recognized as liabilities on the fund financial statements when due.

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

P. Net Position

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

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

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

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

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

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

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

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

R. Interfund Activity

Internal 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 basic financial statements.

S. Estimates

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

T. Pensions/Other Postemployment Benefits (OPEB)

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

U. Fair Value

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles/Restatement of Net Position

For fiscal year 2018, the Career Center has implemented GASB Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*", GASB Statement No. 81 "*Irrevocable Split-Interest Agreements*" GASB Statement No. 85, "*Omnibus 2017*" and GASB Statement No. 86, "*Certain Debt Extinguishments*".

GASB Statement No. 75 improves the accounting and financial reporting by state and local governments for postemployment benefits other than pension (OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The implementation of GASB Statement No. 75 effected the Career Center's postemployment benefit plan disclosures, as presented in Note 15 to the basic financial statements, and added required supplementary information which is presented on pages 79-84 and page 86.

GASB Statement No. 81 improves the accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The implementation of GASB Statement No. 81 did not have an effect on the financial statements of the Career Center.

GASB Statement No. 85 addresses practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and OPEB. The implementation of GASB Statement No. 85 did not have an effect on the financial statements of the Career Center.

GASB Statement No. 86 improves consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources - resources other than the proceeds of refunding debt - are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The implementation of GASB Statement No. 86 did not have an effect on the financial statements of the Career Center.

A net position restatement is required in order to implement GASB Statement No 75. The governmental activities at July 1, 2017 have been restated as follows:

	Governmental Activities
Net position as previously reported	$ 26,180,155
Deferred outflows - payments subsequent to measurement date	32,808
Net OPEB liability	(9,980,882)
Restated net position at July 1, 2017	$ 16,232,081

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

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. The restatement had no effect on fund balances.

B. Deficit Fund Balances

Fund balances at June 30, 2018 included the following individual fund deficits:

Nonmajor funds	Deficit
ASPIRE	$ 116,607
Vocational education	63,454

The general fund is liable for any deficit in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances resulted from adjustments for accrued liabilities.

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

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

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

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

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

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

4. Bonds and other obligations of the State of Ohio or Ohio local governments;

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

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

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

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

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

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

A. Cash on Hand

At fiscal year end, the Career Center had $1,191 in undeposited cash on hand which is included on the financial statements of the Career Center as part of "equity in pooled cash and investments".

B. Deposits with Financial Institutions

At June 30, 2018, the carrying amount of all Career Center deposits was $1,642,709 and the bank balance of all the Career Center's deposits was $1,774,654. Of the bank balance, $501,120 was covered by the FDIC and $1,273,534 was covered by the Ohio Pooled Collateral System (OPCS).

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Custodial credit risk is the risk that, in the event of bank failure, the Career Center will not be able to recover deposits or collateral securities that are in the possession of an outside party. The Career Center has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the Career Center's 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 (2) 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. For 2018, the Career Center's financial institutions were approved for a collateral rate through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the Career Center to a successful claim by the FDIC.

C. Investments

As of June 30, 2018, the Career Center had the following investments and maturities:

		Investment Maturities				
Investment type	Measurement Value	6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater than 24 months
Amortized cost:						
STAR Ohio	$ 11,002,740	$ 11,002,740	$ -	$ -	$ -	$ -
Fair value:						
U.S. Government money market	125,708	125,708	-	-	-	-
Mutual funds	6,115,662	6,115,662	-	-	-	-
Commercial paper	1,775,233	1,775,233	-	-	-	-
Negotiable CDs	4,098,301	246,830	245,612	964,221	-	2,641,638
FHLMC	3,413,842	-	-	1,036,791	808,167	1,568,884
FNMA	1,457,112	-	-	-	-	1,457,112
FFCB	1,259,797	-	-	-	-	1,259,797
FHLB	101,678	-	-	-	-	101,678
Total	$ 29,350,073	$ 19,266,173	$ 245,612	$ 2,001,012	$ 808,167	$ 7,029,109

The weighted average maturity of investments is 0.92 years.

The Career Center's investments in U.S. Government money markets and mutual funds are valued using quoted market prices (Level 1 inputs). The Career Center's investments in federal agency securities, negotiable CD's, and commercial paper are valued using quoted prices in markets that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly (Level 2 inputs).

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The investment policy restricts the Treasurer from investing in any securities other than those identified in the Ohio Revised Code and requires that all investments must mature within five years from the date of investment unless matched to a specific obligation or debt of the Career Center. The Treasurer is also restricted from purchasing investments that cannot be held until the maturity date.

Credit Risk: The Career Center has no policy dealing with credit risk beyond the requirements of State statute. STAR Ohio must maintain the highest rating provided by at least one nationally recognized standard rating service. STAR Ohio carries a rating of AAAm by Standard & Poor's. Ohio law requires that no-load money market mutual funds must be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service. The mutual funds carry a rating of Aaa by Moodys. The Career Center's investments in federal agency securities were rated AA+ by Standard & Poor's. The U.S. Government money market, commercial paper and the negotiable CDs were not rated. The negotiable CDs were covered by FDIC.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of failure of the counterparty, the Career Center will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Career Center has no investment policy dealing with custodial credit risk beyond the requirements of the State statute.

