



OHIO AUDITOR OF STATE  
**KEITH FABER**





**WARREN COUNTY CAREER CENTER  
WARREN COUNTY  
FOR THE YEAR ENDED JUNE 30, 2020**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Independent Auditor's Report .....	1
Prepared by Management:	
Management's Discussion and Analysis .....	5
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position .....	14
Statement of Activities.....	15
Fund Financial Statements:	
Balance Sheet	
Governmental Funds .....	16
Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities .....	17
Statement of Revenues, Expenditures and Changes in Fund Balance Governmental Funds.....	18
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities.....	19
Statement of Fiduciary Net Position Fiduciary Funds .....	20
Notes to the Basic Financial Statements .....	21
Required Supplementary Information:	
Schedule of the Career Center's Proportionate Share of the Net Pension Liability (School Employees Retirement System of Ohio).....	54
Schedule of the Career Center's Contributions for Net Pension Liability (School Employees Retirement System of Ohio).....	55
Schedule of the Career Center's Proportionate Share of the Net Pension Liability (State Teachers Retirement System of Ohio).....	56
Schedule of the Career Center's Contributions for Net Pension Liability (State Teachers Retirement System of Ohio) .....	57
Schedule of the Career Center's Proportionate Share of the Net OPEB Liability (School Employees Retirement System of Ohio).....	58
Schedule of the Career Center's Contributions for Net OPEB Liability (School Employees Retirement System of Ohio).....	59

**WARREN COUNTY CAREER CENTER  
WARREN COUNTY  
FOR THE YEAR ENDED JUNE 30, 2020**

**TABLE OF CONTENTS  
(Continued)**

<b>TITLE</b>	<b>PAGE</b>
Schedule of the Career Center's Proportionate Share of the Net OPEB (Asset)/Liability (State Teachers Retirement System of Ohio).....	60
Schedule of the Career Center's Contributions for Net OPEB (Asset)/Liability (State Teachers Retirement System of Ohio) .....	61
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) General Fund.....	62
Notes to the Required Supplementary Information .....	63
Schedule of Expenditures of Federal Awards .....	69
Notes to the Schedule of Expenditures of Federal Awards.....	70
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	71
Independent Auditor's Report on Compliance with Requirements Applicable to the Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance.....	73
Schedule of Findings.....	75

# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT AUDITOR'S REPORT

Warren County Career Center  
Warren County  
3529 N. State Route 48  
Lebanon, Ohio 45036

To the Board of Education:

### ***Report on the Financial Statements***

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

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

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

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

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

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

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

**Opinion**

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

**Emphasis of Matter**

As discussed in Note 22 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Career Center. We did not modify our opinion regarding this matter.

**Other Matters**

*Required Supplementary Information*

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

*Supplementary and Other Information*

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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2020, on our consideration of the Career Center's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Career Center's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State  
Columbus, Ohio  
December 14, 2020

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**Warren County Career Center, Ohio**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2020**  
(Unaudited)

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

**Financial Highlights**

Key financial highlights for 2020 are as follows:

- Net position of governmental activities decreased \$1,616,361 which represents a 15% decrease from 2019.
- General revenues accounted for \$18,764,012 in revenue or 82% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$4,117,703 or 18% of total revenues of \$22,881,715.
- The Center had \$24,498,076 in expenses related to governmental activities; \$4,117,703 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$18,764,012 were also used to provide for these programs.

**Overview of the Financial Statements**

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

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

**Government-wide Financial Statements**

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

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

**Warren County Career Center, Ohio**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2020**  
(Unaudited)

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

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

**Fund Financial Statements**

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

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

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

**The Center as a Whole**

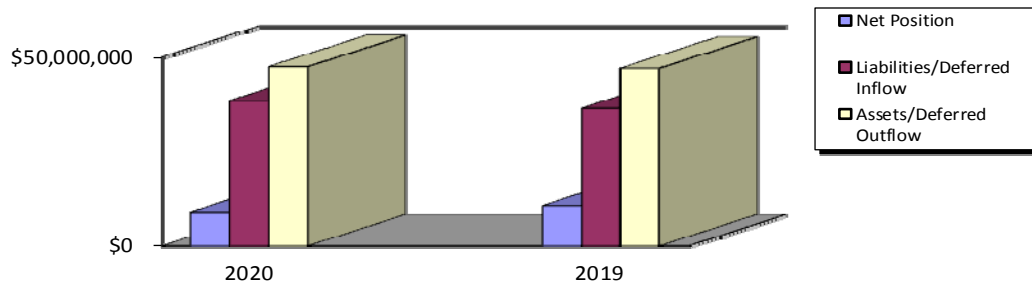
As stated previously, the Statement of Net Position looks at the Center as a whole. Table 1 provides a summary of the Center's net position for fiscal year 2020 compared to fiscal year 2019:

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**Warren County Career Center, Ohio**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2020**  
(Unaudited)

**Table 1**  
**Net Position**

	Governmental Activities	
	2020	2019
Assets:		
Current and Other Assets	\$25,867,616	\$25,732,774
Net OPEB Asset	1,238,760	1,165,116
Capital Assets	14,956,661	14,039,268
<b>Total Assets</b>	<b>42,063,037</b>	<b>40,937,158</b>
Deferred Outflows of Resources:		
OPEB	560,482	351,743
Pension	4,844,821	5,753,065
<b>Total Deferred Outflows of Resources</b>	<b>5,405,303</b>	<b>6,104,808</b>
Liabilities:		
Other Liabilities	2,125,587	1,728,813
Long-Term Liabilities	24,109,334	22,314,195
<b>Total Liabilities</b>	<b>26,234,921</b>	<b>24,043,008</b>
Deferred Inflows of Resources:		
Property Taxes	9,085,105	8,869,482
Grants and Other Taxes	97,462	77,800
OPEB	1,982,451	1,987,663
Pension	1,065,787	1,445,038
<b>Total Deferred Inflows of Resources</b>	<b>12,230,805</b>	<b>12,379,983</b>
Net Position:		
Net Investment in Capital Assets	13,931,661	13,734,724
Restricted	1,091,631	917,649
Unrestricted	(6,020,678)	(4,033,398)
<b>Total Net Position</b>	<b>\$9,002,614</b>	<b>\$10,618,975</b>



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

**Warren County Career Center, Ohio**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2020**  
(Unaudited)

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\$9,002,614.

At year-end, capital assets represented 36% of total assets. Capital assets include land, construction in progress, land improvements, buildings and improvements, vehicles and equipment. Capital assets, net of related debt to acquire the assets at June 30, 2020, were \$13,931,661. These capital assets are used to provide services to the students and are not available for future spending. Although the Center's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the Center's net position, \$1,091,631 represents resources that are subject to external restriction on how they must be used. The external restriction will not affect the availability of fund resources for future use.

Current Assets increased slightly from fiscal year 2019 mainly due to an increase in cash and investments during fiscal year 2020. Capital Assets increased from fiscal year 2019 mainly due to current year additions exceeding current year depreciation. Total Liabilities increased mainly due to an increase in the Net Pension Liability as well as the issuance of new long-term debt.

Table 2 shows the changes in net position for fiscal years 2020 and 2019.

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**Warren County Career Center, Ohio**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2020**  
(Unaudited)

**Table 2**  
**Changes in Net Position**

	Governmental Activities	
	2020	2019
Revenues:		
Program Revenues		
Charges for Services	\$2,649,742	\$3,090,658
Operating Grants, Contributions	1,467,961	1,343,441
General Revenues:		
Property Taxes	9,891,055	8,338,383
Grants and Entitlements	7,863,751	7,789,689
Other	1,009,206	702,092
<b>Total Revenues</b>	<b>22,881,715</b>	<b>21,264,263</b>
Program Expenses:		
Instruction	14,588,362	11,973,978
Support Services:		
Pupil and Instructional Staff	2,665,402	2,404,021
School Administrative, General		
Administration, Fiscal and Business	3,219,519	2,378,016
Operations and Maintenance	1,752,672	1,601,080
Pupil Transportation	410,076	364,047
Central	1,500,202	1,295,859
Operation of Non-Instructional Services	322,764	351,089
Extracurricular Activities	24,901	72,349
Interest and Fiscal Charges	14,178	16,424
<b>Total Program Expenses</b>	<b>24,498,076</b>	<b>20,456,863</b>
Change in Net Position	(1,616,361)	807,400
Net Position - Beginning of Year	10,618,975	9,811,575
Net Position - End of Year	\$9,002,614	\$10,618,975

The Center's revenues are mainly from two sources. Property taxes levied for general purposes and grants and entitlements comprised 78% of the Center's revenues for governmental activities.

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

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

Property taxes made up 43% of revenues for governmental activities for the Center in fiscal year 2020. The Center's reliance upon tax revenues is demonstrated by the following graph:

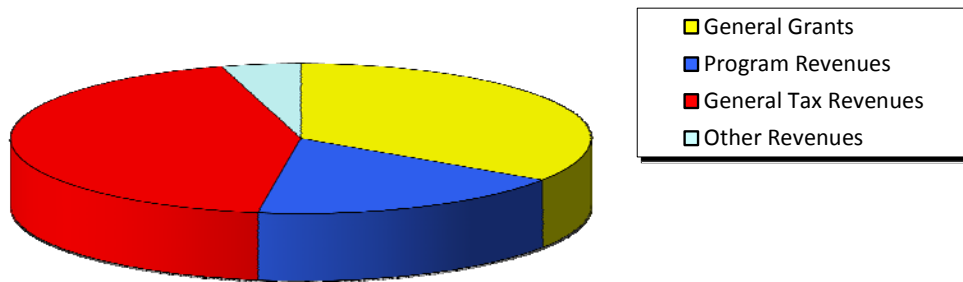
**Warren County Career Center, Ohio**  
**Management’s Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2020**  
(Unaudited)

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**Governmental Activities**

**Revenue Sources**

	<u>2020</u>	<u>Percentage</u>
General Grants	\$7,863,751	34.4%
Program Revenues	4,117,703	18.0%
General Tax Revenues	9,891,055	43.2%
Other Revenues	1,009,206	4.4%
Total Revenue Sources	<u>\$22,881,715</u>	<u>100%</u>



Instruction comprises 60% of governmental program expenses. Support services expenses were 39% of governmental program expenses. All other expenses were 1%.

Overall the financial position of the Center worsened by \$1,616,361 from 2019 to 2020. Grants and Entitlements increased slightly in fiscal year 2020 as compared to fiscal year 2019 because the Center received more grant monies in 2020 compared to 2019. Total expenses increased primarily due to changes related to net pension liability and other post-employment benefits liability.

