CLARK SCHAEFER HACKETT
BUSINESS ADVISORS

UPPER VALLEY CAREER CENTER
MIAMI COUNTY, OHIO

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2023

OHIO AUDITOR OF STATE
KEITH FABER

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Columbus, Ohio 43215
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(800) 282-0370

Board of Education
Upper Valley Career Center
8811 Career Drive
Piqua, Ohio 45356

We have reviewed the *Independent Auditors' Report* of the Upper Valley Career Center, Miami County, prepared by Clark, Schaefer, Hackett & Co., for the audit period July 1, 2022 through June 30, 2023. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Keith Faber
Auditor of State
Columbus, Ohio

January 29, 2024

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CLARK SCHAEFER HACKETT
BUSINESS ADVISORS

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INDEPENDENT AUDITORS' REPORT

Board of Education
Upper Valley Career Center
8811 Career Drive
Piqua, Ohio 45356

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Upper Valley Career Center (the "Career Center"), as of and for the year ended June 30, 2023, 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.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Career Center, as of June 30, 2023, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Career Center and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Career Center's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Career Center's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Career Center's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control—related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedules of the Career Center's pension and OPEB amounts and contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Career Center's basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2023, on our consideration of the Career Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Career Center's 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.

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
December 27, 2023

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The management's discussion and analysis of the Upper Valley Career Center's (the "Career Center") financial performance provides an overall review of the Career Center's financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at the Career Center's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the Career Center's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2023 are as follows:

- In total, net position of governmental activities increased $2,052,863, which represents a 6.89% increase from June 30, 2022's net position.

- Governmental activities general revenues accounted for $19,286,387 in revenue or 67.71% of total revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for $9,195,461 in revenue or 32.29% of total revenues of $28,481,848.

- The Career Center had $26,455,985 in expenses related to governmental activities; only $9,195,461 of these expenses were offset by program specific charges for services, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of $19,286,387 were adequate to provide for these programs.

- The Career Center's only major governmental fund is the general fund. The general fund had $24,650,956 in revenues and other financing sources and $23,613,107 in expenditures and other financing uses. The general fund's fund balance increased $1,037,849 from $16,118,461 to $17,156,310.

Using the Basic Financial Statements (BFS)

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

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

Reporting the Career Center as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the Career Center to provide programs and activities, the view of the Career Center as a whole looks at all financial transactions and asks the question, "How did the Career Center do financially during fiscal year 2023?" The statement of net position and the statement of activities answer this question. These statements include all assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

Reporting the Career Center's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

All of the Career Center's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund financial statements provide a detailed short-term view of the Career Center's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is reconciled in the basic financial statements. The basic governmental fund financial statements can be found on pages 19-23 of this report.

Notes to the Basic Financial Statements

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

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Career Center's net pension liability and net OPEB liability/asset. The required supplementary information can be found on pages 66-86 of this report.

The Career Center as a Whole

The statement of net position provides the perspective of the Career Center as a whole. The following table provides a summary of the Career Center's net position at June 30, 2023 and 2022.

Net Position

	Governmental Activities 2023	Governmental Activities 2022
Assets		
Current and other assets	$ 32,015,781	$ 31,499,461
Net OPEB asset	2,019,998	1,648,979
Capital assets, net	33,549,600	32,999,518
Total assets	67,585,379	66,147,958
Deferred outflows of resources		
Pension	5,427,087	5,520,110
OPEB	392,655	478,590
Total deferred outflows of resources	5,819,742	5,998,700
Liabilities		
Current liabilities	2,592,139	2,131,715
Long-term liabilities:		
Due within one year	346,137	331,751
Due in more than one year:		
Net pension liability	21,803,664	13,074,052
Net OPEB liability	1,093,342	1,467,675
Other amounts	2,404,785	2,415,842
Long-term liabilities	25,647,928	17,289,320
Total liabilities	28,240,067	19,421,035
Deferred inflows of resources		
Property taxes levied for next fiscal year and leases	8,712,657	10,002,681
Pension	1,946,255	10,398,775
OPEB	3,065,422	2,909,310
Total deferred inflows of resources	13,724,334	23,310,766
Net position		
Net investment in capital assets	32,710,196	31,976,489
Restricted	2,409,940	2,413,043
Unrestricted (deficit)	(3,679,416)	(4,974,675)
Total net position	$ 31,440,720	$ 29,414,857

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

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

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

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

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

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

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

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

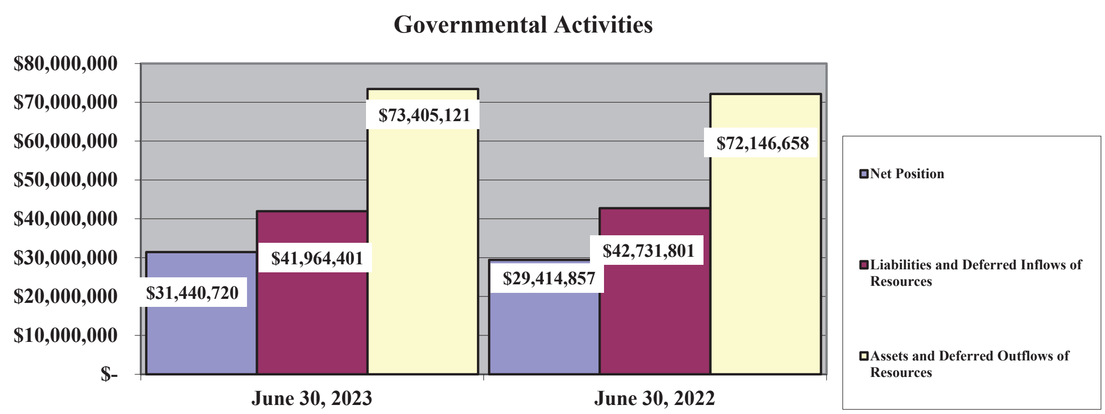
The net pension liability increased $8,729,612 or 66.77% and deferred inflows of resources related to pension decreased $8,452,520. These changes were the result of activity at the pension system level for the State Teachers Retirement System (STRS) and the School Employees Retirement System (SERS). Net investment income on investments at both pension systems were less than estimates for the fiscal year 2022 measurement that are used for the fiscal year 2023 reporting which caused a large decrease in their respective fiduciary net positions.

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2023, the Career Center's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $31,440,720.

At fiscal year end, capital assets represented 49.64% of total assets. Capital assets include land, construction in progress, buildings and improvements, furniture, fixtures, and equipment, intangible right to use assets, and vehicles. The Career Center's net investment in capital assets at June 30, 2023 was $32,710,196. These capital assets are used to provide services to the students and are not available for future spending. Although the Career Center's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the Career Center's net position, $2,409,940, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position is a deficit of ($3,679,416).

The graph below illustrates the Career Center's assets and deferred outflows, liabilities and deferred inflows of resources, and net position at June 30, 2023 and June 30, 2022.



The table below shows the change in net position for fiscal years 2023 and 2022.

Change in Net Position

	Governmental Activities	
	2023	2022
Revenues		
Program revenues:		
Charges for services and sales	$ 1,720,567	$ 1,170,830
Operating grants and contributions	7,374,894	7,521,007
Capital grants and contributions	100,000	-
General revenues:		
Property taxes	10,451,708	9,858,766
Grants and entitlements	8,285,136	7,525,322
Investment earnings	486,953	(298,741)
Miscellaneous	62,590	178,862
Total revenues	28,481,848	25,956,046
Expenses		
Program expenses:		
Instruction:		
Regular	2,470,944	2,115,606
Special	565,655	524,059
Vocational	11,621,180	9,698,938
Adult/continuing	1,317,054	950,585
Other	224,760	276,518
Support services:		
Pupil	2,419,172	2,330,251
Instructional staff	1,827,977	1,557,673
Board of education	58,411	50,381
Administration	1,170,862	988,319
Fiscal	745,101	633,155
Business	264,938	227,855
Operations and maintenance	2,315,385	1,919,946
Pupil transportation	96,760	122,800
Central	414,281	323,100
Operation of non-instructional services:		
Food service operations	606,645	549,302
Other non-instructional services	166,906	134,080
Extracurricular activities	149,345	153,511
Interest and fiscal charges	20,609	23,110
Total expenses	26,455,985	22,579,189
Change in net position	2,025,863	3,376,857
Net position at beginning of year	29,414,857	26,038,000
Net position at end of year	$ 31,440,720	$ 29,414,857

Governmental Activities

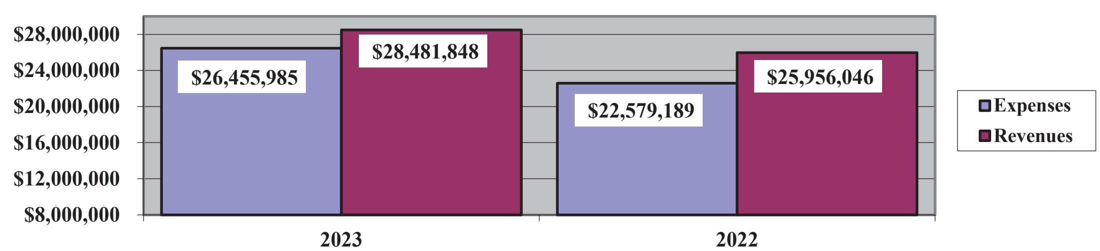
Net position of the Career Center's governmental activities increased $2,025,863. Total governmental expenses of $26,455,985 were offset by program revenues of $9,195,461 and general revenues of $19,286,387. Program revenues supported 34.76% of total governmental expenses.

The primary sources of revenue for governmental activities are derived from property taxes and grants and entitlements. These two revenue sources represent 65.79% of total governmental revenues. The decrease in charges for sales and services was primarily the result of a decrease in tuition revenue during the year. The increase in the operating grants and contributions was the result of the State's adjustment to the funding formula.

Overall, expenses of the governmental activities increased approximately $3.9 million. This increase is primarily the result of an increase in pension expense. Pension expense increased approximately $2.5 million. This increase was the result of an increase of net pension liability reported by the pension system level for the State Teachers Retirement System (STRS) and the School Employees Retirement System (SERS) due to a decrease in net investment income on investments compared to previous years.

The graph below presents the Career Center's governmental activities revenues and expenses for fiscal years 2023 and 2022.