Concentration of Credit Risk: The Career Center places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the Career Center at June 30, 2018:

Investment type	Fair value	% to total
Amortized cost:		
STAR Ohio	$ 11,002,740	37.49
Fair value:		
U.S. Government money market	125,708	0.43
Mutual funds	6,115,662	20.84
Commercial paper	1,775,233	6.05
Negotiable CDs	4,098,301	13.96
FHLMC	3,413,842	11.63
FNMA	1,457,112	4.96
FFCB	1,259,797	4.29
FHLB	101,678	0.35
Total	$ 29,350,073	100.00

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of June 30, 2018:

Cash and investments per note	
Carrying amount of deposits	$ 1,642,709
Investments	29,350,073
Cash on hand	1,191
Total	$ 30,993,973
Cash and investments per statement of net position	
Governmental activities	$ 30,861,478
Private-purpose trust funds	80,086
Agency funds	52,409
Total	$ 30,993,973

NOTE 5 - INTERFUND TRANSACTIONS

At June 30, 2018, the general fund had a short-term interfund receivable, in the amount of $169,197, from nonmajor governmental funds as a result of providing cash flow resources until the receipt of grant monies.

The short-term interfund loans are expected to be repaid in the next fiscal year.

NOTE 6 - PROPERTY TAXES

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

Property taxes include amounts levied against all real property and public utility property. 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.

NOTE 6 - PROPERTY TAXES - (Continued)

The Career Center receives property taxes from Fulton, Hancock, Henry, Lucas, Ottawa, Sandusky and Wood Counties. The County Auditors periodically advance to the Career Center its portion of the taxes collected. Second-half real property tax payments collected by the Counties by June 30, 2018, are available to finance fiscal year 2018 operations. The amount available as an advance at June 30, 2018 was $1,648,120 in the general fund and $718,031 in the permanent improvement fund. This amount is recorded as revenue. The amount available for advance at June 30, 2017 was $1,907,648 in the general fund and $838,924 in the permanent improvement fund. The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and delinquent tangible personal property taxes which are measurable as of June 30, 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 and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows.

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

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

	2017 Second Half Collections		2018 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/residential and other real estate	5,646,699,250	92.88	5,246,321,660	96.74
Public utility personal	433,153,170	7.12	176,820,280	3.26
Total	$ 6,079,852,420	100.00	$ 5,423,141,940	100.00
Tax rate per $1,000 of assessed valuation	$ 3.20		$ 3.20	

NOTE 7 - PAYMENT IN LIEU OF TAXES

According to State law, Lucas and Wood Counties have entered into agreements with a number of property owners under which the Counties have granted property tax abatements to those property owners and agreed to construct certain infrastructure improvements. The property owners have agreed to make payments to the Counties to help pay the costs of the infrastructure improvements. The amount of those payments generally reflects all or a portion of the property taxes which the property owners would have paid if their taxes had not been abated. The property owners' contractual promise to make these payments in lieu of taxes generally continues until the costs of the improvement have been paid or the agreement expires, whichever occurs first. Future development by those owners or others may result in subsequent agreements to make payments in lieu of taxes and may therefore spread the costs of the improvements to a larger number of property owners. The Career Center received $266,053 in payments in lieu of taxes as a result of these agreements during fiscal year 2018 and a receivable of $297,418 has been reported on the statement of net position.

NOTE 8 - RECEIVABLES

Receivables at June 30, 2018 consisted of taxes, payments in lieu of taxes, accounts (billings for user charged services and student fees), accrued interest, and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current year guarantee of federal funds. Receivables have been disaggregated on the face of the basic financial statements. All receivables, except property taxes, are expected to be collected within one year. Property taxes and payments in lieu of 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 receivable follows:

Governmental activities:	Amount
Bureau of workers' compensation refund	$ 32,640
Vocational education enhancements	51,612
ASPIRE	121,071
Total intergovernmental receivables	$ 205,323

NOTE 9 - CAPITAL ASSETS

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

	Balance 06/30/17	Additions	Deductions	Balance 06/30/18
Governmental activities:				
Nondepreciable capital assets:				
Land	$ 7,150,778	$ 52,000	$ -	$ 7,202,778
Total nondepreciable capital assets	7,150,778	52,000	-	7,202,778
Depreciable capital assets:				
Land improvements	2,726,296	317,335	-	3,043,631
Buildings and building improvements	84,458,457	451,873	-	84,910,330
Furniture, fixtures and equipment	7,176,043	254,744	-	7,430,787
Vehicles	1,186,065	128,944	(254,188)	1,060,821
Total depreciable capital assets	95,546,861	1,152,896	(254,188)	96,445,569
Less: accumulated depreciation				
Land improvements	(1,587,070)	(177,987)	-	(1,765,057)
Buildings and building improvements	(18,669,491)	(2,124,999)	-	(20,794,490)
Furniture, fixtures and equipment	(4,497,388)	(433,401)	-	(4,930,789)
Vehicles	(952,125)	(60,285)	218,962	(793,448)
Total accumulated depreciation	(25,706,074)	(2,796,672)	218,962	(28,283,784)
Depreciable capital assets, net	69,840,787	(1,643,776)	(35,226)	68,161,785
Governmental activities capital assets, net	$ 76,991,565	$ (1,591,776)	$ (35,226)	$ 75,364,563

NOTE 9 - CAPITAL ASSETS - (Continued)

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Special	$ 99,191
Vocational	1,735,156
Adult/continuing	21,984
Support services:	
Pupil	170,382
Instructional staff	36,208
Board of education	13,239
Administration	48,476
Fiscal	7,997
Non-instructional services:	
Operations and maintenance	539,508
Food service operations	124,531
Total depreciation expense	$ 2,796,672

NOTE 10 - CAPITAL LEASES - LESSEE DISCLOSURE

In previous fiscal years, the Career Center entered into capital lease agreements for office equipment. Capital lease payments have been reclassified and are reflected as debt service expenditures in the basic financial statements. These expenditures are reflected as program/function expenditures on a budgetary basis.