**Governmental Activities**

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

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**Warren County Career Center, Ohio**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2020**  
(Unaudited)

**Table 3**  
**Governmental Activities**

	Total Cost of Services		Net Cost of Services	
	2020	2019	2020	2019
Instruction	\$14,588,362	\$11,973,978	(\$12,039,484)	(\$9,247,223)
Support Services:				
Pupil and Instructional Staff	2,665,402	2,404,021	(2,268,748)	(1,991,545)
School Administrative, General				
Administration, Fiscal and Business	3,219,519	2,378,016	(2,799,617)	(1,891,689)
Operations and Maintenance	1,752,672	1,601,080	(1,750,679)	(1,575,082)
Pupil Transportation	410,076	364,047	(410,076)	(363,071)
Central	1,500,202	1,295,859	(1,032,365)	(843,089)
Operation of Non-Instructional Services	322,764	351,089	(70,560)	(41,569)
Extracurricular Activities	24,901	72,349	5,334	(53,072)
Interest and Fiscal Charges	14,178	16,424	(14,178)	(16,424)
Total Expenses	<u>\$24,498,076</u>	<u>\$20,456,863</u>	<u>(\$20,380,373)</u>	<u>(\$16,022,764)</u>

**The Center's Funds**

The Center has two major governmental funds: the General Fund and the Building Fund. Assets of the major funds comprised \$24,135,294 (87%) of the total \$27,733,059 governmental funds assets.

**General Fund:** Fund balance at June 30, 2020 was \$11,447,203, an increase in fund balance of \$545,906 from 2019. The fund balance increased mostly due to an increase property tax revenues from 2019 to 2020.

**Building Fund:** Fund balance at June 30, 2020 was (\$87,589), a decrease in fund balance of \$87,589 from 2019. The fund balance decreased due to expenditures exceeding revenues during the year.

**General Fund Budgeting Highlights**

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

During the course of fiscal year 2020, the Center amended its General fund budgets; however none were significant. The Center uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management. During the course of the year, the Center revised the Budgets in an attempt to deal with unexpected changes in revenues and expenditures.

For the General Fund, final budget basis revenue was \$19,080,365 compared to original budget estimates of \$10,500,467.

The Center's ending unobligated cash balance for the General Fund was \$9,642,775.

**Warren County Career Center, Ohio**  
**Management’s Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2020**  
(Unaudited)

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**Capital Assets and Debt Administration**

***Capital Assets***

At the end of fiscal year 2020, the Center had \$14,956,661 invested in land, construction in progress, land improvements, vehicles, buildings and improvements and equipment. Table 4 shows fiscal year 2020 balances compared to fiscal year 2019:

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

---

	Governmental Activities	
	2020	2019
Land	\$456,000	\$456,000
Land Improvements	809,726	349,039
Buildings and Improvements	10,595,176	11,005,864
Equipment	1,226,468	1,440,850
Construction in Progress	1,846,332	764,423
Vehicles	22,959	23,092
Total Net Capital Assets	<u>\$14,956,661</u>	<u>\$14,039,268</u>

The increase in capital assets is due to current year additions exceeding depreciation expense.

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

***Debt***

At June 30, 2020, the Center had \$1,025,000 in general obligation bonds outstanding, \$115,000 due within one year. Table 5 summarizes debt outstanding:

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**Warren County Career Center, Ohio**  
**Management’s Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2020**  
(Unaudited)

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**Table 5**  
**Outstanding Debt, at Year End**

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	Governmental Activities	
	2020	2019
General Obligation Bonds:		
2020 General Obligation Bonds	\$500,000	\$0
2020 School Energy Conservation Bonds	300,000	0
2011 Energy Conservation Notes	225,000	300,000
Subtotal Bonds	<u>1,025,000</u>	<u>300,000</u>
Capital Leases	<u>0</u>	<u>4,544</u>
Total Long-Term Obligations	<u><u>\$1,025,000</u></u>	<u><u>\$304,544</u></u>

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

**Contacting the Center’s Financial Management**

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the Center’s finances and to show the Center’s accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Office of the Treasurer, Warren County Career Center, 3529 N. SR 48, Lebanon, Ohio 45036.

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

	Governmental Activities
Assets:	
Equity in Pooled Cash and Investments	\$15,852,955
Restricted Cash and Investments	49,638
Receivables (Net):	
Taxes	9,608,258
Accounts	134,842
Interest	13,625
Intergovernmental	200,644
Prepays	5,563
Inventory	2,091
Nondepreciable Capital Assets	2,302,332
Depreciable Capital Assets, Net	12,654,329
Net OPEB Asset	<u>1,238,760</u>
 Total Assets	 <u>42,063,037</u>
Deferred Outflows of Resources:	
Pension	4,844,821
OPEB	<u>560,482</u>
 Total Deferred Outflows of Resources	 <u>5,405,303</u>
Liabilities:	
Accounts Payable	262,919
Accrued Wages and Benefits	1,173,844
Contracts Payable	636,578
Retainage Payable	49,638
Accrued Interest Payable	2,608
Long-Term Liabilities:	
Due Within One Year	323,516
Due In More Than One Year	
Net Pension Liability	20,612,450
Net OPEB Liability	1,628,548
Other Amounts	<u>1,544,820</u>
 Total Liabilities	 <u>26,234,921</u>
Deferred Inflows of Resources:	
Property Taxes	9,085,105
Grants and Other Taxes	97,462
OPEB	1,982,451
Pension	<u>1,065,787</u>
 Total Deferred Inflows of Resources	 <u>12,230,805</u>
Net Position:	
Net Investment in Capital Assets	13,931,661
Restricted for:	
Local / State Grants	12,560
Federal Grants	79,110
Capital Improvements	989,662
Food Service	7,043
Other Purposes	3,256
Unrestricted	<u>(6,020,678)</u>
 Total Net Position	 <u>\$9,002,614</u>

See accompanying notes to the basic financial statements.

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

	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
<b>Governmental Activities:</b>				
<b>Instruction:</b>				
Regular	\$8,750	\$0	\$0	(\$8,750)
Special	128,572	0	0	(128,572)
Vocational	12,380,625	1,018,788	143,131	(11,218,706)
Adult/Continuing	1,431,582	700,258	516,127	(215,197)
Other	638,833	20,111	150,463	(468,259)
<b>Support Services:</b>				
Pupil	1,384,738	78,648	128,680	(1,177,410)
Instructional Staff	1,280,664	41,509	147,817	(1,091,338)
General Administration	27,915	0	0	(27,915)
School Administration	2,402,725	276,787	115,350	(2,010,588)
Fiscal	741,140	0	0	(741,140)
Business	47,739	19,912	7,853	(19,974)
Operations and Maintenance	1,752,672	0	1,993	(1,750,679)
Pupil Transportation	410,076	0	0	(410,076)
Central	1,500,202	311,748	156,089	(1,032,365)
Operation of Non-Instructional Services	322,764	151,746	100,458	(70,560)
Extracurricular Activities	24,901	30,235	0	5,334
Interest and Fiscal Charges	14,178	0	0	(14,178)
<b>Totals</b>	<b>\$24,498,076</b>	<b>\$2,649,742</b>	<b>\$1,467,961</b>	<b>(20,380,373)</b>

<b>General Revenues:</b>	
Property Taxes Levied for:	
General Purposes	9,891,055
Grants and Entitlements, Not Restricted	7,863,751
Revenue in Lieu of Taxes	90,350
Unrestricted Contributions	797
Investment Earnings	458,321
Other Revenues	459,738
<b>Total General Revenues</b>	<b>18,764,012</b>
<b>Change in Net Position</b>	<b>(1,616,361)</b>
<b>Net Position - Beginning of Year</b>	<b>10,618,975</b>
<b>Net Position - End of Year</b>	<b>\$9,002,614</b>

See accompanying notes to the basic financial statements.

## Warren County Career Center, Warren County, Ohio

## Balance Sheet

## Governmental Funds

June 30, 2020

	General	Building	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>				
Equity in Pooled Cash and Investments	\$10,363,619	\$2,059,828	\$3,429,508	\$15,852,955
Restricted Cash and Investments	0	0	49,638	49,638
<b>Receivables (Net):</b>				
Taxes	9,608,258	0	0	9,608,258
Accounts	134,654	0	188	134,842
Interest	13,625	0	0	13,625
Intergovernmental	97,462	0	103,182	200,644
Interfund	1,852,285	0	13,158	1,865,443
Prepays	5,563	0	0	5,563
Inventory	0	0	2,091	2,091
<b>Total Assets</b>	<b>22,075,466</b>	<b>2,059,828</b>	<b>3,597,765</b>	<b>27,733,059</b>
<b>Liabilities:</b>				
Accounts Payable	155,667	10,000	97,252	262,919
Accrued Wages and Benefits	1,173,844	0	0	1,173,844
Compensated Absences	23,552	0	0	23,552
Contracts Payable	0	382,279	254,299	636,578
Retainage Payable	0	0	49,638	49,638
Interfund Payable	0	1,755,138	110,305	1,865,443
<b>Total Liabilities</b>	<b>1,353,063</b>	<b>2,147,417</b>	<b>511,494</b>	<b>4,011,974</b>
<b>Deferred Inflows of Resources:</b>				
Property Taxes	9,177,738	0	0	9,177,738
Grants and Other Taxes	97,462	0	103,182	200,644
<b>Total Deferred Inflows of Resources</b>	<b>9,275,200</b>	<b>0</b>	<b>103,182</b>	<b>9,378,382</b>
<b>Fund Balances:</b>				
Nonspendable	5,563	0	0	5,563
Restricted	0	0	1,066,971	1,066,971
Assigned	1,422,298	0	1,994,764	3,417,062
Unassigned	10,019,342	(87,589)	(78,646)	9,853,107
<b>Total Fund Balances</b>	<b>11,447,203</b>	<b>(87,589)</b>	<b>2,983,089</b>	<b>14,342,703</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$22,075,466</b>	<b>\$2,059,828</b>	<b>\$3,597,765</b>	<b>\$27,733,059</b>

See accompanying notes to the basic financial statements.

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

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Total Governmental Fund Balance		\$14,342,703
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets used in the operation of Governmental Funds		14,956,661
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		
Delinquent Property Taxes	\$92,633	
Intergovernmental	<u>103,182</u>	
		195,815
In the statement of net position interest payable is accrued when incurred; whereas, in the governmental funds interest is reported as a liability only when it will require the use of current financial resources.		
		(2,608)
Some liabilities reported in the statement of net position do not require the use of current financial resources and, therefore, are not reported as liabilities in governmental funds.		
Compensated Absences		(819,784)
Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions	4,844,821	
Deferred inflows of resources related to pensions	(1,065,787)	
Deferred outflows of resources related to OPEB	560,482	
Deferred inflows of resources related to OPEB	<u>(1,982,451)</u>	
		2,357,065
Long-term liabilities and net OPEB assets are not available to pay for current period expenditures and are not due and payable in the current period and, therefore, are not reported in the funds.		
Net OPEB Asset	1,238,760	
Net Pension Liability	(20,612,450)	
Net OPEB Liability	(1,628,548)	
Other Amounts	<u>(1,025,000)</u>	
		<u>(22,027,238)</u>
Net Position of Governmental Activities		<u><u>\$9,002,614</u></u>

See accompanying notes to the basic financial statements.