Governmental Activities - Revenues and Expenses



The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for fiscal years 2023 and 2022. That is, it identifies the cost of these services supported by tax revenue, unrestricted State grants and entitlements, and other general revenues.

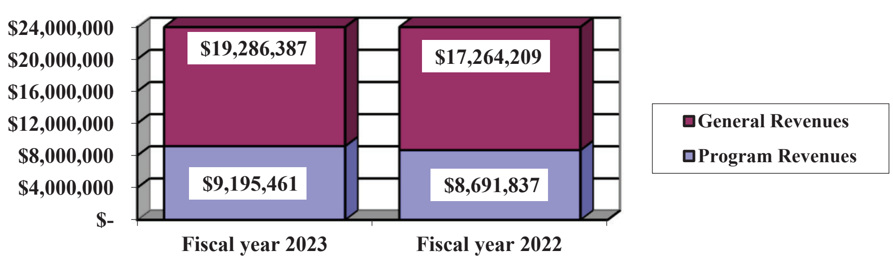
Governmental Activities

	Total Cost of Services 2023	Net Cost of Services 2023	Total Cost of Services 2022	Net Cost of Services 2022
Program expenses:				
Instruction:				
Regular	$ 2,470,944	$ 2,462,944	$ 2,115,606	$ 2,110,878
Special	565,655	(936,628)	524,059	(903,988)
Vocational	11,621,180	7,109,144	9,698,938	5,326,076
Adult/continuing	1,317,054	167,883	950,585	50,994
Other	224,760	224,760	276,518	276,518
Support services:				
Pupil	2,419,172	1,815,836	2,330,251	1,784,104
Instructional staff	1,827,977	1,772,925	1,557,673	1,486,321
Board of education	58,411	58,411	50,381	50,381
Administration	1,170,862	804,130	988,319	659,554
Fiscal	745,101	745,101	633,155	633,155
Business	264,938	264,938	227,855	227,855
Operations and maintenance	2,315,385	2,161,792	1,919,946	1,880,428
Pupil transportation	96,760	96,760	122,800	122,800
Central	414,281	328,192	323,100	262,944
Operation of non-instructional services:				
Food service operations	606,645	38,579	549,302	(228,150)
Other non-instructional services	166,906	128,465	134,080	103,883
Extracurricular activities	149,345	(3,317)	153,511	20,439
Interest and fiscal charges	20,609	20,609	23,110	23,110
Total expenses	$ 26,455,985	$ 17,260,524	$ 22,579,189	$ 13,887,302

The dependence upon taxes and other general revenues for governmental activities is apparent, as 55.73% of fiscal year 2023 instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support was 65.24% in fiscal year 2023. The Career Center's taxpayers and grants and entitlements received from the State of Ohio that are not restricted in use are by far the primary support for the Career Center's students.

The following graph presents the Career Center's governmental activities revenues for fiscal years 2023 and 2022.

Governmental Activities - General and Program Revenues



The Career Center's Funds

The Career Center's governmental funds reported a combined fund balance of $20,482,583, which is greater than last year's total balance of $19,025,397. The table below indicates the fund balance and the total change in fund balance as of June 30, 2023 and June 30, 2022.

	Fund Balance June 30, 2023	Fund Balance June 30, 2022	Change
General	$ 17,156,310	$ 16,118,461	$ 1,037,849
Nonmajor Governmental	3,272,273	2,906,936	365,337
Total	$ 20,428,583	$ 19,025,397	$ 1,403,186

General Fund

The Career Center's general fund balance increased $1,037,849.

The table that follows assists in illustrating the revenues of the general fund.

	2023 Amount	2022 Amount	Change	Percentage Change
Revenues				
Property taxes	$ 10,127,540	$ 9,522,130	$ 605,410	6.36 %
Tuition	81,237	66,051	15,186	22.99 %
Earnings on investments	416,523	(309,606)	726,129	234.53 %
Intergovernmental	13,768,516	12,782,092	986,424	7.72 %
Other revenues	181,548	281,881	(100,333)	(35.59) %
Total	$ 24,575,364	$ 22,342,548	$ 2,232,816	9.99 %

Overall revenues of the general fund increased $2,232,816 or 9.99%. The increase in intergovernmental revenue of $986,424 is due to adjustments made by the State to the funding formula for assistance in funding career centers. The increase in earnings on investments of $726,129 is due to higher return on investments as a result of current economic conditions.

The table that follows assists in illustrating the expenditures of the general fund.

	2023 Amount	2022 Amount	Change	Percentage Change
Expenditures				
Instruction	$ 13,564,240	$ 12,327,136	$ 1,237,104	10.04 %
Support services	7,554,402	7,480,149	74,253	0.99 %
Operation of non-instructional services	153,455	136,526	16,929	12.40 %
Extracurricular activities	41,549	47,113	(5,564)	(11.81) %
Facilities acquisition and construction	1,062,268	531,761	530,507	99.76 %
Debt service	198,695	181,636	17,059	9.39 %
Total	$ 22,574,609	$ 20,704,321	$ 1,870,288	9.03 %

Overall, general fund expenditures increased $1,870,288 or 9.03%. While some categories remained comparable to the previous year, two large increases were in the areas of instruction and facilities acquisition and construction, which increased $1,237,104 and $530,507, respectively. This increase is the result of an increase in wages and benefits and ongoing construction.

General Fund Budgeting Highlights

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

For the general fund, final budgeted revenues and other financing sources were $24,467,822, which were $650,000 less than original budgeted revenues and other financing sources of $25,117,822. Actual revenues and other financing sources of $24,467,822 were the same as final budgeted revenues and other financing sources.

General fund final appropriations (expenditures and other financing uses) of $25,115,466 were $597,786 more than original budgeted expenditures and other financing uses of $24,517,680. Actual expenditures and other financing uses for fiscal year 2023 totaled $24,249,140 were $866,326 less than final budgeted expenditures and other financing uses.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2023, the Career Center had $33,549,600 invested in land, construction in progress, buildings and improvements, furniture, fixtures, and equipment, intangible right to use assets, and vehicles. The total amount was reported in governmental activities.

The following table shows June 30, 2023 balances compared to June 30, 2022.

Capital Assets at June 30
(Net of Depreciation/Amortization)

	Governmental Activities	
	2023	2022
Land	$ 1,959,798	$ 1,381,300
Construction in progress	62,400	137,450
Buildings and improvements	28,614,645	28,934,981
Furniture, fixtures, and equipment	2,457,400	2,126,779
Intangible right to use assets	137,914	95,378
Vehicles	317,443	323,630
Total	$ 33,549,600	$ 32,999,518

The overall increase in capital assets is due to additions of $1,832,340, depreciation/amortization expense of $1,231,763 and disposals of $50,495 (net of accumulated depreciation/amortization).

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

Debt Administration

At June 30, 2023, the Career Center had $635,000 in general obligation bonds outstanding, $117,980 in leases payable outstanding, and $24,024 in SBITA payable outstanding. Of this amount, $191,515 is due within one year and $585,489 is due in more than one year. The following table summarizes the long-term obligations outstanding at June 30, 2023 and June 30, 2022.

Outstanding Debt, at Year End

	Governmental Activities 2023	Governmental Activities 2022
General obligation bonds	$ 635,000	$ 785,000
Leases payable	117,980	100,579
SBITA payable	24,024	-
Total	$ 777,004	$ 885,579

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

Current Financial Related Activities

The future finances of the Career Center present several challenges due to changes in the State funding formula and budget model, issues with State legislation and the composition of the Board of Education, and local economic issues and property valuations. These situations, along with potential changes in weighted funding and federal grants, pose significant uncertainty in future revenue streams and the operation of Career Center programs.

Contacting the Career Center's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the Career Center's finances and to show the Career Center's accountability for the money it receives. If you have questions about this report or need additional financial information contact Mr. Anthony Fraley, Treasurer, Upper Valley Career Center, 8811 Career Drive, Piqua, Ohio 45356.

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UPPER VALLEY CAREER CENTER
MIAMI COUNTY, OHIO

STATEMENT OF NET POSITION
JUNE 30, 2023

	Governmental Activities
Assets:	
Equity in pooled cash and cash equivalents	$ 21,507,166
Receivables:	
Property taxes	10,237,812
Accounts	7,685
Accrued interest	49,606
Intergovernmental	88,023
Prepayments	77,179
Materials and supplies inventory	43,192
Inventory held for resale	5,118
Net OPEB asset	2,019,998
Capital assets:	
Nondepreciable capital assets	2,022,198
Depreciable capital assets, net	31,527,402
Capital assets, net	33,549,600
Total assets	67,585,379
Deferred outflows of resources:	
Pension	5,427,087
OPEB	392,655
Total deferred outflows of resources	5,819,742
Liabilities:	
Accounts payable	375,642
Contracts payable	57,408
Retainage payable	4,992
Accrued wages and benefits payable	1,816,445
Intergovernmental payable	98,506
Pension and postemployment benefits payable	237,465
Accrued interest payable	1,681
Long-term liabilities:	
Due within one year	346,137
Due in more than one year:	
Net pension liability	21,803,664
Net OPEB liability	1,093,342
Other amounts due in more than one year	2,404,785
Total liabilities	28,240,067
Deferred inflows of resources:	
Property taxes levied for the next fiscal year	8,712,657
Pension	1,946,255
OPEB	3,065,422
Total deferred inflows of resources	13,724,334
Net position:	
Net investment in capital assets	32,710,196
Restricted for:	
OPEB	428,130
Classroom facilities maintenance	1,036,584
Debt service	10,912
Locally funded programs	87,386
State funded programs	37,187
Federally funded programs	54,600
Food service operations	254,694
Extracurricular programs	307,473
Other purposes	192,974
Unrestricted (deficit)	(3,679,416)
Total net position	$ 31,440,720