Capital assets acquired by lease have been capitalized and depreciated as follows:

Governmental activities	
Capital assets, being depreciated:	
Furniture, fixtures and equipment	$ 273,862
Less: accumulated depreciation	
Furniture, fixtures and equipment	(107,325)
Total capital assets, being depreciated, net	$ 166,537

NOTE 10 - CAPITAL LEASES - LESSEE DISCLOSURE - (Continued)

The following is a schedule of the future long-term minimum lease payments required under capital lease and the present value of the minimum lease payments as of June 30, 2018. Lease payments were made out of the General fund and the Adult Education fund (a nonmajor special revenue fund) in fiscal year 2018.

Fiscal Year Ending June 30,	Governmental Activities
2019	$ 57,576
2020	57,576
2021	57,576
	172,728
Less: amount representing interest	(18,017)
Present value of minimum lease payments	$ 154,711

NOTE 11 - LONG-TERM OBLIGATIONS

During fiscal year 2018, the following changes occurred in the governmental activities long-term obligations. The long-term obligations at June 30, 2017, were restated to include the net OPEB liability, as described in Note 3.A.

Governmental activities:	(Restated) Balance 06/30/17	Additions	Reductions	Balance 06/30/18	Amounts due in one year
2012 Refunding Certificates of participation, 2.0-5.25%	$ 32,960,000	$ -	$ (2,375,000)	$ 30,585,000	$ 2,470,000
Premium on certificates of participation	2,686,139	-	(249,873)	2,436,266	-
Capital lease obligation	199,220	-	(44,509)	154,711	47,868
Compensated absences payable	2,762,121	412,549	(368,926)	2,805,744	331,384
Net Pension Liability	51,495,536	-	(15,466,354)	36,029,182	-
Net OPEB Liability	9,980,882	-	(2,427,845)	7,553,037	-
Total governmental activities long-term obligations	$ 100,083,898	$ 412,549	$ (20,932,507)	$ 79,563,940	$ 2,849,252

Compensated Absences - Compensated absences will be paid from the general fund, food service fund, various adult education funds, and vocational education special revenue funds.

Net Pension Liability - See Note 14 for information on the Career Center's net pension liability. The Career Center pays obligations related to employee compensation from the fund benefitting from their service.

NOTE 11 - LONG-TERM OBLIGATIONS- (Continued)

Net OPEB Liability - See Note 15 for information on the Career Center's net OPEB liability. The Career Center pays obligations related to employee compensation from the fund benefitting from their service.

Legal Debt Margin - The Career Center's overall debt margin was $488,082,775, with an unvoted debt margin of $5,423,142 at June 30, 2018.

2012 Certificates of Participation - On April 25, 2012, the Career Center issued $43,810,000 in Certificates of Participation for the purpose of advance refunding the remaining outstanding principal amount of $54,710,000 of the 2004 Certificates of Participation. The Career Center made a cash contribution of $8,000,000 and used debt service reserve funds of $4,197,000 in the refunding transaction, which was included in the $59,305,511 payment to refunding escrow agent. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. The balance of the refunded 2004 Certificates of Participation at June 30, 2018 is $44,755,000.

The 2012 issue is comprised of current interest serial coupons, par value $43,810,000. Interest on the 2012 Certificates of Participation, ranging from 2.00%-5.25%, will be paid each April 1 and October 1, commencing October 1, 2012. The principal payments began April 1, 2013, and the final payment is April 1, 2028.

The reacquisition price exceeded the net carrying amount of the old debt by $5,251,849. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued. This advance refunding was undertaken to reduce the combined total debt service payments over the next 22 years by $24,779,493 and resulted in an economic gain of $4,020,197.

The Career Center entered into an amended and restated lease agreement dated April 15, 2012, which amended and restated the terms of the original lease in connection with the issuance of the 2012 Certificates of Participation and the outstanding 2004 Certificates of Participation. The amended and restated lease consists of renewable one-year (or partial) lease terms, which run through 2028, and expire annually at the end of the Career Center's fiscal year, with the exception of the final term, which will expire April 1, 2028. The lessor, Agricultural Incubator Foundation, assigned to Huntington National Bank, all of its rights, title, and interests under the amended and restated ground lease, dated April 15, 2012.

The obligation of the Career Center under the amended and restated lease and any subsequent lease renewal is subject to the annual appropriation of the rental payments. Legal title to the facilities remains with the Trustee until all payments required under the lease have been made. At that time, title will be transferred to the Career Center. In the event the Career Center defaults on the lease, after thirty days the lessor may lease the campus to a new tenant. Under terms of the lease agreement, the Career Center may not lease, acquire, or allocate funds to acquire functionally similar facilities for thirty days after default. The lease obligation will be paid from a one mill permanent improvement property tax levy.