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

	General	Building	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>				
Property and Other Taxes	\$9,887,910	\$0	\$0	\$9,887,910
Tuition and Fees	941,882	0	1,446,222	2,388,104
Investment Earnings	400,453	0	57,868	458,321
Intergovernmental	7,863,751	0	1,377,407	9,241,158
Charges for Services	81,091	0	151,197	232,288
Revenue in Lieu of Taxes	90,350	0	0	90,350
Other Revenues	281,839	0	208,046	489,885
<b>Total Revenues</b>	<b>19,547,276</b>	<b>0</b>	<b>3,240,740</b>	<b>22,788,016</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	8,750	0	0	8,750
Special	119,492	0	0	119,492
Vocational	10,541,245	0	127,912	10,669,157
Adult/Continuing	15,868	0	1,287,543	1,303,411
Other	487,375	0	151,458	638,833
<b>Support Services:</b>				
Pupil	1,103,699	0	201,013	1,304,712
Instructional Staff	1,024,725	0	196,654	1,221,379
General Administration	26,776	0	0	26,776
School Administration	1,754,625	0	407,206	2,161,831
Fiscal	681,294	0	0	681,294
Business	0	0	30,472	30,472
Operations and Maintenance	1,531,218	0	74,525	1,605,743
Pupil Transportation	389,757	0	0	389,757
Central	528,047	0	515,922	1,043,969
Operation of Non-Instructional Services	28,019	0	291,162	319,181
Extracurricular Activities	24,901	0	0	24,901
Capital Outlay	365,666	887,589	1,305,849	2,559,104
<b>Debt Service:</b>				
Principal Retirement	75,000	0	4,544	79,544
Interest and Fiscal Charges	12,750	0	20	12,770
<b>Total Expenditures</b>	<b>18,719,207</b>	<b>887,589</b>	<b>4,594,280</b>	<b>24,201,076</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>828,069</b>	<b>(887,589)</b>	<b>(1,353,540)</b>	<b>(1,413,060)</b>
<b>Other Financing Sources (Uses):</b>				
Issuance of Long-Term Capital-Related Debt	0	800,000	0	800,000
Transfers In	0	0	282,163	282,163
Transfers (Out)	(282,163)	0	0	(282,163)
<b>Total Other Financing Sources (Uses)</b>	<b>(282,163)</b>	<b>800,000</b>	<b>282,163</b>	<b>800,000</b>
<b>Net Change in Fund Balance</b>	<b>545,906</b>	<b>(87,589)</b>	<b>(1,071,377)</b>	<b>(613,060)</b>
<b>Fund Balance - Beginning of Year</b>	<b>10,901,297</b>	<b>0</b>	<b>4,054,466</b>	<b>14,955,763</b>
<b>Fund Balance - End of Year</b>	<b>\$11,447,203</b>	<b>(\$87,589)</b>	<b>\$2,983,089</b>	<b>\$14,342,703</b>

See accompanying notes to the basic financial statements.

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

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Net Change in Fund Balance - Total Governmental Funds (\$613,060)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital asset additions as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of the difference between capital asset additions and depreciation in the current period.

Capital assets used in governmental activities	\$2,371,666	
Depreciation Expense	<u>(1,454,273)</u>	917,393

Governmental funds report pension and OPEB contributions as expenditures. However in the Statement of Activities, the cost of pension and OPEB benefits earned net of employee contributions are reported as pension and OPEB expense.

Pension contributions	1,772,765	
Cost of benefits earned net of employee contributions - Pensions	(3,382,687)	
OPEB contributions	15,692	
Cost of benefits earned net of employee contributions - OPEB	<u>314,187</u>	(1,280,043)

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

Delinquent Property Taxes	3,145	
Intergovernmental	<u>90,554</u>	93,699

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 79,544

In the statement of activities interest expense is accrued when incurred; whereas, in governmental funds an interest expenditure is reported when due. (1,408)

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

Compensated Absences		(12,486)
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Proceeds from debt issues are an other financing source in the funds, but a debt issue increases long-term liabilities in the statement of net position. (800,000)

Change in Net Position of Governmental Activities (\$1,616,361)

See accompanying notes to the basic financial statements.

Warren County Career Center, Warren County, Ohio  
Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2020

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	<u>Agency</u>
Assets:	
Equity in Pooled Cash and Investments	<u>\$57,704</u>
Total Assets	<u>57,704</u>
Liabilities:	
Other Liabilities	<u>57,704</u>
Total Liabilities	<u>\$57,704</u>

See accompanying notes to the basic financial statements.



**Warren County Career Center  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020**

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**Note 1 - Description Of The Career Center And Reporting Entity**

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Warren County Career Center (the "Career Center") is a distinct political subdivision of the State of Ohio operated under the direction of a seven member Board of Education. The Board of Education is not directly elected. The Board of Education is comprised of members of other elected boards who, by charter, also serve as board members of the Warren County Career Center. None of the School Districts that appoint Board members are financially accountable for the Career Center nor do any appoint a voting majority of the Board.

The Career Center employs 103 certified, 41 classified, 14 administrative, 12 full time Adult Education along with 114 Adjunct Adult Education instructors who serve approximately 42 preschool students, 5,531 secondary students and 2,921 adult students. A vocational school exposes high school and adult students to academic preparation and job training which leads to employment and/or further education upon graduation from high school.

**Reporting Entity**

A reporting entity is composed of the primary government, component units, and other organizations that are included to insure that the financial statements are not misleading. The primary government of the Career Center 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, adult education, preschool 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 organizations' 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 organizations' resources; the Career Center is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organizations; or the Career Center is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Career Center in that the Career Center approves the budget, the issuance of debt, or the levying of taxes. The Career Center has no component units.

The Career Center is associated with one jointly governed organization. The organization is:

Jointly Governed Organizations:  
Southwest Ohio Computer Association

This organization is discussed in Notes 15.

**Note 2 - Summary of Significant Accounting Policies**

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

**Warren County Career Center**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

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Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Career Center. The effect of interfund activity has been removed from these statements. *Governmental activities*, normally are supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or program are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or program. *Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or program and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis Of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements; although the fiduciary fund has no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Career Center considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences are recorded only when payment is due.

Property taxes, grants and entitlements, revenue in lieu of taxes, tuition, fees and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered measurable and available only when cash is received by the Career Center.

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. The Career Center employs the use of two categories of funds: governmental and fiduciary.

**Warren County Career Center**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

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Governmental Funds

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

The Career Center reports the following major governmental funds:

General Fund – The *general fund* is the Career Center’s primary operating fund. It accounts for all financial resources of the Career Center, except those required to be accounted for in another fund.

Building Fund – The building fund is used to account for the receipts and expenditures related to all special bond funds in the Center. All proceeds from the sale of bonds, notes, or certificates or indebtedness, except premium and accrued interest, must be paid into this fund. Expenditures recorded here represent the costs of acquiring capital facilities including real property.

Additionally, the Career Center reports the following fund types:

Fiduciary Agency Funds – *Fiduciary Agency Funds* reporting focuses on net position and changes in net position. The Career Center maintains two fiduciary funds, agency funds known as the Pell Grant and Student Activities Funds. The Pell Grant fund accounts for grant proceeds and disbursement to various students within the Career Center. The Student Activities fund was established to account for revenues generated by student managed activities. The Career Center’s agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions (although no such grants or contributions were received for the year ending June 30, 2020). Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the Career Center’s policy to use the restricted resources first, then unrestricted resources as they are needed.

**Cash and Cash Equivalents**

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 the Career Center’s records. Each fund’s interest in the pool is presented as equity in pooled cash and investments on the statement of net position and fund balance sheets.

During the current fiscal year and at year-end, investments were limited to governmental sponsored agency securities, treasury notes and money market mutual funds.

**Warren County Career Center**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

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Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during the current fiscal year amounted to \$400,453. Other governmental funds also received interest of \$57,868.

For purpose of the statement of cash flows and for the presentation on the statement of net position and fund balance sheets, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the Career Center are considered to be cash equivalents.

**Inventory (Materials and Supplies)**

Inventories are valued at lower of cost (first-in, first-out method) or market and are determined by physical count. Inventories consist of donated food and purchased food and are expensed when used. The balance is reported as a nonspendable fund balance on the governmental balance sheet.

**Prepays**

Payments made to vendors for services that will benefit periods beyond June 30, 2020 are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and expenditure/expense is reported in the year in which services are consumed.

**Capital Assets**

Capital assets, which include land, land improvements, buildings, equipment, and vehicles, are reported on the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if actual amounts were not available. Donated capital assets are recorded at estimated acquisition value at the date of donation. The Career Center reviewed possible infrastructure assets (roads, bridges, culverts, etc.) which could be required to be capitalized. The Career Center has no infrastructure assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Land improvements, buildings, equipment, and vehicles of the Career Center are depreciated using the straight line method over the following estimated useful lives:

<u>Description</u>	Governmental Activities <u>Estimated Lives</u>
Building and Building Improvements	50 years
Vehicles and Equipment	5 - 15 years

**Interfund Assets/Liabilities**

On fund financial statements, receivables and payables resulting from transaction-like activities between the Career Center's various funds are classified as interfund receivables/payables. These transactions are consolidated in the statement of net position.

**Warren County Career Center**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

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**Compensated Absences**

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the Career Center will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the Career Center has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year-end, taking into consideration any limits specified in the Career Center's termination policy. The Career Center records a liability for accumulated unused sick leave for all employees after twenty years of current service with the Career Center.

Expenditures or liabilities related to compensated absences are reported in governmental funds only if they are due for payment as matured leave payable. The entire liability is reported on the government-wide statement of net position.

**Accrued Liabilities and Long-Term Obligations**

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. Payments made more than sixty days after year-end are considered not to have used current available financial resources. Capital leases, OPEB, net pension liability, and long term notes payable are reported as a liability on the statement of net position. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

**Interfund Activity**

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

**Fund Balance**

The Career Center reports the following fund balance categories:

Nonspendable – Nonspendable fund balance relates to the value of consumable inventories.

Restricted – Restricted fund balances relate to money received from local, state or federal grants.

Assigned – Assigned fund balances are balances the Career Center administration have specified the future use.