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

UPPER VALLEY CAREER CENTER
MIAMI COUNTY, OHIO

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Expenses	Program Revenues: Charges for Services and Sales	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental activities:					
Instruction:					
Regular	$ 2,470,944	$ 8,000	$ -	$ -	$ (2,462,944)
Special	565,655	7,160	1,495,123	-	936,628
Vocational	11,621,180	142,927	4,369,109	-	(7,109,144)
Adult/continuing	1,317,054	709,133	440,038	-	(167,883)
Other	224,760	-	-	-	(224,760)
Support services:					
Pupil	2,419,172	112,928	490,408	-	(1,815,836)
Instructional staff	1,827,977	-	55,052	-	(1,772,925)
Board of education	58,411	-	-	-	(58,411)
Administration	1,170,862	234,456	132,276	-	(804,130)
Fiscal	745,101	-	-	-	(745,101)
Business	264,938	-	-	-	(264,938)
Operations and maintenance	2,315,385	20,072	33,521	100,000	(2,161,792)
Pupil transportation	96,760	-	-	-	(96,760)
Central	414,281	54,331	31,758	-	(328,192)
Operation of non-instructional services:					
Food service operations	606,645	293,549	274,517	-	(38,579)
Other non-instructional services	166,906	38,441	-	-	(128,465)
Extracurricular activities	149,345	99,570	53,092	-	3,317
Interest and fiscal charges	20,609	-	-	-	(20,609)
Totals	$ 26,455,985	$ 1,720,567	$ 7,374,894	$ 100,000	(17,260,524)
		General revenues:			
		Property taxes levied for:			
		General purposes			10,114,208
		Classroom facilities maintenance			337,500
		Grants and entitlements not restricted to specific programs			8,285,136
		Investment earnings			486,953
		Miscellaneous			62,590
		Total general revenues			19,286,387
		Change in net position			2,025,863
		Net position at beginning of year			29,414,857
		Net position at end of year			$ 31,440,720

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

UPPER VALLEY CAREER CENTER
MIAMI COUNTY, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

	General	Nonmajor Governmental Funds	Total Governmental Funds
Assets:			
Equity in pooled cash			
and cash equivalents	$ 17,883,147	$ 3,624,019	$ 21,507,166
Receivables:			
Property taxes	10,237,812	-	10,237,812
Accounts	7,377	308	7,685
Accrued interest	49,606	-	49,606
Interfund loans	18,319	-	18,319
Intergovernmental	2,162	85,861	88,023
Prepayments	74,861	2,318	77,179
Materials and supplies inventory	41,893	1,299	43,192
Inventory held for resale	-	5,118	5,118
Total assets	$ 28,315,177	$ 3,718,923	$ 32,034,100
Liabilities:			
Accounts payable	$ 90,502	$ 285,140	$ 375,642
Contracts payable	57,408	-	57,408
Retainage payable	4,992	-	4,992
Accrued wages and benefits payable	1,700,786	115,659	1,816,445
Compensated absences payable	52,180	-	52,180
Intergovernmental payable	97,266	1,240	98,506
Pension and postemployment benefits payable	215,180	22,285	237,465
Interfund loans payable	-	18,319	18,319
Total liabilities	2,218,314	442,643	2,660,957
Deferred inflows of resources:			
Property taxes levied for the next fiscal year	8,712,657	-	8,712,657
Delinquent property tax revenue not available	188,830	-	188,830
Intergovernmental revenue not available	-	4,007	4,007
Accrued interest not available	39,066	-	39,066
Total deferred inflows of resources	8,940,553	4,007	8,944,560
Fund balances:			
Nonspendable:			
Materials and supplies inventory	41,893	1,299	43,192
Prepaids	74,861	2,318	77,179
Unclaimed monies	4,693	-	4,693
Restricted:			
Debt service	-	10,912	10,912
Adult education	-	142,975	142,975
Classroom facilities maintenance	-	1,036,584	1,036,584
Food service operations	-	276,148	276,148
School supplies	-	25,000	25,000
State funded programs	-	12,187	12,187
Federally funded programs	-	54,600	54,600
Extracurricular	-	307,473	307,473
Adult scholarship	-	8,639	8,639
Career enhancement	-	177,890	177,890
Other purposes	-	1,752	1,752
Assigned:			
Student instruction	2,324	-	2,324
Student and staff support	11,973	-	11,973
Extracurricular activities	3,904	-	3,904
Facilities acquisition and construction	348,083	-	348,083
Subsequent year's appropriations	1,382,018	-	1,382,018
Capital projects	-	1,257,402	1,257,402
Unassigned (deficit)	15,286,561	(42,906)	15,243,655
Total fund balances	17,156,310	3,272,273	20,428,583
Total liabilities, deferred inflows and fund balances	$ 28,315,177	$ 3,718,923	$ 32,034,100

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

UPPER VALLEY CAREER CENTER
MIAMI COUNTY, OHIO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2023

Total governmental fund balances		$ 20,428,583
Amounts reported for governmental activities on 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.		33,549,600
Other long-term assets are not available to pay for current period expenditures and therefore are deferred inflows in the funds		
Property taxes receivable	$ 188,830	
Accrued interest receivable	39,066	
Intergovernmental receivable	4,007	
Total		231,903
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds		(1,681)
The net pension/OPEB assets & liabilities are not due and payable in the current period; therefore, the assets, liabilities and related deferred inflows/outflows are not reported in governmental funds		
Deferred outflows - pension	5,427,087	
Deferred inflows - pension	(1,946,255)	
Net pension liability	(21,803,664)	
Deferred outflows - OPEB	392,655	
Deferred inflows - OPEB	(3,065,422)	
Net OPEB asset	2,019,998	
Net OPEB liability	(1,093,342)	
Total		(20,068,943)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
General obligation bonds	(635,000)	
Leases payable	(117,980)	
SBITA payable	(24,024)	
Compensated absences	(1,921,738)	
Total		(2,698,742)
Net position of governmental activities		$ 31,440,720

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

UPPER VALLEY CAREER CENTER
MIAMI COUNTY, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	General	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:			
From local sources:			
Property taxes	$ 10,127,540	$ 337,500	$ 10,465,040
Intergovernmental	13,768,516	1,898,012	15,666,528
Investment earnings	416,523	57,389	473,912
Tuition and fees	81,237	1,117,178	1,198,415
Extracurricular	-	99,570	99,570
Rental income	3,667	10,075	13,742
Charges for services	115,291	293,549	408,840
Contributions and donations	11,702	115,764	127,466
Miscellaneous	50,888	22,119	73,007
Total revenues	24,575,364	3,951,156	28,526,520
Expenditures:			
Current:			
Instruction:			
Regular	2,410,316	-	2,410,316
Special	565,909	-	565,909
Vocational	10,474,634	861,147	11,335,781
Adult/continuing	-	1,304,855	1,304,855
Other	113,381	135,161	248,542
Support services:			
Pupil	1,965,050	460,921	2,425,971
Instructional staff	1,749,047	65,061	1,814,108
Board of education	58,551	-	58,551
Administration	709,446	417,900	1,127,346
Fiscal	736,015	-	736,015
Business	264,953	-	264,953
Operations and maintenance	1,638,488	573,354	2,211,842
Pupil transportation	115,387	-	115,387
Central	317,465	96,308	413,773
Operation of non-instructional services:			
Food service operations	-	601,709	601,709
Other non-instructional services	153,455	-	153,455
Extracurricular activities	41,549	107,901	149,450
Facilities acquisition and construction	992,949	-	992,949
Capital outlay	69,319	-	69,319
Debt service:			
Principal retirement	177,894	-	177,894
Interest and fiscal charges	20,801	-	20,801
Total expenditures	22,574,609	4,624,317	27,198,926
Excess (deficiency) of revenues over (under) expenditures	2,000,755	(673,161)	1,327,594
Other financing sources (uses):			
Sale of capital assets	6,273	-	6,273
Transfers in	-	1,038,498	1,038,498
Transfers (out)	(1,038,498)	-	(1,038,498)
Lease transaction	41,052	-	41,052
SBITA transaction	28,267	-	28,267
Total other financing sources (uses)	(962,906)	1,038,498	75,592
Net change in fund balances	1,037,849	365,337	1,403,186
Fund balances at beginning of year	16,118,461	2,906,936	19,025,397
Fund balances at end of year	$ 17,156,310	$ 3,272,273	$ 20,428,583

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

UPPER VALLEY CAREER CENTER
MIAMI COUNTY, OHIO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Net change in fund balances - total governmental funds		$ 1,403,186
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense.		
Capital asset additions	$ 1,832,340	
Current year depreciation/amortization	(1,231,763)	
Total		600,577
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.		(50,495)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	(13,332)	
Earnings on investments	18,231	
Intergovernmental	(49,571)	
Total		(44,672)
Repayment of bond, lease and SBITA principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.		177,894
Issuance of leases and SBITAs are recorded as other financing sources in the funds; however, in the statement of activities, they are not reported as other financing sources as they increase liabilities on the statement of net position.		
Leases	(41,052)	
SBITA	(28,267)	
Total		(69,319)
In the statement of activities, interest is accrued on outstanding bonds whereas in governmental funds, an interest expenditure is reported when due.		192
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	1,957,623	
OPEB	21,482	
Total		1,979,105
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability/asset are reported as pension/OPEB expense in the statement of activities		
Pension	(2,327,738)	
OPEB	481,823	
Total		(1,845,915)
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		(124,690)
Change in net position of governmental activities		$ 2,025,863