The Certificates of Participation are not a general obligation of the Career Center and are payable only from appropriations by the Career Center for annual lease payments.

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

Principal and interest requirements to retire the debt outstanding at June 30, 2018, were as follows:

Fiscal Year Ending	Certificates of Participation Principal	Interest	Total
2019	$ 2,470,000	$ 1,538,587	$ 4,008,587
2020	2,595,000	1,415,088	4,010,088
2021	2,725,000	1,285,337	4,010,337
2022	2,860,000	1,149,088	4,009,088
2023	3,005,000	1,006,087	4,011,087
2024 - 2028	16,930,000	2,490,751	19,420,751
Total	$ 30,585,000	$ 8,884,938	$ 39,469,938

NOTE 12 - OTHER EMPLOYEE BENEFITS

A. Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per year, depending upon length of service. Administrators earn up to twenty-one days of vacation per year. Accumulated unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers do not earn vacation time.

Teachers, administrators, and classified employees earn sick leave at a rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of two hundred eighty-five days for all employees, with the exception of the superintendent and treasurer who may accumulate up to a maximum of three-hundred-twenty days. Upon retirement, with 15 consecutive years of service with the Career Center, payment is made for 25 or 28 percent of accrued but unused sick leave credit to a maximum of 79.8 days.

B. Health Care Benefits

The Career Center offers employee, medical and dental benefits through the Wood County Insurance Consortium. The employees share the cost of the monthly premium with the Board. The premium varies with each employee depending on the terms of the union contract and the health insurance plan the employee has. The Career Center provides life insurance and accidental death and dismemberment insurance to most employees through American United Life. Vision coverage is provided through Vision Service Plan.

NOTE 12 - OTHER EMPLOYEE BENEFITS - (Continued)

C. Separation Benefits

The Career Center provides a separation benefit to eligible certified employees. A full-time employee eligible to retire under the provisions of the State Teachers Retirement System, that has fifteen years of service with the Career Center, will be paid $2,000 if notification of pending retirement is submitted in writing to the Superintendent no later than January 1 for retirement effective at the end of the current school year or prior to the following school year. At June 30, 2018, the Career Center had no separation benefits payable.

NOTE 13 - RISK MANAGEMENT

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 for the following insurance coverage.

Coverage provided by the Netherlands Insurance Company is as follows:

Building	$129,086,831
Data compromise	100,000
Equipment breakdown	250,000
Commercial crime:	
Forgery/alterations	100,000
Public employee dishonesty	500,000
Funds transfer fraud	500,000
Computer equipment	2,345,653
Rented equipment & tools	75,000
Automobile liability	1,000,000

Coverage provided by Ohio School Plan is as follows:

Educational general liability	
Per occurrence	$3,000,000
General aggregate	5,000,000
Employer's liability	3,000,000
Educational legal liability	
Errors and omissions	3,000,000
Aggregate	5,000,000
Fiduciary/Employee Benefits liability	
Errors and omissions	3,000,000
Aggregate	5,000,000
Violence coverage	1,000,000
Cyber coverage	1,000,000
Pollution coverage	1,000,000

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

NOTE 13 - RISK MANAGEMENT - (Continued)

For fiscal year 2018, the Career Center participated in the Ohio School Plan (Plan), an insurance purchasing pool. Each participant enters into an individual agreement with the Plan for insurance coverage and pays annual premiums to the Plan based on the types and limits of coverages and deductibles selected by the participant.

The Career Center participates in the Ohio Schools Council Workers' Compensation Group Rating Plan (Plan), an insurance purchasing pool. The intent of the Plan 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 Plan. The third party administrator, Sheakley Uniservice, Inc., reviews each participant's claims experience and determines the rating tier for that participant. A common premium is applied to all participants in a given rating tier. Each participant pays its workers' compensation premium to the State based on the rate for its rating tier rather than its individual rate. Sheakley provides administrative, cost control, and actuarial services to the Plan.

The Career Center participates in the Wood County School Benefit Plan Association (Association), a public entity shared risk pool of six local districts, two exempted village school districts, a city school district, the Career Center, and an educational service center. The Career Center pays monthly premiums to the Association for employee medical and dental benefits. Upon withdrawal from the Association, a participant is responsible for the payment of all liabilities to its employees, dependents, and designated beneficiaries accruing as a result of withdrawal.

NOTE 14 - DEFINED BENEFIT PENSION PLANS

Net Pension Liability

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

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

The 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.

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

Plan Description - School Employees Retirement System (SERS)

Plan Description - The 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 year 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.

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the Career Center is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2018, the allocation to pension, death benefits, and Medicare B was 13.5 percent. The remaining 0.5 percent of the employer contribution rate was allocated to the Health Care Fund.

The Career Center's contractually required contribution to SERS was $454,630 for fiscal year 2018. Of this amount, $17,759 is reported as intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

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

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307. The DB Plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation will be 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. 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% of the 14% member rate goes to the DC Plan and the remaining 2% is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity after termination of employment at age 50 or later.

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

Funding Policy - Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For fiscal year 2018, plan members were required to contribute 14 percent of their annual covered salary. The Career Center was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2018 contribution rates were equal to the statutory maximum rates.

The Career Center's contractually required contribution to STRS was $1,999,083 for fiscal year 2018. Of this amount, $279,736 is reported as intergovernmental payable.