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

**Warren County Career Center**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

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

**Net Position**

Net position represents the difference between assets and deferred outflows against liabilities and deferred inflows in the statement of net position. Net investment in capital assets is calculated, net of accumulated depreciation and reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Career Center or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

**Deferred Outflows/Deferred Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense) until then. For the Career Center, deferred outflows of resources includes pension and OPEB. These amounts are reported on the government-wide statement of net pension. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 9 and 10.

In addition to liabilities, the statement of net position reports 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 pension, OPEB, grants and other taxes, and property taxes. Deferred inflows of resources related to pension and OPEB are reported on the government-wide statement of net position (see Notes 9 and 10). Delinquent property taxes and grants and entitlements received before the eligibility requirements are met are also recorded as deferred inflows of resources. On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred inflows of resources. On the statement of net position, property taxes for which there is an enforceable legal claim as of June 30, 2020, but which were levied to finance fiscal year 2021 operations, have been recorded as a deferred inflow. Grants and other taxes have been recorded as deferred inflows on the governmental fund financial statements.

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

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

**Warren County Career Center  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020**

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**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.

**Exchange/Non-Exchange Transactions**

Revenues 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.

**Non-Exchange Transactions**

Non-exchange transactions, in which the Career Center receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. 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 non-exchange transactions must also be available before it can be recognized.

**Estimates**

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

**Note 3 – Accountability**

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At June 30, 2020 the following fund had deficit fund balances:

<u>Fund</u>	<u>Deficit</u>
Other Governmental Funds:	
Perkins Grant	\$61,649
Preschool	711
ABLE Grant	16,286

The deficits resulted from adjustments for accrued liabilities. The general fund is liable for any deficit by providing operating transfers when cash is required, not when accruals occur.

**Note 4 - Equity in Pooled Cash And Investments**

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

**Warren County Career Center**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

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

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

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States.
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities.
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.
4. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met.
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts.
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions.
7. The State Treasurer's investment pool (STAR Ohio).
8. Certain bankers' acceptances for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met.



**Warren County Career Center**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

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

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. Except as noted above, an investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Career Center, and must be purchased with the expectation that it will be held to maturity.

Deposits

Custodial credit risk for deposits 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. As of June 30, 2020, \$1,399,264 of the Career Center's bank balance of \$1,649,264 was exposed to custodial credit risk because it was uninsured and collateralized.

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

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

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

Investments

As of June 30, 2020, the Career Center had the following investments.

	<u>Fair Value</u>	<u>Fair Value Hierarchy</u>	<u>Weighted Average Maturity (Years)</u>
Federal Home Loan Mortgage Corporation	\$2,154,983	Level 2	2.45
Federal National Mortgage Association	409,880	Level 2	2.85
Commercial Paper	814,112	Level 2	0.39
Federal Farm Credit Bank	1,065,701	Level 2	2.83
Negotiable CDs	5,208,107	Level 2	0.11
Treasury Notes	186,489	Level 1	0.75
Money Market Mutual Funds	22,695	N/A	0.00
STAR Ohio	4,510,147	N/A	0.11
Total Fair Value	<u>\$14,372,114</u>		
Portfolio Weighted Average Maturity			1.30

**Warren County Career Center**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

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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. All investments of the Center are valued using quoted market prices.

The Career Center has no investment policy that addresses interest rate risk. State statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Career Center, and that an investment must be purchased with the expectation that it will be held to maturity.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. It is the Career Center’s policy to limit its investments that are not obligations of the U.S. Government to investments which have the highest credit quality rating issues by nationally recognized statistical rating organizations. The Career Center’s investments in Federal Home Loan Mortgage Corporation, Federal Farm Credit Bank, Treasury Notes, and Federal National Mortgage Association were rated AAA by Standard & Poor’s and Fitch ratings and Aaa by Moody’s Investment Service. The Career Center’s investments in Commercial Paper was rated A-1+ by Standard & Poor’s ratings and P-1 by Moody’s Investment Service. Investments in STAR Ohio were rated AAAM by Standard & Poor’s. Negotiable CDs and Money Market Funds are not rated.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the 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 governmental agency notes are exposed to custodial credit risk in that they are uninsured, unregistered, and held by the counterparty’s trust department or agent but not in the Career Center’s name. The Career Center has no investment policy dealing with investment custodial risk beyond the requirement in state statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

Concentration of Credit Risk – The Career Center places no limit on the amount it may invest in any one issuer. The Career Center’s investment in Federal Home Loan Mortgage Corporation Notes represents 15% of the total investments, the Certificate of Deposit represents 36% of the total investments, Federal Farm Credit Bank represents 7% of the total investments, Treasury Notes represents 1% of the total investments, Money Market Mutual Funds represents 1% of the total investments, the Federal National Mortgage Association represents 3% of total investments, STAR Ohio represents 31% of total investments, and Commercial Paper represents 6% of total investments.

**Note 5 - Property Taxes**

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Property taxes include amounts levied against real, public utility and tangible personal (business) property. The assessed value, by property classification, upon which taxes collected in 2020 were based, is as follows:

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**Warren County Career Center**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

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	2019 Second Half Collections		2020 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/residential and other real estate	\$4,715,570,180	94.09%	\$4,999,126,150	94.21%
Public Utility	296,416,470	5.91%	307,116,910	5.79%
Total Assessed Value	<u>\$5,011,986,650</u>	<u>100.00%</u>	<u>\$5,306,243,060</u>	<u>100.00%</u>

Property taxes are levied and assessed on a calendar year basis. First half tax collections are received by the Career Center in the second half of the fiscal year. Second half distributions occur in a new fiscal year. Property taxes include amounts levied against all real and tangible personal (used in business) property located in the District. Real property taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. All property is required to be revalued every six years.

2020 tangible personal property taxes are levied after April 1, 2019, on the value as of December 31, 2019. Collections are made in 2020. Tangible personal property assessments are six and one quarter

Real property taxes are payable annually or semi-annually. If paid annually, payment was due by February 27. If paid semi-annually, the first payment (at least one-half of amount billed) was due February 27, with the remainder due on July 24.

The county auditor remits portions of the taxes collected with periodic settlements of real and public utility property taxes in February and August and tangible personal property taxes in June and October to all taxing districts.

The Career Center received property taxes from the Warren County auditor. The county auditor periodically advances to the Career Center its portion of the taxes collected. Second-half real property tax payments collected by the county by June 30, 2020 are available to finance current fiscal year operations. The amount available to be advanced can vary based on the date the tax bills are sent.

**Note 6 – Receivables**

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Receivables at June 30, 2020, consisted of property taxes, accounts, interest, interfund, and intergovernmental. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of state programs, and the current year guarantee of federal funds. A summary of intergovernmental receivables follows:

Fund	Amount
General Fund:	\$97,462
Nonmajor Governmental Funds:	
Able Grant Fund	16,162
Preschool	2,850
Perkins Grant	84,170
Total	<u>\$200,644</u>

**Note 7 - Capital Assets**

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

**Warren County Career Center**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities</b>				
<b>Capital Assets, not being depreciated:</b>				
Land	\$456,000	\$0	\$0	\$456,000
Construction in Progress	764,423	1,846,332	764,423	1,846,332
<b>Capital Assets, being depreciated:</b>				
Land Improvements	642,338	528,774	0	1,171,112
Buildings and Improvements	22,477,234	408,915	0	22,886,149
Furniture, Fixtures and Equipment	6,375,336	347,068	0	6,722,404
Vehicles	622,900	5,000	193,230	434,670
Totals at Historical Cost	<u>31,338,231</u>	<u>3,136,089</u>	<u>957,653</u>	<u>33,516,667</u>
Less Accumulated Depreciation:				
Land Improvements	293,299	68,087	0	361,386
Building Improvements	11,471,370	819,603	0	12,290,973
Furniture, Fixtures and Equipment	4,934,486	561,450	0	5,495,936
Vehicles	599,808	5,133	193,230	411,711
Total Accumulated Depreciation	<u>17,298,963</u>	<u>1,454,273</u>	<u>193,230</u>	<u>18,560,006</u>
Governmental Activities Capital Assets, Net	<u>\$14,039,268</u>	<u>\$1,681,816</u>	<u>\$764,423</u>	<u>\$14,956,661</u>

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Vocational	\$881,782
Adult Education	39,938
Support Services:	
Instructional Staff	4,343
School Administration	38,083
Business	14,648
Operations and Maintenance	81,874
Pupil Transportation	20,319
Central	369,703
Operation of Non-Instructional Services	3,583
Total Depreciation Expense	<u>\$1,454,273</u>

**Note 8 - Risk Management**

The Career Center is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the fiscal year 2020, the Career Center contracted with Utica Insurance Company for general liability insurance with a \$1,000,000 single occurrence limit and a \$3,000,000 aggregate and property and building replacement of \$64,544,098 (which includes the Greentree Health Science Academy) carrying a \$5,000 deductible and 90% coinsurance. Vehicles are also covered under a business policy with Argonaut Insurance Company which carries a \$500 deductible for buses and \$500/\$1,000 comprehensive/collision on other vehicles and a \$1,000,000 limit on liability with \$5,000 deductible for medical and \$1,000,000 for uninsured motorists.

**Warren County Career Center**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

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

The Career Center provided an option for medical/surgical benefits (PPO administered by Anthem for health care coverage) and prescription coverage through CVS Caremark. The Career Center paid the following amounts:

For the PPO plan, the Career Center paid for Secondary Instruction staff \$1,470.45 per month for a family plan, \$1,058.16 for an employee and kids plan, or \$572.03 for single coverage and all other staff the Career Center paid \$1,529.29 per month for a family plan, \$1,100.50 for an employee and kids plan, or \$594.92 for single coverage for medical and prescription insurance through Anthem – Blue Access which represents 85% of the total premium.

For the HDHP plan, the Career Center paid for Secondary Instruction staff \$1,145.03 per month for a family plan, \$823.99 for an employee and kids plan, or \$445.45 for single coverage and all other staff the Career Center paid \$1,175.28 per month for a family plan, \$845.75 for an employee and kids plan, or \$457.21 for single coverage for medical and prescription insurance through Anthem – Blue Access which represents 85% of the total premium.

The Career Center paid \$14.80 for family coverage and \$6.34 for single coverage per month to EPC Vision Benefit Plan, which represents eighty-five percent of the premium required.

Dental insurance was provided by Delta Dental. The Career Center paid \$92.79 for family coverage and \$31.98 for single coverage for the in-network (HMO), which represents 85% of the total premium. The Career Center paid \$3.87 to EPC for Sun Life Insurance Company.

**Note 9 - Defined Benefit Pension Plans**

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

**Net Pension Liability/Net OPEB Liability (Asset)**

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

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

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

**Warren County Career Center  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020**

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

The remainder of this note includes the required pension disclosures. See Note 10 for the required OPEB disclosures.