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

UPPER VALLEY CAREER CENTER
MIAMI COUNTY, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Budgeted Amounts			Variance with Final Budget Positive
	Original	**Final**	**Actual**	**(Negative)**
Revenues:				
From local sources:				
Property taxes	$ 10,382,014	$ 10,095,820	$ 10,095,820	$ -
Intergovernmental	14,159,119	13,768,804	13,768,804	-
Investment earnings	494,036	480,417	480,417	-
Tuition and fees	44,047	42,833	42,833	-
Rental income	3,771	3,667	3,667	-
Contributions and donations	8,484	8,250	8,250	-
Miscellaneous	26,351	25,625	25,625	-
Total revenues	25,117,822	24,425,416	24,425,416	-
Expenditures:				
Current:				
Instruction:				
Regular	2,510,105	2,488,678	2,397,789	90,889
Special	596,062	582,848	561,562	21,286
Vocational	11,757,014	10,772,206	10,378,791	393,415
Other	264,667	134,112	129,214	4,898
Support services:				
Pupil	2,449,184	2,061,112	1,985,838	75,274
Instructional staff	1,904,994	1,848,640	1,781,125	67,515
Board of education	72,595	63,540	61,219	2,321
Administration	835,156	736,503	709,605	26,898
Fiscal	764,221	754,547	726,990	27,557
Business	307,657	276,409	266,314	10,095
Operations and maintenance	1,876,197	1,697,553	1,635,556	61,997
Pupil transportation	126,793	120,253	115,861	4,392
Central	365,205	324,775	312,914	11,861
Operation of non-instructional services				
Other non-instructional services	59,769	43,546	41,956	1,590
Extracurricular activities	58,406	50,311	48,474	1,837
Facilities acquisition and construction	395,963	1,593,703	1,535,499	58,204
Debt service:				
Principal	156,840	155,686	150,000	5,686
Interest and fiscal charges	16,852	16,728	16,117	611
Total expenditures	24,517,680	23,721,150	22,854,824	866,326
Excess (deficiency) of revenues over (under) expenditures	600,142	704,266	1,570,592	866,326
Other financing sources (uses):				
Refund of prior year's expenditures	-	9,995	9,995	-
Transfers (out)	-	(1,375,998)	(1,375,998)	-
Advances in	-	1,264	1,264	-
Advances (out)	-	(18,318)	(18,318)	-
Sale of capital assets	-	31,147	31,147	-
Total other financing sources (uses)	-	(1,351,910)	(1,351,910)	-
Net change in fund balance	600,142	(647,644)	218,682	866,326
Fund balance at beginning of year	16,048,249	16,048,249	16,048,249	-
Prior year encumbrances appropriated	866,326	866,326	866,326	-
Fund balance at end of year	$ 17,514,717	$ 16,266,931	$ 17,133,257	$ 866,326

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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NOTE 1 - DESCRIPTION OF THE CAREER CENTER

The Upper Valley Career Center (the "Career Center") as defined by Section 3311.18 of the Ohio Revised Code, is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the Constitution and laws of the State of Ohio. The Career Center exposes high school and adult students to academic preparation and job training, which lead to employment and/or further education upon graduation from high school. The Career Center's fourteen associate school Career Centers throughout Miami and Shelby Counties, as well as others who are accepted through open enrollment. Additionally, the Career Center reaches students through our associate school satellite programs. The first official body designated as the Upper Valley Career Center Board of Education was formed in 1972. Before the beginning of fiscal year 2012, the Career Center changed its designation from Joint Vocational School Career Center to Career Center.

The Career Center operates under a Board of Education consisting of eleven representatives who are members of the Boards of Education, or appointed by the Boards of Education of the participating school Career Centers. One member is appointed from each of the following: Bradford Exempted Village School Career Center, Covington Exempted Village School Career Center, and Miami County Educational Service Center. Two members are appointed from the following: Midwest Regional Educational Service Center, Piqua City Schools, Sidney City Schools, and Troy City Schools. The Board of Education is responsible for providing vocational job training to residents of the participating school Career Centers. The Career Center is staffed by 127 classified employees and 64 certified employees who provide services to 947 students and other community members.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

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

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

JOINTLY GOVERNED ORGANIZATIONS

Western Ohio Computer Organization (WOCO)
The Career Center is a participant in the Western Ohio Computer Organization (WOCO), which is a computer consortium. WOCO is an association of various public school districts within the boundaries of Auglaize, Champaign, Hardin, Logan, Shelby, and Miami 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 of member school districts. Each of the governments of these school districts supports WOCO based upon a per-pupil charge dependent on the software package utilized. In accordance with GASB Statement No. 14, the Career Center does not have an equity interest in WOCO, as the residual interest in net resources of the joint venture upon dissolution is not equivalent to an equity interest. WOCO is governed by a Board of Directors consisting of the Superintendents of the member school districts and the degree of control is limited to the representation on the Board of Directors. The Career Center paid WOCO $83,422 for services provided during the fiscal year. Financial information can be obtained from the Director at 129 East Court Street, Sidney, Ohio 45365.

Southwestern Ohio Educational Purchasing Council (SOEPC)
The Southwestern Ohio Educational Purchasing Council (SOEPC) is a purchasing cooperative made up of over 200 school districts in 18 counties. The purpose of this purchasing cooperative is to obtain prices for quality merchandise and services commonly used by schools. All member districts are obligated to pay all fees, charges, or other assessments as established by the SOEPC. Each member district has one voting representative. Title to any and all equipment, furniture and supplies purchased by the SOEPC is held in trust for the member districts. Any member district withdrawing from the SOEPC forfeits its claim to any and all SOEPC assets. One year prior notice is necessary for withdrawal from the SOEPC. During this time, the withdrawing member district is liable for all member obligations. The Career Center paid the SOEPC $3,817,707 for services provided during the fiscal year. To obtain financial information, write to the Director at Southwestern Ohio Educational Purchasing Council, 303 Corporate Center Drive, Suite 208, Vandalia, Ohio 45377.

Upper Valley and Buckeye OTC Consortium (UVBOTCC)
The Career Center is a participant in the Upper Valley and Buckeye OTC Consortium (UVBOTCC), which is a joint consortium for the receipt of secondary, adult, and postsecondary Carl D. Perkins grant monies. UVBOTCC is an association of Upper Valley Career Center and Buckeye Career Center. The organization was formed for the purpose of applying for and receipting funds of the Carl D. Perkins Career and Technical Education Grant. UVBOTCC is governed equally by a representative of each of the member career centers.

INSURANCE PURCHASING POOLS

Southwestern Ohio Educational Purchasing Council Workers' Compensation Group Rating Plan
The Career Center participates in the Southwestern Ohio Educational Purchasing Council Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by an eleven-member Executive Committee consisting of the Chairperson, the Vice-Chairperson, a representative from the Montgomery County Educational Service Center and eight other members elected by majority vote of all member school Career Centers. The Chief Administrator of the GRP serves as the coordinator of the program. Each year, the participating member school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

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

Southwestern Ohio Educational Purchasing Cooperative Benefit Plan Trust
The Southwestern Ohio Educational Purchasing Cooperative Benefit Plan Trust (the "Trust") is a public entity shared risk pool consisting of 55 school districts. The Trust is organized as a Voluntary Employee Benefit Association under Section 501 (c)(9) of the Internal Revenue Code, and offers medical, dental and vision insurance benefits to the employees of the participating members. The Trust is governed by the Southwestern Ohio Educational Purchasing Council and its participating members. Each participating member decides which plan offered by the Trust will be extended to its employees. Participation in the Trust is by written application subject to acceptance by the Trust and payment of the monthly premiums. Financial information may be obtained from the Southwestern Ohio Educational Purchasing Council, 303 Corporate Center Drive, Suite 208, Vandalia, Ohio 45377.

B. Fund Accounting

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

GOVERNMENTAL FUNDS

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

The following is the Career Center's major governmental fund:

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

Other governmental funds of the Career Center are used to account for (a) financial resources that are restricted, committed, or assigned to expenditures for capital outlays including the acquisition or construction of capital facilities and other capital assets, (b) specific revenue sources that are restricted or committed to an expenditure for specified purposes other than debt service or capital projects and (c) financial resources restricted for debt service.

C. Basis of Presentation and Measurement Focus

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

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the governmental activities of the Career Center. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include amounts paid by the recipient of goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues of the Career Center.

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the Career Center are included on the statement of net position.

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

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

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

D. Basis of Accounting

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

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

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

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

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

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

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

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2023, but which were levied to finance fiscal year 2024 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. Unavailable revenue includes, but is not limited to, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

See Notes 12 and 13 for deferred inflows of resources related to net pension liability and net OPEB liability/asset, respectively. These deferred inflows of resources are only reported on the government-wide statement of net position.

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

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

E. Budgetary Process

All funds, except custodial 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 2023.

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

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.

F. Cash and Investments

To improve cash management, cash received by the Career Center is pooled in a central bank account. 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 basic financial statements.

The Career Center invested in Federal Home Loan Bank (FHLB) securities, Federal Home loan Mortgage Corporation (FHLMC) Securities, Farm Federal Credit Bank (FFCB) Securities, negotiable certificates of deposit, commercial paper, U.S. Treasury notes, municipal bonds (State of Ohio; Circleville City School District, Ohio; Bucyrus City School District, Ohio; Miamisburg City School District, Ohio), U.S. government money market accounts, and the State Treasury Asset Reserve of Ohio (STAR Ohio).

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as nonnegotiable certificates of deposit and repurchase agreements are reported at cost.

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

There were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, 24 hours notice in advance of all deposits and withdrawals exceeding $100 million is encouraged. STAR Ohio reserves the right to limit the transaction to $250 million, requiring the excess amount to be transacted the following business day(s), but only to the $250 million limit. All accounts of the participant will be combined for these purposes.

Under existing Ohio statute, interest earnings are allotted to the general fund unless the Board of Education has, by resolution, specified funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2023 amounted to $416,523 which includes $13,542 assigned from other Career Center funds.

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

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

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

G. Prepayments

Payments made to vendors for services that will benefit periods beyond June 30, 2023, are recorded as prepayments using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

H. Inventory

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

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

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

I. Capital Assets

General capital assets are those assets that generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and deductions during the year. Donated capital assets are recorded at their acquisition values as of the date received. The Career Center maintains a capitalization threshold of $2,500. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. The Career Center does not possess infrastructure.

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

Description	Governmental Activities Estimated Lives
Buildings and building improvements	75 years
Furniture, fixtures and equipment	8 - 20 years
Intangible right to use assets	5 years
Vehicles	10 - 12 years

The Career Center is reporting intangible right to use assets related to lease equipment and Subscription Based Information Technology Arrangements (SBITAs). The intangible assets are being amortized in a systematic and rational manner of the shorter of the lease term/subscription or the useful life of the underlying asset.

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

J. Interfund Balances

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

K. Compensated Absences

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

In accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences", a liability for vacation leave is accrued if a) the employees' rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination (severance) payments. A liability for sick leave is accrued using the termination method. The liability is an estimate based on the Career Center's past experience of making termination (severance) payments.

The total liability for vacation leave and sick leave payments has been calculated using pay rates in effect at June 30, 2023 and reduced to the maximum payment allowed by labor contract and/or statute, plus any additional salary related payments.

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

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

L. Accrued Liabilities and Long-Term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds an capital lease obligations are recognized as a liability in the fund financial statements when due. 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.