Net Pension Liability

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 projected 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	0.10570260%	0.13072943%	
Proportion of the net pension liability current measurement date	0.10070210%	0.12634049%	
Change in proportionate share	-0.00500050%	-0.00438894%	
Proportionate share of the net pension liability	$ 6,016,728	$ 30,012,454	$ 36,029,182
Pension expense	$ (269,049)	$ (11,696,513)	$ (11,965,562)

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

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	$ 258,937	$ 1,158,940	$ 1,417,877
Changes of assumptions	311,130	6,564,054	6,875,184
Difference between Career Center contributions and proportionate share of contributions/change in proportionate share	68,659	309,793	378,452
Career Center contributions subsequent to the measurement date	454,630	1,999,083	2,453,713
Total deferred outflows of resources	$ 1,093,356	$ 10,031,870	$ 11,125,226

	SERS	STRS	Total
Deferred inflows of resources			
Differences between expected and actual experience	$ -	$ 241,889	$ 241,889
Net difference between projected and actual earnings on pension plan investments	28,561	990,447	1,019,008
Difference between Career Center contributions and proportionate share of contributions/change in proportionate share	265,952	1,037,822	1,303,774
Total deferred inflows of resources	$ 294,513	$ 2,270,158	$ 2,564,671

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

$2,453,713 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	$ 188,817	$ 1,242,648	$ 1,431,465
2020	278,408	2,589,995	2,868,403
2021	17,250	1,665,139	1,682,389
2022	(140,260)	264,846	124,586
Total	$ 344,215	$ 5,762,628	$ 6,106,843

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 below:

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

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

Discount Rate - The 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.

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

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	$ 8,349,655	$ 6,016,728	$ 4,062,426

Actuarial Assumptions - STRS Ohio

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.

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
Career Center's proportionate share of the net pension liability	$ 43,021,832	$ 30,012,454	$ 19,054,004

NOTE 15 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability

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

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

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

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

NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

Plan Description - School Employees Retirement System (SERS)

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

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 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 $34,454.

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 $51,292 for fiscal year 2018. Of this amount, $35,112 is reported as intergovernmental payable.

NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

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.

Net OPEB Liability

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	0.10487896%	0.13072943%	
Proportion of the net OPEB liability current measurement date	0.09776280%	0.12634049%	
Change in proportionate share	-0.00711616%	-0.00438894%	
Proportionate share of the net OPEB liability	$ 2,623,697	$ 4,929,340	$ 7,553,037
OPEB expense	$ 94,435	$ (1,537,700)	$ (1,443,265)

NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

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	$ -	$ 284,552	$ 284,552
Career Center contributions subsequent to the measurement date	51,292	-	51,292
Total deferred outflows of resources	$ 51,292	$ 284,552	$ 335,844

	SERS	STRS	Total
Deferred inflows of resources			
Net difference between projected and actual earnings on pension plan investments	$ 6,929	$ 210,691	$ 217,620
Changes of assumptions	248,975	397,075	646,050
Difference between Career Center contributions and proportionate share of contributions/change in proportionate share	171,464	201,190	372,654
Total deferred inflows of resources	$ 427,368	$ 808,956	$ 1,236,324

$51,292 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	$ (154,065)	$ (104,959)	$ (259,024)
2020	(154,065)	(104,959)	(259,024)
2021	(117,505)	(104,959)	(222,464)
2022	(1,732)	(104,958)	(106,690)
2023	(1)	(52,286)	(52,287)
Thereafter	-	(52,283)	(52,283)
Total	$ (427,368)	$ (524,404)	$ (951,772)

NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

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.

NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	1.00 %	0.50 %
US 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 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.

NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

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	$ 3,168,448	$ 2,623,697	$ 2,192,115

	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	$ 2,128,933	$ 2,623,697	$ 3,278,525

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.

NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

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.

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

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

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

NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

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	$ 6,617,559	$ 4,929,340	$ 3,595,094

	1% Decrease	Current Trend Rate	1% Increase
Career Center's proportionate share of the net OPEB liability	$ 3,424,694	$ 4,929,340	$ 6,909,630

NOTE 16 - CONTINGENCIES

A. Grants

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

B. Litigation

There are currently no legal matters in litigation with the Career Center as defendant or plaintiff.

C. Foundation Funding

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.

NOTE 17 - SET-ASIDES

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

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

	Capital Improvements
Set-aside balance June 30, 2017	$ -
Current year set-aside requirement	375,131
Current year qualifying expenditures	(508,170)
Current year offsets	(5,657,806)
Total	$ (5,790,845)
Balance carried forward to fiscal year 2019	$ -
Set-aside balance June 30, 2018	$ -

NOTE 18 - COMMITMENTS

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

Fund	Year-End Encumbrances
General fund	$ 1,118,443
Permanent improvement	2,003,679
Other governmental	76,685
Total	$ 3,198,807

NOTE 19 - TAX ABATEMENTS ENTERED INTO BY OTHER GOVERNMENTS

Other governments entered into property tax abatement agreements with property and business owners under Enterprise Zone Agreements ("EZAs") and the Ohio Community Reinvestment Area ("CRA") program with the taxing districts of the Career Center. The EZAs and CRA program are directive incentive tax exemption programs benefiting property and business owners who renovate or construct new buildings or bring new jobs into the area. Under these programs, the other governments designated areas to encourage revitalization of the existing housing stock, the development of new structures, and economic growth. Within the taxing districts of the Career Center, certain municipal governments located in the counties of Lucas, Wood and Ottawa have entered into such agreements. Under these agreements, the Career Center's property taxes were reduced by $136,114 in Lucas County, $216,507 in Wood County, and $5,025 in Ottawa County. The Career Center is not receiving any amounts from the other governments in association with the forgone property tax revenue.