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

**Plan Description**

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

Age and service requirements for retirement are as follows:

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

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

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

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

**Warren County Career Center**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

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**Funding Policy**

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

The contractually required contribution to SERS was \$360,329 for fiscal year 2020. Of this amount \$32,958 is reported as accrued wages and benefits.

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

**Plan Description**

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

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

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

Eligibility changes for DB Plan members who retire with actuarially reduced benefits will be phased in until August 1, 2023, when retirement eligibility will be five years of qualifying service credit and age 60, or 30 years of service credit at any age.

The DC Plan allows members to place all their member contributions and 9.53 percent of the 14 percent employer contributions into an investment account. The member determines how to allocate the member and employer money among various investment choices offered by STRS. The remaining 4.47 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

**Warren County Career Center**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

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The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 12 percent of the 14 percent member rate is deposited into the member’s DC account and the remaining 2 percent 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 at age fifty and after termination of employment.

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

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. New members 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. Eligible survivors of members who die before service retirement may qualify for monthly benefits. If a member of the DC Plan dies before retirement benefits begin, the member’s designated beneficiary is entitled to receive the member’s account balance.

**Funding Policy**

Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The fiscal year 2020 employer and employee contribution rate of 14 percent was equal to the statutory maximum rates. For fiscal year 2020, the full employer contribution was allocated to pension.

The contractually required contribution to STRS was \$1,412,436 for fiscal year 2020. Of this amount \$55,709 is reported as accrued wages and benefits.

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

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$4,072,310	\$16,540,140	\$20,612,450
Proportion of the Net Pension Liability:			
Current Measurement Date	0.06806270%	0.07479353%	
Prior Measurement Date	<u>0.06266290%</u>	<u>0.07250718%</u>	
Change in Proportionate Share	0.00539980%	0.00228635%	
Pension Expense	\$780,857	\$2,601,830	\$3,382,687



**Warren County Career Center**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

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

	SERS	STRS	Total
<u>Deferred Outflows of Resources</u>			
Differences between expected and actual experience	\$103,265	\$134,664	\$237,929
Changes of assumptions	0	1,942,959	1,942,959
Changes in employer proportionate share of net pension liability	217,068	674,100	891,168
Contributions subsequent to the measurement date	360,329	1,412,436	1,772,765
<b>Total Deferred Outflows of Resources</b>	<b>\$680,662</b>	<b>\$4,164,159</b>	<b>\$4,844,821</b>
<u>Deferred Inflows of Resources</u>			
Differences between expected and actual experience	\$0	\$71,600	\$71,600
Net difference between projected and actual earnings on pension plan investments	52,273	808,392	860,665
Changes in employer proportionate share of net pension liability	13,760	119,762	133,522
<b>Total Deferred Inflows of Resources</b>	<b>\$66,033</b>	<b>\$999,754</b>	<b>\$1,065,787</b>

\$1,772,765 reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ending June 30:	SERS	STRS	Total
2021	\$260,489	\$1,223,550	\$1,484,039
2022	(32,356)	296,865	264,509
2023	(3,478)	46,358	42,880
2024	29,645	185,196	214,841
<b>Total</b>	<b>\$254,300</b>	<b>\$1,751,969</b>	<b>\$2,006,269</b>

**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.

**Warren County Career Center**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

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

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

Inflation	3.00%
Future Salary Increases, including inflation	3.50% - 18.20%
COLA or Ad Hoc COLA	2.50%
Investment Rate of Return	7.50% net of investments expense, including inflation
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)

Mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females. Mortality among service retired members, and beneficiaries were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120 percent of male rates, and 110 percent of female rates. Mortality among disabled members were based upon the RP-2000 Disabled Mortality Table, 90 percent for male rates and 100 percent for female rates, set back five years is used for the period after disability retirement. The most recent experience study was completed for the five year period ended June 30, 2015.

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

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

**Warren County Career Center  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020**

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projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

**Sensitivity of the 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%
Proportionate share of the net pension liability	\$5,706,763	\$4,072,310	\$2,701,618

**Actuarial Assumptions - STRS**

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

Inflation	2.50%
Projected salary increases	12.50% at age 20 to 2.50% at age 65
Investment Rate of Return	7.45%, net of investment expenses, including inflation
Discount Rate of Return	7.45%
Payroll Increases	3.00%
Cost-of-Living Adjustments (COLA)	0%

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. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, 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.

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

STRS’ 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:

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**Warren County Career Center**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

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

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

\*\*10 Year annualized 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, 2019. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2019. 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, 2019.

**Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following table presents the proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.45 percent, as well as what the 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%
Proportionate share of the net pension liability	\$24,171,571	\$16,540,140	\$10,079,742

**Note 10 - Defined Benefit OPEB Plans**

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See Note 9 for a description of the net OPEB liability (asset).

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

**Health Care Plan Description**

The employer 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.

**Warren County Career Center  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020**

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

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

**Funding Policy**

State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2020, no allocation 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 2020, this amount was \$19,600. 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 2020, the employer's surcharge obligation was \$15,692.

The surcharge, added to any allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The contractually required contribution to SERS was \$15,692 for fiscal year 2020. Of this amount \$15,692 is reported as accrued wages and benefits.

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

**Plan Description**

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

**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. All benefit recipients pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment

**Warren County Career Center**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

health care may be deducted from employer contributions, currently 14 percent of covered payroll. For fiscal year ended June 30, 2020, STRS did not allocate any employer contributions to post-employment health care.

**Net OPEB Liabilities (Assets), OPEB Expense (Income), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportionate Share of the Net OPEB Liability	\$1,628,548	\$0	\$1,628,548
Proportionate Share of the Net OPEB (Asset)	0	(1,238,760)	(1,238,760)
Proportion of the Net OPEB Liability/Asset:			
Current Measurement Date	0.06475880%	0.07479353%	
Prior Measurement Date	<u>0.06022600%</u>	<u>0.07250718%</u>	
Change in Proportionate Share	0.00453280%	0.00228635%	
OPEB Expense	\$60,363	(\$374,550)	(\$314,187)

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<u>Deferred Outflows of Resources</u>			
Differences between expected and actual experience	\$23,906	\$112,304	\$136,210
Changes of assumptions	118,947	26,038	144,985
Net difference between projected and actual earnings on OPEB plan investments	3,909	0	3,909
Changes in employer proportionate share of net OPEB liability	187,090	72,596	259,686
Contributions subsequent to the measurement date	<u>15,692</u>	<u>0</u>	<u>15,692</u>
Total Deferred Outflows of Resources	<u>\$349,544</u>	<u>\$210,938</u>	<u>\$560,482</u>
<u>Deferred Inflows of Resources</u>			
Differences between expected and actual experience	\$357,781	\$63,024	\$420,805
Changes of assumptions	91,259	1,358,157	1,449,416
Net difference between projected and actual earnings on OPEB plan investments	0	77,802	77,802
Changes in employer proportionate share of net OPEB liability	<u>3,244</u>	<u>31,184</u>	<u>34,428</u>
Total Deferred Inflows of Resources	<u>\$452,284</u>	<u>\$1,530,167</u>	<u>\$1,982,451</u>

**Warren County Career Center**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

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\$15,692 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (adjustment to net OPEB asset) in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30:	SERS	STRS	Total
2021	(\$59,403)	(\$290,993)	(\$350,396)
2022	(10,745)	(290,993)	(301,738)
2023	(9,598)	(259,810)	(269,408)
2024	(9,785)	(248,872)	(258,657)
2025	(17,995)	(234,318)	(252,313)
Thereafter	(10,906)	5,757	(5,149)
Total	<u>(\$118,432)</u>	<u>(\$1,319,229)</u>	<u>(\$1,437,661)</u>

**Actuarial Assumptions - SERS**

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

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

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

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

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**Warren County Career Center**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

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

Mortality rates among active members were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and Scale BB, 120 percent of male rates and 110 percent of female rates. RP-2000 Disabled Mortality Table with 90 percent for male rates and 100 percent for female rates set back five years. The most recent experience study was completed for the five year period ended June 30, 2015.

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

The 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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	<u>10.00%</u>	3.00%
Total	<u>100.00%</u>	



**Warren County Career Center**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

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**Discount Rate**

The discount rate used to measure the total OPEB liability at June 30, 2019 was 3.22 percent. The discount rate used to measure total OPEB liability prior to June 30, 2019, was 3.70 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the 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 3.13 percent, as of June 30, 2019 (i.e. municipal bond rate), was used to present value the projected benefit payments for the remaining years in the projection. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The projection of future benefit payments for all current plan members was until the benefit payments ran out.

**Sensitivity of the Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates**

The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.22%) and higher (4.22%) than the current discount rate (3.22%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.00% decreasing to 3.75%) and higher (8.00% decreasing to 5.75%) than the current rate.

	1% Decrease (2.22%)	Current Discount Rate (3.22%)	1% Increase (4.22%)
Proportionate share of the net OPEB liability	\$1,976,748	\$1,628,548	\$1,351,688
	1% Decrease (6.00% decreasing to 3.75%)	Current Trend Rate (7.00% decreasing to 4.75%)	1% Increase (8.00% decreasing to 5.75%)
Proportionate share of the net OPEB liability	\$1,304,797	\$1,628,548	\$2,058,087

**Assumption and Benefit Changes since the Prior Measurement Date**

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

- (1) Discount Rate:
  - Prior Measurement Date      3.70%
  - Measurement Date            3.22%
- (2) Municipal Bond Index Rate:
  - Prior Measurement Date      3.62%
  - Measurement Date            3.13%
- (3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:
  - Prior Measurement Date      3.70%
  - Measurement Date            3.22%

**Warren County Career Center  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020**

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**Actuarial Assumptions - STRS**

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

Inflation	2.50%
Projected salary increases	12.50% at age 20 to 2.50% at age 65
Investment Rate of Return	7.45%, net of investment expenses, including inflation
Payroll Increases	3.00%
Discount Rate of Return	7.45%
Health Care Cost Trends:	
Medical	
Pre-Medicare	5.87% initial, 4% ultimate
Medicare	4.93% initial, 4% ultimate
Prescription Drug	
Pre-Medicare	7.73% initial, 4% ultimate
Medicare	9.62% initial, 4% ultimate

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

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

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

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

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

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

\*\*10 Year annualized 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.

**Warren County Career Center**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

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**Discount Rate**

The discount rate used to measure the total OPEB liability was 7.45 percent as of June 30, 2019 and June 30, 2018. The projection of cash flows used to determine the discount rate assumed STRS continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2019. Therefore, the long-term expected rate of return on health care plan investments of 7.45 percent was used to measure the total OPEB liability as of June 30, 2019 and June 30, 2018.