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

M. Fund Balances

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

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

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

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

Assigned - Amounts in the assigned fund balance classification are intended to be used by the Career Center for specific purposes, but do not meet the criteria to be classified as restricted nor committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the Career Center Board of Education, which includes giving the Treasurer the authority to constrain monies for intended purposes.

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

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

N. Net Position

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

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

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

O. Estimates

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

P. Interfund Activity

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

Q. Pensions/Other Postemployment Benefits (OPEB)

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

R. Fair Value

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For fiscal year 2023, the Career Center has implemented GASB Statement No. 91, "*Conduit Debt Obligations*", GASB Statement No. 94, "*Public-Private and Public-Public Partnerships and Availability Payment Arrangements*", GASB Statement No. 96, "*Subscription Based Information Technology Arrangements*", certain questions and answers of GASB Implementation Guide 2021-1 and certain paragraphs of GASB Statement No. 99, "*Omnibus 2022*".

GASB Statement No. 91 provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The implementation of GASB Statement No. 91 did not have an effect on the financial statements of the Career Center.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

GASB Statement No. 94 is to improve financial reporting by addressing issues related to public-private and public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. The implementation of GASB Statement No. 94 did not have an effect on the financial statements of the Career Center.

GASB Statement No. 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

GASB Implementation Guide 2021-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2021-1 did not have an effect on the financial statements of the Career Center.

GASB Statement No. 99 to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The implementation of GASB Statement No. 99 did not have an effect on the financial statements of the Career Center.

B. Deficit Fund Balances

Fund balances at June 30, 2023 included the following individual fund deficits:

Nonmajor funds	Deficit
Student Wellness & Success	$ 38,899
Adult Basic Education	2,520
ESSER	324
Vocational Education	1,163

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

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

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

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

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

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

3. Written repurchase agreements in the securities listed above provided 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. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;

5. 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;

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

7. The State Treasurer's investment pool, the State Treasury Asset Reserve of Ohio (STAR Ohio), and

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

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

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

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

A. Cash on Hand

At fiscal year end, the Career Center had $1,100 in undeposited cash on hand which is included on the financial statements of the Career Center as part of "equity in pooled cash and cash equivalents".

B. Deposits with Financial Institutions

At June 30, 2023, the carrying amount of all Career Center deposits was $4,226,815 and the bank balance of all Career Center deposits was $4,443,812. All of the bank balance was covered by the FDIC.

C. Investments

As of June 30, 2023, the Career Center had the following investments and maturities:

		Investment Maturities				
Measurement/ Investment type	Measurement value	6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater than 24 months
Fair value:						
FHLB	$ 2,799,358	$ 250,126	$ 489,325	$ 957,788	$ 566,872	$ 535,247
FHLMC	809,473	-	-	559,860	-	249,613
FFCB	247,998	-	-	-	-	247,998
Municipal bonds	1,099,426	-	-	302,900	-	796,526
U.S. Treasury notes	825,817	-	-	537,945	287,872	-
Negotiable CDs	5,900,735	494,582	1,687,970	1,536,640	1,697,185	484,358
Commercial paper	4,323,375	2,446,967	1,876,408	-	-	-
U.S. Government money market	708,254	708,254	-	-	-	-
Amortized cost:						
STAR Ohio	564,815	564,815	-	-	-	-
	$ 17,279,251	$ 4,464,744	$ 4,053,703	$ 3,895,133	$ 2,551,929	$ 2,313,742

The weighted average of maturity of investments is 1.16 years.

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

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

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Credit Risk: The Career Center's investments in federal agency securities and U.S. Treasury notes were rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively. The commercial paper was rated P-1 by Moody's. The Career Center's investment in municipal bonds were rated Aa1 and Aa2 by Moody's Investor Services. Standard & Poor's has assigned STAR Ohio and the U.S. Government money market an AAAm money market rating. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The Career Center's investment policy does not specifically address credit risk beyond requiring the Career Center to only invest in securities authorized by State statute.

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 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 that may be invested in any one issuer. The following table includes the percentage of each investment type held by the Career Center at June 30, 2022:

Measurement/ Investment type	Measurement Value	% of Total
Fair Value:		
FHLB	$ 2,799,358	16.20
FHLMC	809,473	4.68
FFCB	247,998	1.44
Municipal bonds	1,099,426	6.36
U.S. Treasury notes	825,817	4.78
Negotiable CDs	5,900,735	34.15
Commercial paper	4,323,375	25.02
U.S. Government money market fund	708,254	4.10
Amoritzed Cost:		
STAR Ohio	564,815	3.27
Total	$ 17,279,251	100.00

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

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of June 30, 2023:

Cash and investments per note	
Carry amount of deposits	$ 4,226,815
Investments	17,279,251
Cash on hand	1,100
Total	$ 21,507,166
Cash and investments per statement of net position	
Governmental activities	$ 21,507,166

NOTE 5 - INTERFUND TRANSACTIONS

A. Interfund loans receivable and payable consisted of the following at June 30, 2023, as reported on the fund financial statements:

Receivable fund	Payable fund	Amount
General fund	Nonmajor governmental funds	$ 18,319

The primary purpose of the interfund balances is to cover costs in specific funds where revenues were not received by June 30. These interfund balances will be repaid once the anticipated revenues are received.

Interfund balances between governmental fund are eliminated on the government-wide statement of net position.

B. Interfund transfers for the year ended June 30, 2023, consisted of the following, as reported on the fund statements:

	Amount
Transfers from general fund to:	
Nonmajor governmental funds	$ 1,038,498

Transfers are used to move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Transfers between governmental funds are eliminated on the government-wide financials.

All transfers made during the fiscal year 2023 were made in accordance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

NOTE 6 - PROPERTY TAXES

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

Property taxes include amounts levied against all real property and public utility property. Real property tax revenues received in calendar year 2023 represent the collection of calendar year 2022 taxes. Real property taxes received in calendar year 2023 were levied after April 1, 2022, on the assessed values as of January 1, 2022, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised fair value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. Public utility property tax revenues received in calendar year 2023 represent the collection of calendar year 2022 taxes. Public utility real and personal property taxes received in calendar year 2023 became a lien on December 31, 2021, were levied after April 1, 2022 and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

The Career Center receives property taxes from Miami, Shelby, Logan, Auglaize and Darke Counties. 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, 2023, are available to finance fiscal year 2023 operations. The amount available as an advance at June 30, 2023 was $1,336,325 in the general fund. This amount is recorded as revenue. The amount available as an advance at June 30, 2022 was $967,105 in the general fund. The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

NOTE 6 - PROPERTY TAXES - (Continued)

Accrued property taxes receivable includes real property, public utility property and delinquent tangible personal property taxes which are measurable as of June 30, 2023 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows of resources.

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

The assessed values upon which the fiscal year 2023 taxes were collected are:

	2022 Second Half Collections		2023 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/residential and other real estate	$ 2,697,192,310	96.16	$ 2,983,535,360	96.30
Public utility personal	107,652,710	3.84	114,769,490	3.70
Total	$ 2,804,845,020	100.00	$ 3,098,304,850	100.00
Tax rate per $1,000 of assessed valuation	$6.40		$6.40	

NOTE 7 - RECEIVABLES

Receivables at June 30, 2023 consisted of property taxes, accounts (billings for user charged services and student fees), accrued interest and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current year guarantee of federal funds. Receivables have been disaggregated on the face of the basic financial statements. All receivables are expected to be collected in the subsequent year.

NOTE 8 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2023, was as follows:

	Balance 06/30/22	Additions	Deductions	Balance 06/30/23
Governmental activities:				
Capital assets, not being depreciated/amortized:				
Land	$ 1,381,300	$ 578,498	$ -	$ 1,959,798
Construction in progress	137,450	62,400	(137,450)	62,400
Total capital assets, not being depreciated/amortized	1,518,750	640,898	(137,450)	2,022,198
Capital assets, being depreciated/amortized:				
Buildings and improvements	37,773,182	359,923	-	38,133,105
Furniture, fixtures and equipment	6,394,877	855,150	(273,795)	6,976,232
Intangible right to use assets:				
Lease equipment	116,835	41,052	-	157,887
SBITAs	-	28,267	-	28,267
Vehicles	725,703	44,500	-	770,203
Total capital assets, being depreciated/amortized	45,010,597	1,328,892	(273,795)	46,065,694
Less: accumulated depreciation/amortization:				
Buildings and improvements	(8,838,201)	(680,259)	-	(9,518,460)
Furniture, fixtures and equipment	(4,268,098)	(474,034)	223,300	(4,518,832)
Intangible right to use assets:				
Lease equipment	(21,457)	(26,270)	-	(47,727)
SBITAs	-	(513)	-	(513)
Vehicles	(402,073)	(50,687)	-	(452,760)
Total accumulated depreciation/amortization	(13,529,829)	(1,231,763)	223,300	(14,538,292)
Governmental activities capital assets, net	$ 32,999,518	$ 738,027	$ (187,945)	$ 33,549,600

Depreciation/amortization expense was charged to governmental functions as follows:

Instruction:	
Regular	$ 55,244
Special	802
Vocational	986,950
Adult/continuing	26,772
Support services:	
Pupil	2,593
Instructional staff	12,719
Administration	16,468
Fiscal	1,557
Business	695
Operations and maintenance	78,222
Pupil transportation	33,359
Central	2,771
Operation of non-instructional services:	
Other non-instructional services	13,601
Total depreciation/amortization expense	$ 1,231,753

NOTE 9 - LONG-TERM OBLIGATIONS

A. During the fiscal year 2023, the following activity occurred in governmental activities long-term obligations.

	Balance June 30, 2022	Additions	Reductions	Balance June 30, 2023	Amounts Due in One Year
Governmental Activities:					
General obligation bonds:					
Series 2017 bonds BB&T - direct borrowing	$ 785,000	$ -	$ (150,000)	$ 635,000	$ 155,000
Leases payable	100,579	41,052	(23,651)	117,980	30,651
SBITA payable	-	28,267	(4,243)	24,024	5,864
Net pension liability	13,074,052	8,729,612	-	21,803,664	-
Net OPEB liability	1,467,675	-	(374,333)	1,093,342	-
Compensated absences	1,862,014	363,138	(251,234)	1,973,918	154,622
Total governmental activities long-term liabilities	$ 17,289,320	$ 9,162,069	$ (803,461)	$ 25,647,928	$ 346,137

Series 2017 Bonds BB&T: On July 27, 2017 the Career Center issued $1,500,000 in Series 2017 general obligation bonds. The bond bears interest of 2.27% with interest payments due June 1 and December 1 of each year. The final maturity stated in the issue is December 1, 2026. Principal and interest payments are made from the general fund. The bond issuance is considered a direct borrowing. Direct borrowings have terms negotiated directly between the Career Center and the lender and are not offered for public sale.