REQUIRED SUPPLEMENTARY INFORMATION

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PENTA CAREER CENTER
WOOD COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Budgeted Amounts			Variance with Final Budget Positive
	Original	**Final**	**Actual**	**(Negative)**
Revenues:				
From local sources:				
Property taxes	$ 11,404,515	$ 11,362,278	$ 11,363,742	$ 1,464
Tuition	622,975	622,949	622,868	(81)
Earnings on investments	171,636	171,000	208,265	37,265
Contract services	35,130	35,000	34,511	(489)
Other local revenues	34,126	34,000	34,050	50
Intergovernmental - state	17,805,237	17,737,013	17,737,202	189
Total revenues	30,073,619	29,962,240	30,000,638	38,398
Expenditures:				
Current:				
Instruction:				
Special	895,960	881,384	845,245	36,139
Vocational	17,885,928	17,940,997	16,937,780	1,003,217
Other	600,349	585,123	578,943	6,180
Support services:				
Pupil	2,825,175	2,770,715	2,715,196	55,519
Instructional staff	2,675,207	2,674,097	2,584,523	89,574
Board of education	85,076	83,303	67,413	15,890
Administration	1,157,388	1,216,997	1,202,006	14,991
Fiscal	676,526	662,637	626,818	35,819
Operations and maintenance	2,810,655	2,876,477	2,685,764	190,713
Central	457,484	377,348	329,966	47,382
Other operation of non-instructional services	22,580	22,120	17,491	4,629
Extracurricular activities	412,708	418,289	383,197	35,092
Total expenditures	30,505,036	30,509,487	28,974,342	1,535,145
Excess (deficiency) of revenues over (under) expenditures	(431,417)	(547,247)	1,026,296	1,573,543
Other financing sources (uses):				
Refund of prior year expenditures	-	38,210	38,259	49
Transfers (out)	(5,611)	(1,161)	-	1,161
Advances in	-	155,087	155,087	-
Advances (out)	(170,000)	(170,000)	(169,197)	803
Total other financing sources (uses)	(175,611)	22,136	24,149	2,013
Net change in fund balance	(607,028)	(525,111)	1,050,445	1,575,556
Fund balance at beginning of year	10,122,704	10,122,704	10,122,704	-
Prior year encumbrances appropriated	766,463	766,463	766,463	-
Fund balance at end of year	$ 10,282,139	$ 10,364,056	$ 11,939,612	$ 1,575,556

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

PENTA CAREER CENTER

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 1 - BUDGETARY BASIS OF ACCOUNTING

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

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance (GAAP basis).
4. While not legally required, the Career Center budgets advances-in and advances-out as operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).
5. Investments are reported as fair value (GAAP basis) rather than cost (budget basis).
6. Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

The following table summarizes the adjustments necessary to reconcile the GAAP statement and budgetary basis schedule for the general fund:

	General
Budget basis	$ 1,050,445
Net adjustment for revenue accruals	(400,831)
Net adjustment for expenditure accruals	(84,601)
Net adjustment for other sources/(uses)	(24,149)
Fund budgeted elsewhere*	938,808
Adjustment for encumbrances	1,183,555
GAAP basis	$ 2,663,227

**Certain funds that are legally budgeted in separate special revenue and agency funds are considered part of the general fund on a GAAP basis. This includes the rotary, other grant, and education foundation special revenue funds.

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PENTA CAREER CENTER
WOOD COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST FIVE FISCAL YEARS

	2018	2017	2016	2015	2014
Career Center's proportion of the net pension liability	0.10070210%	0.10570260%	0.10463160%	0.10173600%	0.10173600%
Career Center's proportionate share of the net pension liability	$ 6,016,728	$ 7,736,455	$ 5,970,381	$ 5,148,801	$ 6,049,913
Career Center's covered payroll	$ 2,965,729	$ 3,280,029	$ 3,149,954	$ 2,956,241	$ 3,830,354
Career Center's proportionate share of the net pension liability as a percentage of its covered payroll	202.88%	235.87%	189.54%	174.17%	157.95%
Plan fiduciary net position as a percentage of the total pension liability	69.50%	62.98%	69.16%	71.70%	65.52%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

PENTA CAREER CENTER
WOOD COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST FIVE FISCAL YEARS

	2018	2017	2016	2015	2014
Career Center's proportion of the net pension liability	0.12634049%	0.13072943%	0.13062996%	0.12818671%	0.12818671%
Career Center's proportionate share of net pension liability	$ 30,012,454	$ 43,759,081	$ 36,102,300	$ 31,179,444	$ 37,140,750
Career Center's covered payroll	$ 13,931,150	$ 13,808,371	$ 13,789,736	$ 13,097,146	$ 14,650,046
Career Center's proportionate share of net pension liability as a percentage of its covered payroll	215.43%	316.90%	261.81%	238.06%	253.52%
Plan fiduciary net position as a percentage of the total pension liability	75.30%	66.80%	72.10%	74.70%	69.30%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