**Sensitivity of the Proportionate Share of the Net OPEB (Asset) to Changes in the Discount and Health Care Cost Trend Rate**

The following table represents the net OPEB asset as of June 30, 2019, calculated using the current period discount rate assumption of 7.45 percent, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.45 percent) or one percentage point higher (8.45 percent) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
Proportionate share of the net OPEB (asset)	(\$1,057,035)	(\$1,238,760)	(\$1,391,549)
	1% Decrease	Current Trend Rate	1% Increase
Proportionate share of the net OPEB (asset)	(\$1,404,697)	(\$1,238,760)	(\$1,035,528)

**Assumption and Benefit Changes since the Prior Measurement Date**

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

There were changes in assumptions, which increased the total OPEB liability by approximately \$0.04 billion. The assumption changes included changes in healthcare costs and trends.

**Note 11 - Compensated Absences**

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The criteria for determining vested vacation and sick leave components are derived from negotiated agreements and State laws. Eligible classified employees may earn up to ten to twenty days of vacation per year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees upon termination of employment. Teachers do not earn vacation time. Teachers, administrators and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 240 days. Upon retirement, payment shall be made for accrued but unused sick days on the basis of 25 percent of member's actual accumulated sick leave days to a maximum of 60 days.

**Warren County Career Center**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

**Note 12 - Capitalized Leases - Lessee Disclosure**

In prior years, the Career Center entered into a capital lease for copiers and apple computers totaling \$75,240 and entered into capitalized leases for the acquisition of copiers for \$86,486. The terms of the one agreement provides an option to purchase the equipment. The leases meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, Accounting for Leases, which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the governmental funds. These expenditures are reflected as function expenditures on a budgetary basis. In 2016, the Career Center entered into a capitalized lease for the acquisition of CAT equipment in the amount of \$68,856. In fiscal year 2020, the capital lease was paid off.

**Note 13 - Long-Term Liabilities**

The changes in the Career Center's long-term obligations (non-current liabilities) during the year consist of the following:

	Beginning Balance	Additions	Deductions	Ending Balance	Due In One Year
<b>Governmental Activities:</b>					
2020 GO Bonds	\$0	\$500,000	\$0	\$500,000	\$25,000
2020 School Energy Conservative Bonds	0	300,000	0	300,000	15,000
2011 Energy Conservation Notes	300,000	0	75,000	225,000	75,000
Subtotal Notes	300,000	800,000	75,000	1,025,000	115,000
Capital Lease	4,544	0	4,544	0	0
Compensated Absences	807,298	215,803	179,765	843,336	208,516
Subtotal Notes and Other Amounts	1,111,842	1,015,803	259,309	1,868,336	323,516
<b>Net Pension Liability:</b>					
STRS	15,942,701	597,439	0	16,540,140	0
SERS	3,588,820	483,490	0	4,072,310	0
Subtotal Net Pension Liability	19,531,521	1,080,929	0	20,612,450	0
<b>Net OPEB Liability:</b>					
STRS	0	0	0	0 (a)	0
SERS	1,670,832	0	42,284	1,628,548	0
Subtotal Net OPEB Liability	1,670,832	0	42,284	1,628,548	0
Total Long-Term Obligations	<u>\$22,314,195</u>	<u>\$2,096,732</u>	<u>\$301,593</u>	<u>\$24,109,334</u>	<u>\$323,516</u>

(a) OPEB for STRS has a Net OPEB asset in the amount of \$1,238,760 as of June 30, 2020.

**2020 GO Bonds** – On May 15, 2020, the Career Center issued \$500,000 in general obligation bonds to finance capital improvements for the energy conservation project. The bonds will mature on December 1, 2029 and have an interest rate of 2.330%.

**2020 School Energy Conservation Bonds** – On May 15, 2020 the Career Center issued \$300,000 in bonds to finance the energy conservation project. The bonds will mature on December 1, 2029 and have an interest rate of 2.390%.

**Warren County Career Center**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

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**Certificates of Participation Notes** - On February 3, 2009, the Career Center issued \$7,000,000 in certificates of participation notes for the purpose of renovating the current building and related increased capacity. The notes were called on the first call date. As a result, the in-substance defeasance is considered to be defeased and the liability has been removed from the statement of net position.

**Energy Conservation Notes** – On September 8, 2010, the Career Center issued \$881,000 in energy conservation notes under the Qualified School Construction Bond program that will rebate one hundred percent of the interest costs from the Federal government. The notes were issue for a twelve year period with a final maturity of December 1, 2022. The notes will be retired from the general fund and used for updating various lighting and other electrical items throughout the school.

The Center is subject to a debt limit that is 9 percent of the full assessed valuation of taxable real property. At June 30, 2020 that amount was \$477,561,875. As of June 30, 2020 the total outstanding debt applicable to the limit was \$1,025,000 which is 0.21 percent of the total debt limit.

Compensated absences will be paid from the fund from which the person is paid which is typically the General Fund. Capital leases will be paid from the General fund. There is no repayment schedule for the net pension liability and net OPEB liability; however, employer pension and OPEB contributions are made from the fund benefitting from their service.

Fiscal Year Ending June 30	General Obligation Bonds		
	Principal	Interest	Total
2021	\$115,000	\$19,247	\$134,247
2022	155,000	23,279	178,279
2023	155,000	17,796	172,796
2024	80,000	14,116	94,116
2025	80,000	12,232	92,232
2026-2030	440,000	31,878	471,878
Total	<u>\$1,025,000</u>	<u>\$118,548</u>	<u>\$1,143,548</u>

**Note 14 - Interfund Transactions**

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Interfund balances at June 30, 2020, consist of the following individual receivables and payables and transfers in the governmental balance sheet (such amounts are removed from consolidated columns in the statement of net position):

	Interfund		Transfers	
	Receivable	Payable	In	Out
General Fund	\$1,852,285	\$0	\$0	\$282,163
Building Fund	0	1,755,138	0	0
Other Governmental	13,158	110,305	282,163	0
Total All Funds	<u>\$1,865,443</u>	<u>\$1,865,443</u>	<u>\$282,163</u>	<u>\$282,163</u>

The interfund payables are expected to be repaid within one year. The Career Center is continuing to evaluate the user charges in adult education major fund to bring revenue generation in line with expenditures. The transfers are routine in nature with the majority of the money being transferred to the permanent improvement capital projects fund for the Career Center’s share of the roof replacement cost.

**Warren County Career Center  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020**

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**Note 15 - Jointly Governed Organization**

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The Career Center is a participant in the Southwest Ohio Computer Association (SWOCA), which is a computer consortium. SWOCA is an association of public schools and educational service centers within the boundaries of Butler, Preble, and Warren 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 Career Centers. The governing board of SWOCA consists of the superintendent (or the superintendent's designee) from each member district. The Career Center paid \$57,800 for services provided during the fiscal year. Financial information can be obtained from the fiscal agent, Butler Tech, 3603 Hamilton- Middletown Road, Hamilton, Ohio 45011.

**Note 16 - Statutory Reserves**

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As stated in H.B. 412, the Career Center is required to maintain through reserves for capital acquisitions. A reserve represents resources whose use is limited because of contractual or statutory restrictions.

	<u>Capital Improvements</u>
Set Aside Reserve Balance as of June 30, 2019	\$0
Current Year Set Aside Requirements	202,196
Current Year Offsets	<u>(590,701)</u>
Set Aside Balance as of June 30, 2020	<u><u>(388,505)</u></u>

Although the Career Center had qualifying disbursements during the year that reduced the capital acquisition below zero, the amount is not carried forward to the next fiscal year.

**Note 17 – Fund Balance Allocation**

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

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**Warren County Career Center**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

<b>Fund Balances</b>	<b>General</b>	<b>Building</b>	<b>Non-Major Funds</b>	<b>Total</b>
Nonspendable on:				
Prepays	\$5,563	\$0	\$0	\$5,563
Total Nonspendable	5,563	0	0	5,563
Restricted for:				
Classroom Facilities Maintenance	0	0	989,662	989,662
Other Federal Grants	0	0	56,589	56,589
Student Scholarships	0	0	2,997	2,997
Other Grants	0	0	259	259
Student Wellness and Success	0	0	9,027	9,027
School to Work	0	0	1,394	1,394
Food Service	0		7,043	7,043
Total Restricted	0	0	1,066,971	1,066,971
Assigned to:				
Encumbrances	207,762	0	0	207,762
Adult Education	0	0	224,356	224,356
Budgetary Resources	1,198,170	0	0	1,198,170
Permanent Improvement	0	0	1,770,408	1,770,408
Public School Funds	16,366	0	0	16,366
Total Assigned	1,422,298	0	1,994,764	3,417,062
Unassigned	10,019,342	(87,589)	(78,646)	9,853,107
Total Fund Balance	\$11,447,203	(\$87,589)	\$2,983,089	\$14,342,703

**Note 18 – Contingencies**

**Grants**

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

**Litigation**

As of June 30, 2020, the Career Center did not have any pending litigation.

**Note 19 – Center Foundation**

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

**Warren County Career Center**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

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year end. As of the date of this report, additional ODE adjustments for fiscal year 2020 are not finalized. As a result, the impact of future FTE adjustments on the fiscal year 2020 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 20 – Tax Abatements entered Into By Other Governments**

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Other governments entered into property tax abatement agreements with property owners under the Ohio Community Reinvestment Area (“CRA”) and Enterprise Zone Agreement (“EZA”) programs with the taxing districts of the Center. The CRA program is a directive incentive tax exemption program benefiting property owners who renovate or construct new buildings. Under this program, the other governments designated areas to encourage revitalization of the existing housing stock and the development of new structures. The EZA program is an economic development tool administered by municipal and county governments that provides real and personal property tax exemptions to businesses making investments in the community. Within the taxing districts of the Center, Warren County has entered into CRA and EZA agreements. Under these agreements the Center’s property taxes were reduced by \$71,448.

**Note 21 – Implementation of New Accounting Principles**

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For fiscal year 2020, the Career Center has postponed implementation of Governmental Accounting Standards Board (GASB) Statement No. 84, Fiduciary Activities, GASB No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements, and GASB No. 90, Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61. The Career Center did not implement these statements due to the GASB postponing the implementation by 12 months because of the COVID-19 pandemic.

**Note 22 – COVID-19**

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The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures could impact subsequent periods of the Career Center. The Career Center’s investment portfolio could incur a significant decline in fair value. However, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the Career Center’s future operating costs, revenues, the impact of the investments of the pension and other employee benefit plan in which the Career Center participates and any recovery from emergency funding, either federal or state, cannot be estimated.