The following is a summary of the Career Center's future annual principal and interest requirements to maturity for its general obligation bonds:

Fiscal Year	General Obligation Bonds		
Ending June 30,	Principal	Interest	Total
2024	$ 155,000	$ 12,655	$ 167,655
2025	155,000	9,137	164,137
2026	160,000	5,562	165,562
2027	165,000	1,873	166,873
Total	$ 635,000	$ 29,227	$ 664,227

Leases payable - The Career Center has entered into lease agreements for the use of right to use equipment. Due to the implementation of GASB Statement No. 87, the Career Center will report an intangible capital asset and corresponding liability for the future scheduled payments under the leases. The lease payments will be paid from the general fund.

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

The Career Center has entered into lease agreements for copier equipment and a postage machine at varying years and terms as follows:

Leases	Lease Commencement Date	Years	Lease End Date	Payment Method
Copiers	2021	5	2026	Monthly
Copiers	2022	5	2027	Monthly
Postage Machine	2019	5	2024	Monthly
Pro Tech Marketing	2023	5	2028	Monthly

The following is a schedule of future lease payments under the lease agreements:

Fiscal Year	Principal	Interest	Total
2024	$ 30,651	$ 5,049	$ 35,700
2025	30,203	3,380	33,583
2026	28,420	1,930	30,350
2027	19,797	850	20,647
2028	8,909	194	9,103
Total	$ 117,980	$ 11,403	$ 129,383

SBITA payable - The Career Center has entered into agreements for the use of right to use subscriptions to software. Due to the implementation of GASB Statement No. 96, the Career Center will report an intangible capital asset and corresponding liability for the future scheduled payments under the subscription. The payments will be paid from the general fund.

The Career Center has entered into agreements for software at varying years and terms as follows:

SBITA	Commencement Date	Years	End Date	Payment Method
Singleware	2023	5	2027	Annual
Meraki	2023	4	2027	Annual

The following is a schedule of future payments under the agreements:

Fiscal Year	Principal	Interest	Total
2024	$ 5,864	$ 819	$ 6,683
2025	5,754	929	6,683
2026	6,048	635	6,683
2027	6,358	325	6,683
Total	$ 24,024	$ 2,708	$ 26,732

Net pension liability - See Note 12 for details.

Net OPEB liability/asset - See Note 13 for details.

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

Compensated absences - Compensated absences will be paid from the funds from which the employees' salaries are paid, which for the Career Center is primarily the general fund and the adult education fund (a nonmajor governmental fund).

B. Legal Debt Margin

The Ohio Revised Code provides that voted net general obligation debt of the Career Center shall never exceed 9% of the total assessed valuation of the Career Center. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the Career Center. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the Career Center. The assessed valuation used in determining the Career Center's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the Career Center's legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The effects of these debt limitations at June 30, 2023, are a voted debt margin of $278,223,349 and an unvoted debt margin of $3,098,305.

NOTE 10 - OTHER EMPLOYEE BENEFITS

A. Compensated Absences

The criteria for determining vacation leave and sick leave benefits are derived from the Board of Education's administrative regulations and State laws. Full-time classified employees for annual terms on regular contracts are granted two weeks of paid vacation. They are granted one additional day of paid vacation for every full year of service to the Career Center for years 6 – 10. After 20 years of service, classified employees are granted up to 25 days of paid vacation.

Teachers and administrators do not earn vacation time, with the exception of the Superintendent, Directors, 260-day Supervisors, and the Treasurer. Accumulated, unused vacation time is paid to classified employees upon termination of employment. Teachers, administrators, and classified employees earn sick leave at the rate of 1.25 days per month. Sick leave may be accumulated up to a maximum of 240 days. Upon retirement, payment is made for 27% of the employee's accrued but unused sick leave, a maximum of 220 days, for a total maximum of 59.4 days.

B. Life Insurance

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

NOTE 11 - RISK MANAGEMENT

A. Comprehensive

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 fiscal year 2023, the Career Center contracted with Ambridge Partners and the Federal Insurance Company for property, fleet, stop-gap, employee benefits, and liability insurance. Settled claims have not exceeded this commercial coverage in the past three fiscal years. There have been no significant changes in coverage from the last fiscal year.

NOTE 11 - RISK MANAGEMENT – (Continued)

B. Medical/Dental/Vision Insurance Benefits

For fiscal year 2023, the Career Center participated in the Southwestern Ohio Educational Purchasing Cooperative Benefit Plan Trust (the "Trust"), a public entity shared risk pool consisting of 102 school districts (See Note 2). The Career Center pays monthly premiums to the Trust for employee medical and dental insurance benefits. The Trust is responsible for the management and operations of the program. Upon withdrawal from the Trust, a participant is responsible for the payment of all Trust liabilities to its employees, dependents, and designated beneficiaries accruing as a result of withdrawal.

The Career Center also provides vision insurance benefits to employees through Vision Service Plan (VSP).

C. Workers' Compensation

For fiscal year 2023, the Career Center participated in the Southwestern Ohio Educational Purchasing Council Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The intent of the GRP is to achieve the benefit of a reduced premium for the district by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is tiered into groups based upon past workers' compensation experience. Within each tiered group, a common premium rate is applied to all school Career Centers within that group. Each participant pays its workers' compensation premium to the state based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of their tiered group. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Hunter Consulting provides administrative, cost control and actuarial services to the GRP.

NOTE 12 - DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability/Net OPEB Liability/Asset

The net pension liability and the net OPEB liability/asset reported on the statement of net position represents a liability or asset to employees for pensions and OPEB, respectively.

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 obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

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

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

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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 13 for the required OPEB disclosures.

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

Plan Description - School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire 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; or Age 55 with 25 years of service credit	Age 62 with 10 years of service credit; or Age 60 with 25 years of service credit

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

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

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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 was 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% and with a floor of 0%. In 2022, the Board of Trustees approved a 2.5% cost-of-living adjustment (COLA) for eligible retirees and beneficiaries in 2023.

Funding Policy - Plan members are required to contribute 10.00% of their annual covered salary and the Career Center is required to contribute 14.00% 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 10.00% for plan members and 14.00% 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, 2023, the allocation to pension, death benefits, and Medicare B was 14.00%. For fiscal year 2023, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The Career Center's contractually required contribution to SERS was $459,614 for fiscal year 2023. Of this amount, $21,499 is reported as pension and postemployment benefits payable.

Plan Description - State Teachers Retirement System (STRS)

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

New members have a choice of three retirement plans: a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined (CO) 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 2.20% of final average salary for the five highest years of earnings multiplied by all years of service. Eligibility changes will be phased in until August 1, 2023, 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 regardless of age.

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

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 12% of the 14% member rate goes to the DC Plan and the remaining 2% is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity after termination of employment at age 50 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, on or after July 1, 2013, must have at least ten years of qualifying service credit to apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. 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 2023 employer and employee contribution rate of 14% was equal to the statutory maximum rates. For fiscal year 2023, the full employer contribution was allocated to pension.

The Career Center's contractually required contribution to STRS was $1,498,009 for fiscal year 2023. Of this amount, $193,488 is reported as pension and postemployment benefits payable.

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

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Career Center's proportion of the net pension liability was based on the Career Center's share of contributions to the pension plan relative to the contributions of all participating entities.

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

	SERS	STRS	Total
Proportion of the net pension liability prior measurement date	0.083320600%	0.078209305%	
Proportion of the net pension liability current measurement date	0.082484900%	0.078012330%	
Change in proportionate share	-0.000835700%	-0.000196975%	
Proportionate share of the net pension liability	$ 4,461,425	$ 17,342,239	$ 21,803,664
Pension expense	$ 183,325	$ 2,144,413	$ 2,327,738

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

At June 30, 2023, the Career Center reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	SERS	STRS	Total
Deferred outflows of resources			
Differences between expected and actual experience	$ 180,692	$ 222,004	$ 402,696
Net difference between projected and actual earnings on pension plan investments	-	603,471	603,471
Changes of assumptions	44,021	2,075,344	2,119,365
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	3,358	340,574	343,932
Contributions subsequent to the measurement date	459,614	1,498,009	1,957,623
Total deferred outflows of resources	$ 687,685	$ 4,739,402	$ 5,427,087

	SERS	STRS	Total
Deferred inflows of resources			
Differences between expected and actual experience	$ 29,288	$ 66,339	$ 95,627
Net difference between projected and actual earnings on pension plan investments	155,686	-	155,686
Changes of assumptions	-	1,562,138	1,562,138
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	31,461	101,343	132,804
Total deferred inflows of resources	$ 216,435	$ 1,729,820	$ 1,946,255

$1,957,623 reported as deferred outflows of resources related to pension resulting from Career Center contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2024.

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2024	$ (37,840)	$ (399,703)	$ (437,543)
2025	2,954	(491,952)	(488,998)
2026	(15,030)	(917,691)	(932,721)
2027	61,552	3,320,919	3,382,471
Total	$ 11,636	$ 1,511,573	$ 1,523,209

Actuarial Assumptions - SERS

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

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

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

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2022, are presented below:

Wage inflation:	
Current measurement date	2.40%
Prior measurement date	2.40%
Future salary increases, including inflation:	
Current measurement date	3.25% to 13.58%
Prior measurement date	3.25% to 13.58%
COLA or ad hoc COLA:	
Current measurement date	2.00%
Prior measurement date	2.00%
Investment rate of return:	
Current measurement date	7.00% net of system expenses
Prior measurement date	7.00% net of system expenses
Discount rate:	
Current measurement date	7.00%
Prior measurement date	7.00%
Actuarial cost method	Entry age normal (level percent of payroll)

In 2022, mortality rates were based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

In the prior measurement date, mortality rates were based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

The most recent experience study was completed for the five-year period ended June 30, 2020.