PENTA CAREER CENTER
WOOD COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2018	2017	2016	2015
Contractually required contribution	$ 454,630	$ 415,202	$ 459,204	$ 415,164
Contributions in relation to the contractually required contribution	(454,630)	(415,202)	(459,204)	(415,164)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Career Center's covered payroll	$ 3,367,630	$ 2,965,729	$ 3,280,029	$ 3,149,954
Contributions as a percentage of covered payroll	13.50%	14.00%	14.00%	13.18%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2014	2013	2012	2011	2010	2009
$ 409,735	$ 530,121	$ 350,306	$ 377,538	$ 504,791	$ 333,362
(409,735)	(530,121)	(350,306)	(377,538)	(504,791)	(333,362)
$ -	$ -	$ -	$ -	$ -	$ -
$ 2,956,241	$ 3,830,354	$ 2,604,506	$ 3,003,484	$ 3,728,146	$ 3,387,825
13.86%	13.84%	13.45%	12.57%	13.54%	9.84%

PENTA CAREER CENTER
WOOD COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2018	2017	2016	2015
Contractually required contribution	$ 1,999,083	$ 1,950,361	$ 1,933,172	$ 1,930,563
Contributions in relation to the contractually required contribution	(1,999,083)	(1,950,361)	(1,933,172)	(1,930,563)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Career Center's covered payroll	$ 14,279,164	$ 13,931,150	$ 13,808,371	$ 13,789,736
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2014		2013		2012		2011		2010		2009	
$	1,702,629	$	1,904,506	$	1,820,698	$	1,874,464	$	1,832,757	$	1,874,678
	(1,702,629)		(1,904,506)		(1,820,698)		(1,874,464)		(1,832,757)		(1,874,678)
$	-	$	-	$	-	$	-	$	-	$	-
$	13,097,146	$	14,650,046	$	14,005,369	$	14,418,954	$	14,098,131	$	14,420,600
	13.00%		13.00%		13.00%		13.00%		13.00%		13.00%

PENTA CAREER CENTER
WOOD COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TWO FISCAL YEARS

	2018	2017
Career Center's proportion of the net OPEB liability	0.09776280%	0.10487896%
Career Center's proportionate share of net OPEB liability	$ 2,623,697	$ 2,989,438
Career Center's covered payroll	$ 2,965,729	$ 3,280,029
Career Center's proportionate share of net OPEB liability as a percentage of its covered payroll	88.47%	91.14%
Plan fiduciary net position as a percentage of the total OPEB liability	12.46%	11.49%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

PENTA CAREER CENTER
WOOD COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TWO FISCAL YEARS

	2018	2017
Career Center's proportion of the net OPEB liability	0.12634049%	0.13072943%
Career Center's proportionate share of net OPEB liability	$ 4,929,340	$ 6,991,444
Career Center's covered payroll	$ 13,931,150	$ 13,808,371
Career Center's proportionate share of net OPEB liability as a percentage of its covered payroll	35.38%	50.63%
Plan fiduciary net position as a percentage of the total OPEB liability	47.10%	37.30%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

PENTA CAREER CENTER
WOOD COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2018	2017	2016	2015
Contractually required contribution	$ 51,292	$ 32,808	$ 43,463	$ 68,472
Contributions in relation to the contractually required contribution	(51,292)	(32,808)	(43,463)	(68,472)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Career Center's covered payroll	$ 3,367,630	$ 2,965,729	$ 3,280,029	$ 3,149,954
Contributions as a percentage of covered payroll	1.52%	1.11%	1.33%	2.17%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2014		2013		2012		2011		2010		2009	
$	73,147	$	72,801	$	69,180	$	123,379	$	98,811	$	176,517
	(73,147)		(72,801)		(69,180)		(123,379)		(98,811)		(176,517)
$	-	$	-	$	-	$	-	$	-	$	-
$	2,956,241	$	3,830,354	$	2,604,506	$	3,003,484	$	3,728,146	$	3,387,825
	2.47%		1.90%		2.66%		4.11%		2.65%		5.21%

PENTA CAREER CENTER
WOOD COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2018	2017	2016	2015
Contractually required contribution	$ -	$ -	$ -	$ -
Contributions in relation to the contractually required contribution	-	-	-	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Career Center's covered payroll	$ 14,279,164	$ 13,931,150	$ 13,808,371	$ 13,789,736
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2014	2013	2012	2011	2010	2009
$ 130,971	$ 146,500	$ 140,054	$ 144,190	$ 140,981	$ 144,206
(130,971)	(146,500)	(140,054)	(144,190)	(140,981)	(144,206)
$ -	$ -	$ -	$ -	$ -	$ -
$ 13,097,146	$ 14,650,046	$ 14,005,369	$ 14,418,954	$ 14,098,131	$ 14,420,600
1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

PENSION

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

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

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

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

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

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

(Continued)

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for fiscal years 2017-2018.