# **REQUIRED SUPPLEMENTARY INFORMATION**

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Warren County Career Center  
 Required Supplementary Information  
 Schedule of the Career Center's Proportionate Share of the Net Pension Liability  
 School Employees Retirement System of Ohio  
 Last Seven Fiscal Years (1) (2)

Year	Career Center's Proportion of the Net Pension Liability	Career Center's Proportionate Share of the Net Pension Liability	Career Center's Covered Payroll	Career Center's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position Percentage as a of the Total Pension Liability
2020	0.06806270%	\$4,072,311	\$2,334,933	174.41%	70.85%
2019	0.06266290%	3,588,820	2,018,059	177.84%	71.36%
2018	0.05904460%	3,527,784	1,973,286	178.78%	69.50%
2017	0.06015550%	4,402,828	1,868,207	235.67%	62.98%
2016	0.06311340%	3,601,312	1,863,703	193.23%	69.16%
2015	0.06086300%	3,080,242	1,786,421	172.43%	71.70%
2014	0.06086300%	3,619,327	1,796,113	201.51%	65.52%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2014 is not available.

(2) Amounts presented as of the Career Center's measurement date which is the prior fiscal year end

See accompanying notes to the required supplementary information

Warren County Career Center  
 Required Supplementary Information  
 Schedule of Career Center's Contributions for Net Pension Liability  
 School Employees Retirement System of Ohio  
 Last Ten Fiscal Years

Year	Career Center's Contractually Required Contribution	Career Center's Contributions in Relation to the Contractually Required Contributions	Career Center's Contribution Deficiency (Excess)	Career Center's Covered Payroll	Career Center's Contributions as a Percentage of Covered Payroll
2020	\$360,329	(\$360,329)	\$0	\$2,573,779	14.00%
2019	315,216	(315,216)	0	2,334,933	13.50%
2018	272,438	(272,438)	0	2,018,059	13.50%
2017	276,260	(276,260)	0	1,973,286	14.00%
2016	261,549	(261,549)	0	1,868,207	14.00%
2015	245,636	(245,636)	0	1,863,703	13.18%
2014	247,598	(247,598)	0	1,786,421	13.86%
2013	248,582	(248,582)	0	1,796,113	13.84%
2012	241,951	(241,951)	0	1,798,892	13.45%
2011	224,989	(224,989)	0	1,789,889	12.57%

See accompanying notes to the required supplementary information

Warren County Career Center  
 Required Supplementary Information  
 Schedule of the Career Center's Proportionate Share of the Net Pension Liability  
 State Teachers Retirement System of Ohio  
 Last Seven Fiscal Years (1) (2)

Year	Career Center's Proportion of the Net Pension Liability	Career Center's Proportionate Share of the Net Pension Liability	Career Center's Covered Payroll	Career Center's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position Percentage as a of the Total Pension Liability
2020	0.07479353%	\$16,540,140	\$9,582,907	172.60%	77.40%
2019	0.07250718%	15,942,701	9,061,000	175.95%	77.30%
2018	0.07050611%	16,748,878	7,796,686	214.82%	75.30%
2017	0.07152652%	23,942,082	7,951,907	301.09%	66.80%
2016	0.06972967%	19,271,241	7,273,407	264.95%	72.10%
2015	0.07025447%	17,088,318	7,730,223	221.06%	74.70%
2014	0.07025447%	20,355,493	7,679,685	265.06%	69.30%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2014 is not available.

(2) Amounts presented as of the Career Center's measurement date which is the prior fiscal year end

See accompanying notes to the required supplementary information

Warren County Career Center  
 Required Supplementary Information  
 Schedule of Career Center's Contributions for Net Pension Liability  
 State Teachers Retirement System of Ohio  
 Last Ten Fiscal Years

Year	Career Center's Contractually Required Contribution	Career Center's Contributions in Relation to the Contractually Required Contributions	Career Center's Contribution Deficiency (Excess)	Career Center's Covered Payroll	Career Center's Contributions as a Percentage of Covered Payroll
2020	\$1,412,436	(\$1,412,436)	\$0	10,088,829	14.00%
2019	1,341,607	(1,341,607)	0	9,582,907	14.00%
2018	1,268,540	(1,268,540)	0	9,061,000	14.00%
2017	1,091,536	(1,091,536)	0	7,796,686	14.00%
2016	1,113,267	(1,113,267)	0	7,951,907	14.00%
2015	1,018,277	(1,018,277)	0	7,273,407	14.00%
2014	1,004,929	(1,004,929)	0	7,730,223	13.00%
2013	998,359	(998,359)	0	7,679,685	13.00%
2012	1,036,483	(1,036,483)	0	7,972,946	13.00%
2011	1,058,380	(1,058,380)	0	8,141,385	13.00%

See accompanying notes to the required supplementary information

Warren County Career Center  
 Required Supplementary Information  
 Schedule of the Career Center's Proportionate Share of the Net OPEB Liability  
 School Employees Retirement System of Ohio  
 Last Four Fiscal Years (1) (2)

Year	Career Center's Proportion of the Net OPEB Liability	Career Center's Proportionate Share of the Net OPEB Liability	Career Center's Covered Payroll	Career Center's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position Percentage as a of the Total OPEB Liability
2020	0.06475880%	\$1,628,548	\$2,334,933	69.75%	15.57%
2019	0.06022600%	\$1,670,832	\$2,018,059	82.79%	13.57%
2018	0.05663520%	1,519,940	1,973,286	77.03%	12.46%
2017	0.05719827%	1,630,362	1,868,207	87.27%	11.49%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2017 is not available.

(2) Amounts presented as of the Career Center's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information.

Warren County Career Center  
 Required Supplementary Information  
 Schedule of Career Center's Contributions for Net OPEB Liability  
 School Employees Retirement System of Ohio  
 Last Five Fiscal Years (1) (2)

Year	Career Center's Contractually Required Contribution (2)	Career Center's Contributions in Relation to the Contractually Required Contributions	Career Center's Contribution Deficiency (Excess)	Career Center's Covered Payroll	Career Center's Contributions as a Percentage of Covered Payroll
2020	\$15,692	(\$15,692)	\$0	\$2,573,779	0.61%
2019	\$27,806	(\$27,806)	\$0	\$2,334,933	1.19%
2018	27,769	(27,769)	0	2,018,059	1.38%
2017	15,689	(15,689)	0	1,973,286	0.80%
2016	12,797	(12,797)	0	1,868,207	0.68%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2016 is not available.

(2) Includes surcharge.

See accompanying notes to the required supplementary information.

Warren County Career Center  
 Required Supplementary Information  
 Schedule of the Career Center's Proportionate Share of the Net OPEB (Asset)/Liability  
 State Teachers Retirement System of Ohio  
 Last Four Fiscal Years (1) (2)

Year	Career Center's Proportion of the Net OPEB (Asset)/Liability	Career Center's Proportionate Share of the Net OPEB (Asset)/Liability	Career Center's Covered Payroll	Career Center's Proportionate Share of the Net OPEB (Asset)/Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position Percentage as a of the Total OPEB (Asset)/Liability
2020	0.07479353%	(\$1,238,760)	\$9,582,907	(12.93%)	174.74%
2019	0.07250718%	(\$1,165,116)	\$9,061,000	(12.86%)	176.00%
2018	0.07050611%	2,750,888	7,796,686	35.28%	47.10%
2017	0.07152652%	3,825,257	7,951,907	48.10%	37.30%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2017 is not available.

(2) Amounts presented as of the Career Center's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information.



Warren County Career Center  
 Required Supplementary Information  
 Schedule of Career Center's Contributions for Net OPEB (Asset)/Liability  
 State Teachers Retirement System of Ohio

Year	Career Center's Contractually Required Contribution	Career Center's Contributions in Relation to the Contractually Required Contributions	Career Center's Contribution Deficiency (Excess)	Career Center's Covered Payroll	Career Center's Contributions as a Percentage of Covered Payroll
2020	\$0	\$0	\$0	\$10,088,829	0.00%
2019	0	0	0	9,582,907	0.00%
2018	0	0	0	9,061,000	0.00%
2017	0	0	0	7,796,686	0.00%
2016	0	0	0	7,951,907	0.00%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2016 is not available.

See accompanying notes to the required supplementary information.

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

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$5,378,405	\$9,773,082	\$9,775,408	\$2,326
Revenue in lieu of taxes	53,623	97,439	97,462	23
Tuition and Fees	444,433	807,577	807,769	192
Investment Earnings	144,349	262,297	262,359	62
Intergovernmental	4,326,616	7,861,880	7,863,751	1,871
Other Revenues	153,041	278,090	278,156	66
<b>Total Revenues</b>	<b>10,500,467</b>	<b>19,080,365</b>	<b>19,084,905</b>	<b>4,540</b>
Expenditures:				
Current:				
Instruction:				
Regular	8,889	8,748	8,750	(2)
Special	122,129	120,190	120,214	(24)
Vocational	10,480,830	10,314,392	10,316,456	(2,064)
Other	464,445	502,045	457,161	44,884
Support Services:				
Pupil	1,131,787	1,113,814	1,114,037	(223)
Instructional Staff	1,028,812	1,012,474	1,012,677	(203)
General Administration	33,272	32,743	32,750	(7)
School Administration	1,797,031	1,768,494	1,768,848	(354)
Fiscal	692,900	681,897	682,033	(136)
Operations and Maintenance	1,656,635	1,630,327	1,630,653	(326)
Pupil Transportation	399,201	392,861	392,940	(79)
Central	567,165	558,158	558,270	(112)
Operation of Non-Instructional Services	37,942	37,340	37,347	(7)
Extracurricular Activities	27,009	26,580	26,585	(5)
Capital Outlay	371,492	365,593	365,666	(73)
Debt Service:				
Principal Retirement	75,000	75,000	75,000	0
Interest and Fiscal Charges	13,996	12,582	12,600	(18)
Issuance Costs	152	165	150	15
<b>Total Expenditures</b>	<b>18,908,687</b>	<b>18,653,403</b>	<b>18,612,137</b>	<b>41,266</b>
Excess of Revenues Over (Under)				
Expenditures	(8,408,220)	426,962	472,768	45,806
Other Financing Sources (Uses):				
Advances In	848	1,542	1,542	0
Advances (Out)	(1,888,017)	(1,858,035)	(1,858,407)	(372)
Transfers (Out)	(296,232)	(291,528)	(291,586)	(58)
<b>Total Other Financing Sources (Uses)</b>	<b>(2,183,401)</b>	<b>(2,148,021)</b>	<b>(2,148,451)</b>	<b>(430)</b>
<b>Net Change in Fund Balance</b>	<b>(10,591,621)</b>	<b>(1,721,059)</b>	<b>(1,675,683)</b>	<b>45,376</b>
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	11,318,458	11,318,458	11,318,458	0
<b>Fund Balance - End of Year</b>	<b>\$726,837</b>	<b>\$9,597,399</b>	<b>\$9,642,775</b>	<b>\$45,376</b>

See accompanying notes to the required supplementary information.