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

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00 %	(0.45) %
US Equity	24.75	5.37
Non-US Equity Developed	13.50	6.22
Non-US Equity Emerging	6.75	8.22
Fixed Income/Global Bonds	19.00	1.20
Private Equity	11.00	10.05
Real Estate/Real Assets	16.00	4.87
Multi-Asset Strategy	4.00	3.39
Private Debt/Private Credit	3.00	5.38
Total	100.00 %	

Discount Rate - The total pension liability was calculated using the discount rate of 7.00%. 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 earnings were calculated using the long-term assumed investment rate of return (7.00%). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

***Sensitivity of the Career Center's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate* -** Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.00%, 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 (6.00%), or one percentage point higher (8.00%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
Career Center's proportionate share of the net pension liability	$ 6,567,005	$ 4,461,425	$ 2,687,503

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2022, actuarial valuation are presented below:

	June 30, 2022	June 30, 2021
Inflation	2.50%	2.50%
Projected salary increases	Varies by service from 2.50% to 8.50%	12.50% at age 20 to 2.50% at age 65
Investment rate of return	7.00%, net of investment expenses, including inflation	7.00%, net of investment expenses, including inflation
Discount rate of return	7.00%	7.00%
Payroll increases	3.00%	3.00%
Cost-of-living adjustments (COLA)	0.00%	0.00%

For the June 30, 2022 actuarial valuation, post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disable Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

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

Actuarial assumptions used in the June 30, 2022 valuation are based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

Asset Class	Target Allocation*	Long-Term Expected Real Rate of Return **
Domestic Equity	26.00 %	6.60 %
International Equity	22.00	6.80
Alternatives	19.00	7.38
Fixed Income	22.00	1.75
Real Estate	10.00	5.75
Liquidity Reserves	1.00	1.00
Total	100.00 %	

* Target allocation percentage is effective as of July 1, 2022. Target weights were phased in over a 3-month period concluding on October 1, 2022.
**10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25% and is net of investment expenses. Over a 30-year period, STRS Ohio's 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 7.00% as of June 30, 2022. 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 the rates described previously. 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 Ohio's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2022. Therefore, the long-term expected rate of return on pension plan investments of 7.00% was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2022.

***Sensitivity of the Career Center's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate* -** The following table represents the net pension liability as of June 30, 2022, calculated using the current period discount rate assumption of 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current assumption:

	1% Decrease	Current Discount Rate	1% Increase
Career Center's proportionate share of the net pension liability	$ 26,197,810	$ 17,342,239	$ 9,853,168

***Changes Between Measurement Date and Reporting Date* -** STRS approved a one-time 1.00% cost-of-living adjustment to eligible benefit recipients effective July 1, 2023. It is unknown what effect this change will have on the net pension liability.

NOTE 13 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability/Asset

See Note 12 for a description of the net OPEB liability (asset).

Plan Description - School Employees Retirement System (SERS)

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

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14% of covered payroll to the Health Care Fund in accordance with the funding policy. For the fiscal year ended June 30, 2023, SERS did not allocate any employer contributions to post-employment health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2023, this amount was $25,000. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2023, the Career Center's surcharge obligation was $21,482.

The surcharge added to the allocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The Career Center's contractually required contribution to SERS was $21,482 for fiscal year 2023. Of this amount, $21,482 is reported as pension and postemployment benefits payable.

Plan Description - State Teachers Retirement System (STRS)

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

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

Funding Policy - Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14% of covered payroll. For the fiscal year ended June 30, 2023, STRS did not allocate any employer contributions to post-employment health care.

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

The net OPEB liability/asset was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability/asset was determined by an actuarial valuation as of that date. The Career Center's proportion of the net OPEB liability/asset was based on the Career Center's share of contributions to the respective retirement systems relative to the contributions of all participating entities.

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

	SERS	STRS	Total
Proportion of the net OPEB liability/asset prior measurement date	0.077548800%	0.078209305%	
Proportion of the net OPEB liability/asset current measurement date	0.077872800%	0.078012330%	
Change in proportionate share	0.000324000%	-0.000196975%	
Proportionate share of the net OPEB liability	$ 1,093,342	$ -	$ 1,093,342
Proportionate share of the net OPEB asset	$ -	$ (2,019,998)	$ (2,019,998)
OPEB expense	$ (104,443)	$ (377,380)	$ (481,823)

At June 30, 2023, the Career Center reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	SERS	STRS	Total
Deferred outflows of resources			
Differences between expected and actual experience	$ 9,189	$ 29,284	$ 38,473
Net difference between projected and actual earnings on OPEB plan investments	5,683	35,159	40,842
Changes of assumptions	173,911	86,047	259,958
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	17,674	14,226	31,900
Contributions subsequent to the measurement date	21,482	-	21,482
Total deferred outflows of resources	$ 227,939	$ 164,716	$ 392,655

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

	SERS	STRS	Total
Deferred inflows of resources			
Differences between expected and actual experience	$ 699,379	$ 303,367	$ 1,002,746
Changes of assumptions	448,824	1,432,376	1,881,200
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	160,635	20,841	181,476
Total deferred inflows of resources	$ 1,308,838	$ 1,756,584	$ 3,065,422

$21,482 reported as deferred outflows of resources related to OPEB resulting from Career Center contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability/asset in the fiscal year ending June 30, 2024.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2024	$ (249,645)	$ (476,669)	$ (726,314)
2025	(255,214)	(451,273)	(706,487)
2026	(226,405)	(217,210)	(443,615)
2027	(142,129)	(89,857)	(231,986)
2028	(89,975)	(117,802)	(207,777)
Thereafter	(139,013)	(239,057)	(378,070)
Total	$ (1,102,381)	$ (1,591,868)	$ (2,694,249)

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.

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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, 2022 are presented below:

Wage inflation:	
Current measurement date	2.40%
Prior measurement date	2.40%
Future salary increases, including inflation:	
Current measurement date	3.25% to 13.58%
Prior measurement date	3.25% to 13.58%
Investment rate of return:	
Current measurement date	7.00% net of investment expense, including inflation
Prior measurement date	7.00% net of investment expense, including inflation
Municipal bond index rate:	
Current measurement date	3.69%
Prior measurement date	1.92%
Single equivalent interest rate, net of plan investment expense, including price inflation:	
Current measurement date	4.08%
Prior measurement date	2.27%
Medical trend assumption:	
Current measurement date	7.00 to 4.40%
Prior measurement date	
Medicare	5.125 to 4.400%
Pre-Medicare	6.750 to 4.400%

In 2022, mortality rates were based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

In the prior measurement date, mortality rates were based on the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

The most recent experience study was completed for the five-year period ended June 30, 2020.

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

The long-term expected rate of return on plan assets is reviewed as part of the actuarial 5-year experience study. The most recent study covers fiscal years 2016 through 2020, and was adopted by the Board in 2021. 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 long-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, 7.00%, 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 are summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00 %	(0.45) %
US Equity	24.75	5.37
Non-US Equity Developed	13.50	6.22
Non-US Equity Emerging	6.75	8.22
Fixed Income/Global Bonds	19.00	1.20
Private Equity	11.00	10.05
Real Estate/Real Assets	16.00	4.87
Multi-Asset Strategy	4.00	3.39
Private Debt/Private Credit	3.00	5.38
Total	100.00 %	

Discount Rate - The discount rate used to measure the total OPEB liability at June 30, 2022, was 4.08%. The discount rate used to measure total OPEB liability prior to June 30, 2022, was 2.27%. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the contribution rate of 1.50% of projected covered payroll each year, which includes a 1.50% payroll surcharge and no contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make all projected future benefit payments of current System members by SERS actuaries. The Municipal Bond Index Rate is used in the determination of the SEIR for both the June 30, 2022 and the June 30, 2021 total OPEB liability. The Municipal Bond Index rate is the single rate that will generate a present value of benefit payments equal to the sum of the present value determined by the long-term expected rate of return, and the present value determined by discounting those benefits after the date of depletion. The Municipal Bond Index Rate is 3.69% at June 30, 2022 and 1.92% at June 30, 2021.

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

Sensitivity of the Career Center's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates - The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability, what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.08%) and higher (5.08%) than the current discount rate (4.08%). Also shown is what the net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.00% decreasing to 3.40%) and higher (8.00% decreasing to 5.40%) than the current rate (7.00% decreasing to 4.40%).

	1% Decrease	Current Discount Rate	1% Increase
Career Center's proportionate share of the net OPEB liability	$ 1,357,948	$ 1,093,342	$ 879,734

	1% Decrease	Current Trend Rate	1% Increase
Career Center's proportionate share of the net OPEB liability	$ 843,163	$ 1,093,342	$ 1,420,117

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2022 actuarial valuation, compared with June 30, 2021 actuarial valuation, are presented below:

	June 30, 2022		June 30, 2021	
Inflation	2.50%		2.50%	
Projected salary increases	Varies by service from 2.50% to 8.50%		12.50% at age 20 to 2.50% at age 65	
Investment rate of return	7.00%, net of investment expenses, including inflation		7.00%, net of investment expenses, including inflation	
Payroll increases	3.00%		3.00%	
Cost-of-living adjustments (COLA)	0.00%		0.00%	
Discount rate of return	7.00%		7.00%	
Blended discount rate of return	N/A		N/A	
Health care cost trends				
	Initial	Ultimate	Initial	Ultimate
Medical				
Pre-Medicare	7.50%	3.94%	5.00%	4.00%
Medicare	-68.78%	3.94%	-16.18%	4.00%
Prescription Drug				
Pre-Medicare	9.00%	3.94%	6.50%	4.00%
Medicare	-5.47%	3.94%	29.98%	4.00%

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

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

For the June 30, 2022 actuarial valuation, for healthy retirees the post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020; pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. For disabled retirees, mortality rates are based on the Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

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

Actuarial assumptions used in the June 30, 2022 valuation are based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

Assumption Changes Since the Prior Measurement Date - The discount rate remained unchanged at 7.00% for the June 30, 2022 valuation.

Benefit Term Changes Since the Prior Measurement Date - Salary increase rates were updated based on the actuarial experience study for the period July 1, 2015 through June 30, 2021 and were changed from age based to service based.