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

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

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

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017. For fiscal year 2018, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.26% to 4.13% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB), (b) the long term expected rate of return was reduced from 7.75% to 7.45%, (c) valuation year per capita health care costs were updated, and the salary scale was modified, (d) the percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased and (e) the assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

SUPPLEMENTARY INFORMATION

PENTA CAREER CENTER
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

FEDERAL GRANTOR/ SUB GRANTOR/ PROGRAM TITLE	CFDA NUMBER	(A) PASS-THROUGH GRANT NUMBER	(G) PASSED THROUGH TO SUBRECEIPIENTS	(B) CASH FEDERAL DISBURSEMENTS
U.S. DEPARTMENT OF AGRICULTURE PASSED THROUGH THE OHIO DEPARTMENT OF EDUCATION				
Child Nutrition Cluster:				
(D) School Breakfast Program	10.553	2018	$ -	$ 57,838
(D) National School Lunch Program	10.555	2018	-	218,922
(C) National School Lunch Program- Food Donation	10.555	2018	-	47,681
Total National School Lunch Program			-	266,603
Total U.S. Department of Agriculture and Child Nutrition Cluster			-	324,441
U.S. DEPARTMENT OF EDUCATION PASSED THROUGH THE OHIO DEPARTMENT OF EDUCATION				
Adult Education_State Grant Program	84.002	2018	144,436	492,452
Adult Education_State Grant Program	84.002	2017	11,207	49,881
Total Adult Education_State Grant Program			155,643	542,333
Career and Technical Education_Basic Grants to States	84.048	2018	-	353,258
Career and Technical Education_Basic Grants to States	84.048	2017	-	38,294
(E) Career and Technical Education_Basic Grants to States	84.048	2018	-	10,500
Total Career and Technical Education _Basic Grants to States			-	402,052
Direct Award				
Student Financial Aid Cluster:				
Federal Pell Grant Program	84.063	N/A	-	114,946
Total Student Financial Aid Cluster			-	114,946
Total U.S. Department of Education			155,643	1,059,331
Total Federal Financial Assistance			$ 155,643	$ 1,383,772

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS:

(A) OAKS did not assign pass-through numbers for fiscal year 2018.

(B) This schedule includes the federal award activity of the Penta Career Center under programs of the federal government for the fiscal year ended June 30, 2018 and is prepared in accordance with the cash basis of accounting. 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 Penta Career Center, it is not intended to and does not present the financial position, or changes in net position of the Penta Career Center.

(C) The Food Donation Program is a non-cash, in kind, federal grant. Commodities are reported at the entitlement value.

(D) Commingled with state and local revenue from sales of lunches; assumed expenditures were made on a first-in, first-out basis.

(E) This portion of the grant was passed through the Four County Career Center.

(F) CFR 200.414 allows a non-federal entity that has never received a negotiated indirect cost rate to charge a de minimis rate of 10% of modified total direct costs to indirect costs. The Career Center has not elected to use the 10% de minimus indirect cost rate.

(G) The Career Center passes certain federal awards received from the Ohio Department of Education to other governments (subrecipents). As Note B describes, the Career Center reports expenditures of Federal awards to subrecipients when paid in cash.

The Career Center has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that subrecipients achieve the award's performance goals.

Julian & Grube, Inc.
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Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by *Government Auditing Standards*

Penta Career Center
Wood County
9301 Buck Road
Perrysburg, Ohio 43551

To the Governing Board:

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 Penta Career Center, Wood County, Ohio as of and for the fiscal year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Penta Career Center's basic financial statements and have issued our report thereon dated December 17, 2018, wherein we noted as discussed in Note 3, the Penta Career Center adopted 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 Penta 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 Penta 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 Penta Career Center's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of reasonably assuring whether the Penta 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 Penta 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 Penta Career Center's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

Julian & Grube, Inc.

Julian & Grube, Inc.
December 17, 2018

Julian & Grube, Inc.
Serving Ohio Local Governments
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Independent Auditor's Report on Compliance with Requirements Applicable to the Major Federal Program and on Internal Control Over Compliance Required by Uniform Guidance

Penta Career Center
Wood County
9301 Buck Road
Perrysburg, Ohio 43551

To the Governing Board:

Report on Compliance for the Major Federal Program

We have audited the Penta Career Center's 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 Penta Career Center's major federal program for the fiscal year ended June 30, 2018. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the Penta Career Center's major federal program.

Management's Responsibility

The Penta 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 Penta Career Center's compliance for the Penta 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 Penta 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 Penta Career Center's major program. However, our audit does not provide a legal determination of the Penta Career Center's compliance.

Opinion on the Major Federal Program

In our opinion, the Penta 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 fiscal year ended June 30, 2018.

Report on Internal Control Over Compliance

The Penta 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 Penta 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 each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the Penta 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.

Julian & Grube, Inc.

Julian & Grube, Inc.
December 17, 2018

PENTA CAREER CENTER
WOOD COUNTY, OHIO

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 control weaknesses 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 internal control weaknesses 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 Program's Compliance Opinion*	Unmodified
(d)(1)(vi)	*Are there any reportable findings under 2 CFR §200.516(a)?*	No
(d)(1)(vii)	*Major Program (listed):*	Career and Technical Education - Basic Grants to States, CFDA #84.048
(d)(1)(viii)	*Dollar Threshold: Type A/B Programs*	Type A: > $750,000 Type B: all others
(d)(1)(ix)	*Low Risk Auditee under 2 CFR § 200.520?*	Yes

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

OHIO AUDITOR OF STATE
KEITH FABER

PENTA CAREER CENTER

WOOD 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
MARCH 5, 2019