**Warren County Career Center**  
**Notes to the Required Supplementary Information**  
**For The Fiscal Year Ended June 30, 2020**

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**Note 1 – Budgetary Process**

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Career Center Treasurer. The amounts reported as the original budgeted amounts on the budgetary schedules reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary schedules reflect the amounts on the final amended certificate of estimated resources issued during the fiscal year 2020.

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

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Outstanding year end encumbrances are treated as expenditures (budget basis) rather than restricted, committed, or assigned fund balance (GAAP basis).
4. Advances in and advances out are operating transactions (budget basis) as opposed to balance sheet transactions.

The following tables summarize the adjustments necessary to reconcile the GAAP and budgetary basis statements for major funds with required budgetary supplemental information. Only the general and major special revenue funds are reported for comparison.

**Warren County Career Center**  
**Notes to the Required Supplementary Information**  
**For The Fiscal Year Ended June 30, 2020**

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Net Change in Fund Balance

	<u>General</u>
GAAP Basis	\$545,906
Revenue Accruals	(462,071)
Expenditure Accruals	434,128
Transfers In	0
Transfers Out	(9,423)
Advances In	1,542
Advances Out	(1,858,407)
Encumbrances	(328,150)
Funds Budgeted Elsewhere	792
Budget Basis	<u><u>(\$1,675,683)</u></u>

**Note 2 - Net Pension Liability**

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**School Employees Retirement System (SERS)**

**Changes in Benefit Terms:**

2020: There were no changes in benefit terms from the amounts reported for this fiscal year.

2019: With the authority granted the Board under Senate Bill 8, the Board has enacted a three year COLA delay for future benefit recipients commencing benefits on or after April 1, 2018.

2018: SERS changed from a fixed 3% annual increase to a Cost of Living Adjustment (COLA) based on the changed in the Consumer Price Index Index (CPI-W), with a cap of 2.5% and a floor of 0%.

2014-2017: There were no changes in benefit terms from the amounts reported for these fiscal years.

**Changes in Assumptions:**

2018-2020: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for these fiscal years.

2017: The following changes of assumptions affected the total pension liability since the prior measurement date:

- (1) The assumed rate of inflation was reduced from 3.25% to 3.00%,
- (2) Payroll growth assumption was reduced from 4.00% to 3.50%,
- (3) Assumed real wage growth was reduced from 0.75% to 0.50%,
- (4) Rates of withdrawal, retirement and disability were updated to reflect recent experience,
- (5) 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,
- (6) 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,
- (7) 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

**Warren County Career Center**  
**Notes to the Required Supplementary Information**  
**For The Fiscal Year Ended June 30, 2020**

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(8) The discount rate was reduced from 7.75% to 7.50%.

2014-2016: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for these fiscal years.

**State Teachers Retirement System (STRS)**

**Changes in Benefit Terms:**

2019-2020: There were no changes in benefit terms from the amounts reported for these fiscal years.

2018: STRS decreased the Cost of Living Adjustment (COLA) to zero.

2014-2017: There were no changes in benefit terms from the amounts reported for these fiscal years.

**Changes in Assumptions:**

2019-2020: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for these fiscal years.

2018: The following changes of assumptions affected the total pension liability since the prior measurement date:

- (1) The long term expected rate of return was reduced from 7.75% to 7.45%,
- (2) The inflation assumption was lowered from 2.75% to 2.50%,
- (3) The payroll growth assumption was lowered to 3.00%,
- (4) 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,
- (5) The healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016, and
- (6) Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

2014-2017: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for these fiscal years.

**Note 3 - Net OPEB (Asset)/Liability**

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**School Employees Retirement System (SERS)**

**Changes in Benefit Terms:**

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

**Changes in Assumptions:**

2020: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

- (1) Discount Rate:

Prior Measurement Date	3.70%
Measurement Date	3.22%
- (2) Municipal Bond Index Rate:

Prior Measurement Date	3.62%
Measurement Date	3.13%

**Warren County Career Center**  
**Notes to the Required Supplementary Information**  
**For The Fiscal Year Ended June 30, 2020**

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

Prior Measurement Date	3.70%
Measurement Date	3.22%

2019: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

(4) Discount Rate:

Prior Measurement Date	3.63%
Measurement Date	3.70%

(5) Municipal Bond Index Rate:

Prior Measurement Date	3.56%
Measurement Date	3.62%

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

Prior Measurement Date	3.63%
Measurement Date	3.70%

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

(1) Discount Rate:

Fiscal Year 2018	3.63%
Fiscal Year 2017	2.98%

(2) Municipal Bond Index Rate:

Fiscal Year 2018	3.56%
Fiscal Year 2017	2.92%

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

Fiscal Year 2018	3.63%
Fiscal Year 2017	2.98%

2017: The following changes of assumptions affected the total OPEB liability since the prior measurement date:

- (1) The assumed rate of inflation was reduced from 3.25% to 3.00%,
- (2) Payroll growth assumption was reduced from 4.00% to 3.50%,
- (3) Assumed real wage growth was reduced from 0.75% to 0.50%,
- (4) Rates of withdrawal, retirement and disability were updated to reflect recent experience,
- (5) 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,
- (6) 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, and
- (7) 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.

**Warren County Career Center**  
**Notes to the Required Supplementary Information**  
**For The Fiscal Year Ended June 30, 2020**

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**State Teachers Retirement System (STRS)**

**Changes in Benefit Terms:**

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

2019: The subsidy multiplier for non-Medicare benefit recipients was increased from 1.900% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased effective January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020. The Board is extending the current Medicare Part B partial reimbursement program for one year. Under this program, benefit recipients currently enrolled in the STRS Ohio Health Care Program and Medicare Part B receive \$29.90 per month to reimburse a portion of the Medicare Part B premium. The reimbursement was set to be reduced to \$0 beginning January 1, 2020. This impacts about 85,000 benefit recipients.

2018: The subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1 percent to 1.9 percent per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2019.

2017: There were no changes in benefit terms from the amounts reported for this fiscal year.

**Changes in Assumptions:**

2020: There were changes in assumptions during the measurement year, which increased the total OPEB liability by approximately \$0.04 billion. The assumption changes included changes in healthcare costs and trends.

2019: The discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB). Valuation year per capita health care costs were updated.

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

2017: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for this fiscal year.

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**WARREN COUNTY CAREER CENTER  
WARREN COUNTY**

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

<b>FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Pass Through Entity Identifying Number</b>	<b>Provided Through to Subrecipients</b>	<b>Total Federal Expenditures</b>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>				
<i>Passed Through Ohio Department of Education</i>				
<b>Child Nutrition Cluster:</b>				
Non-Cash Assistance (Food Distribution):				
National School Lunch Program	10.555	N/A		9,905
Cash Assistance:				
COVID-19 School Breakfast Program	10.553	3L70		1,532
School Breakfast Program	10.553	3L70		17,747
COVID-19 National School Lunch Program	10.555	3L60		4,986
National School Lunch Program	10.555	3L60		64,099
<b>Total Child Nutrition Cluster</b>				<b>98,269</b>
Total U.S. Department of Agriculture				<b>98,269</b>
<b>U.S. DEPARTMENT OF EDUCATION</b>				
<i>Direct Program</i>				
<b>Student Financial Aid Cluster:</b>				
Federal Pell Grant Program	84.063	N/A		261,598
Federal Direct Student Loans	84.268	N/A		463,715
<b>Total Student Financial Aid Cluster</b>				<b>725,313</b>
<i>Direct Program</i>				
<b>COVID-19 Education Stabilization Fund</b>	84.425E	N/A		3,439
<i>Passed Through Ohio Department of Education</i>				
Adult Education - Basic Grants to States	84.002	V002A180036	26,796	133,047
Adult Education - Basic Grants to States (EL/Civics)	84.002	V002A180036		23,986
<b>Total Adult Education - Basic Grants to States</b>			<b>26,796</b>	<b>157,033</b>
<b>Career &amp; Technical Education - Basic Grants to States</b>	84.048	3L90		252,542
Total U.S. Department of Education			<b>26,796</b>	<b>1,138,327</b>
<b>Total Expenditures of Federal Awards</b>			<b>\$26,796</b>	<b>\$1,236,596</b>

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

**WARREN COUNTY CAREER CENTER  
WARREN COUNTY**

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

**NOTE A – BASIS OF PRESENTATION**

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

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

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

**NOTE C – INDIRECT COST RATE**

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

**NOTE D – CHILD NUTRITION CLUSTER**

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

**NOTE E – FOOD DONATION PROGRAM**

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

# OHIO AUDITOR OF STATE KEITH FABER



Corporate Centre of Blue Ash  
11117 Kenwood Road  
Blue Ash, Ohio 45242-1817  
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SouthwestRegion@ohioauditor.gov

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

Warren County Career Center  
Warren County  
3529 N. State Route 48  
Lebanon, Ohio 45036

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Warren County Career Center, Warren County, (the Career Center) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Career Center's basic financial statements and have issued our report thereon dated December 14, 2020. We also noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the Career Center.

### ***Internal Control Over Financial Reporting***

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

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

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

### ***Compliance and Other Matters***

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

***Purpose of this Report***

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



Keith Faber  
Auditor of State  
Columbus, Ohio  
December 14, 2020

# OHIO AUDITOR OF STATE KEITH FABER



Corporate Centre of Blue Ash  
11117 Kenwood Road  
Blue Ash, Ohio 45242-1817  
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## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Warren County Career Center  
Warren County  
3529 N. State Route 48  
Lebanon, Ohio 45036

To the Board of Education:

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

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

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

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

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

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

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

### ***Opinion on the Major Federal Program***

In our opinion, the Warren County Career Center complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended June 30, 2020.

**Report on Internal Control Over Compliance**

The Career Center's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the Career Center's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on 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 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.



Keith Faber  
Auditor of State  
Columbus, Ohio  
December 14, 2020

**WARREN COUNTY CAREER CENTER  
WARREN COUNTY**

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

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

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unmodified
<b>(d)(1)(ii)</b>	<b>Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any material weaknesses in internal control reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unmodified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under 2 CFR § 200.516(a)?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	CFDA # - 84.048 Career and Technical Education – Basic Grants to States (Perkins IV)
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 750,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee under 2 CFR § 200.520?</b>	Yes

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

None

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None

# OHIO AUDITOR OF STATE KEITH FABER



**WARREN COUNTY CAREER CENTER**

**WARREN COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 12/29/2020**

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

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)