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

Asset Class	Target Allocation*	Long-Term Expected Real Rate of Return **
Domestic Equity	26.00 %	6.60 %
International Equity	22.00	6.80
Alternatives	19.00	7.38
Fixed Income	22.00	1.75
Real Estate	10.00	5.75
Liquidity Reserves	1.00	1.00
Total	100.00 %	

* Target allocation percentage is effective as of July 1, 2022. Target weights were phased in over a 3-month period concluding on October 1, 2022.
**10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25% and is net of investment expenses. Over a 30-year period, STRS Ohio's investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Discount Rate - The discount rate used to measure the total OPEB liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed STRS Ohio continues to allocate no employer contributions to the health care fund. Based on those 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, 2022. Therefore, the long-term expected rate of return on health care fund investments of 7.00% was applied to all periods of projected health care costs to determine the total OPEB liability as of June 30, 2022.

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

Sensitivity of the Career Center's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate - The following table represents the net OPEB asset as of June 30, 2022, calculated using the current period discount rate assumption of 7.00%, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) 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	Current Discount Rate	1% Increase
Career Center's proportionate share of the net OPEB asset	$ 1,870,556	$ 2,019,998	$ 2,150,682

	1% Decrease	Current Trend Rate	1% Increase
Career Center's proportionate share of the net OPEB asset	$ 2,095,230	$ 2,019,998	$ 1,925,038

NOTE 14 - CONTINGENCIES

A. Grants

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

B. Litigation

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

C. Foundation Funding

Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Career centers must comply with minimum hours of instruction, instead of a minimum number of school days each year. The funding formula the Ohio Department of Education (ODE) is legislatively required to follow will continue to adjust as enrollment information is updated by the Career Center, which can extend past the fiscal year-end. The final results of the FY2023 ADM review had no significant impact on the Career Center’s funding.

NOTE 15 - COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio’s state of emergency ended in June 2021 while the national state of emergency ended in April 2023. During fiscal year 2023, the Career Center received COVID-19 funding. The Career Center will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

NOTE 16 - SET-ASIDES

The Career Center is required by State law to annually set-aside certain general fund revenue amounts, as defined by statutory formula, for the acquisition and construction of capital improvements. Amounts not spent by the end of the fiscal year or offset by similarly restricted resources received during the year must be held in cash at fiscal year-end.

This amount must be carried forward to be used for the same purpose in future years. Expenditures exceeding the set-aside requirement may not be carried forward to the next fiscal year.

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

	Capital Improvements
Set-aside balance June 30, 2022	
Current year set-aside requirement	297,403
Current year offsets	(337,500)
Total	$ (40,097)
Balance carried forward to fiscal year 2024	$ -
Set-aside balance June 30, 2023	$ -

During fiscal year 2010, the Career Center issued $7,285,000 in capital related school facilities general obligation bonds. During fiscal year 2018, the Career Center issued $1,500,000 for a new construction project. The Career Center is responsible for tracking the amount of bond proceeds that may be used as an offset in future periods, which was $8,427,669 at June 30, 2023.

NOTE 17 - OTHER COMMITMENTS

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

Fund Type	Year-End Encumbrances
General fund	$ 361,842
Nonmajor governmental funds	4,442
Total	$ 366,284

NOTE 18 - BUDGETARY BASIS OF ACCOUNTING

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

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

NOTE 18 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

(a) Revenues and other financing sources are recorded when received in cash (budgetary basis) as opposed to when susceptible to accrual (GAAP basis);

(b) Expenditures and other financing uses are recorded when paid in cash (budgetary basis) as opposed to when the liability is incurred (GAAP basis);

(c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budgetary basis) are recorded as the equivalent of an expenditure, as opposed to assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis);

(d) Advances-in and advances-out are operating transactions (budgetary basis) as opposed to balance sheet transactions (GAAP basis); and,

(e) Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budgetary basis).

The adjustments necessary to convert the results of operations for the year on the budgetary basis to the GAAP basis for the general fund is as follows:

Net Change in Fund Balance

	General fund
Budgetary basis	$ 218,682
Net adjustment for revenue accruals	(20,206)
Net adjustment for expenditure accruals	(178,325)
Net adjustment for other sources/uses	389,004
Funds budgeted elsewhere	56,934
Adjustments for encumbrances	571,760
GAAP basis	$ 1,037,849

NOTE 19 - TAX ABATEMENTS ENTERED INTO BY OTHER GOVERNMENTS

Other governments entered into property tax abatement agreements with property owners under the Ohio Community Reinvestment Area (“CRA”) and Enterprise Zone (“EZ”) programs with the taxing Career Centers of the Career Center. The CRA and EZ programs are directive incentive tax exemption programs benefiting property owners who renovate or construct new buildings. Under these programs, the other governments designated areas to encourage revitalization of the existing housing stock and the development of new structures. Within the taxing Career Centers of the Career Center, Miami County and Shelby County have entered into such an agreement. Under this agreement (using latest information available) the Career Center’s property taxes for Miami County were reduced by approximately $82,113. The Career Center’s property taxes for Shelby County were reduced by $100,315, including residential, agricultural, commercial, and industrial tax abatements. The Career Center is not receiving any amounts from this other government in association with the forgone property tax revenue.

NOTE 20 – SUBSEQUENT EVENT

In November 2023, the Career Center was awarded a $12.7 million construction grant through Ohio’s Career Technical Construction program. The Career Center has dedicated an additional $5.3 million of existing funds, towards construction and renovations of facilities to be used by the various programs offered by the Career Center.

REQUIRED SUPPLEMENTARY INFORMATION

UPPER VALLEY CAREER CENTER
MIAMI COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2023	2022	2021	2020
Career Center's proportion of the net pension liability	0.082484900%	0.083320600%	0.08308890%	0.08570330%
Career Center's proportionate share of the net pension liability	$ 4,461,425	$ 3,074,289	$ 5,495,675	$ 5,127,779
Career Center covered payroll	$ 3,085,336	$ 2,882,607	$ 2,919,350	$ 3,066,207
Career Center's proportionate share of the net pension liability as a percentage of its covered payroll	144.60%	106.65%	188.25%	167.24%
Plan fiduciary net position as a percentage of the total pension liability	75.82%	82.86%	68.55%	70.85%

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

	2019	2018	2017	2016	2015	2014
	0.08663590%	0.08100330%	0.08171320%	0.08239890%	0.08307200%	0.08307200%
	$ 4,961,798	$ 4,839,768	$ 5,980,652	$ 4,701,761	$ 4,204,227	$ 4,940,025
	$ 2,825,941	$ 2,675,364	$ 2,537,707	$ 2,480,637	$ 2,413,903	$ 1,883,945
	175.58%	180.90%	235.67%	189.54%	174.17%	262.22%
	71.36%	69.50%	62.98%	69.16%	71.70%	65.52%

UPPER VALLEY CAREER CENTER
MIAMI COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2023	**2022**	**2021**	**2020**
Career Center's proportion of the net pension liability	0.078012330%	0.078209305%	0.07551062%	0.07512502%
Career Center's proportionate share net pension liability	$ 17,342,239	$ 9,999,763	$ 18,270,883	$ 16,613,447
Career Center covered payroll	$ 10,178,493	$ 9,709,864	$ 9,170,821	$ 9,956,364
Career Center's proportionate share of net pension liability as a percentage of its covered payroll	170.38%	102.99%	199.23%	166.86%
Plan fiduciary net position as a percentage of the total pension liability	78.88%	87.78%	75.48%	77.40%

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019	2018	2017	2016	2015	2014
0.07599164%	0.07493250%	0.07733354%	0.07943705%	0.08200887%	0.08200887%
$ 16,708,855	$ 17,800,376	$ 25,885,867	$ 21,954,077	$ 19,947,395	$ 23,761,207
$ 9,209,964	$ 9,998,743	$ 9,421,421	$ 8,355,100	$ 8,379,046	$ 9,279,715
181.42%	178.03%	274.76%	262.76%	238.06%	256.06%
77.31%	75.30%	66.80%	72.10%	74.70%	69.30%

UPPER VALLEY CAREER CENTER
MIAMI COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2023	2022	2021	2020
Contractually required contribution	$ 459,614	$ 431,947	$ 403,565	$ 408,709
Contributions in relation to the contractually required contribution	(459,614)	(431,947)	(403,565)	(408,709)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Career Center covered payroll	$ 3,282,957	$ 3,085,336	$ 2,882,607	$ 2,919,350
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019		2018		2017		2016		2015		2014	
$	413,938	$	381,502	$	374,551	$	355,279	$	326,948	$	334,567
	(413,938)		(381,502)		(374,551)		(355,279)		(326,948)		(334,567)
$	-	$	-	$	-	$	-	$	-	$	-
$	3,066,207	$	2,825,941	$	2,675,364	$	2,537,707	$	2,480,637	$	2,413,903
	13.50%		13.50%		14.00%		14.00%		13.18%		13.86%

UPPER VALLEY CAREER CENTER
MIAMI COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2023	2022	2021	2020
Contractually required contribution	$ 1,498,009	$ 1,424,989	$ 1,359,381	$ 1,283,915
Contributions in relation to the contractually required contribution	(1,498,009)	(1,424,989)	(1,359,381)	(1,283,915)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Career Center covered payroll	$ 10,700,064	$ 10,178,493	$ 9,709,864	$ 9,170,821
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019	2018	2017	2016	2015	2014
$ 1,393,891	$ 1,289,395	$ 1,399,824	$ 1,318,999	$ 1,169,714	$ 1,089,276
(1,393,891)	(1,289,395)	(1,399,824)	(1,318,999)	(1,169,714)	(1,089,276)
$ -	$ -	$ -	$ -	$ -	$ -
$ 9,956,364	$ 9,209,964	$ 9,998,743	$ 9,421,421	$ 8,355,100	$ 8,379,046
14.00%	14.00%	14.00%	14.00%	14.00%	13.00%

UPPER VALLEY CAREER CENTER
MIAMI COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SEVEN FISCAL YEARS

	2023	2022	2021	2020
Career Center's proportion of the net OPEB liability	0.07787280%	0.07754880%	0.07697450%	0.07918190%
Career Center's proportionate share net OPEB liability	$ 1,093,342	$ 1,467,675	$ 1,672,908	$ 1,991,258
Career Center covered payroll	$ 3,085,336	$ 2,882,607	$ 2,919,350	$ 3,066,207
Career Center's proportionate share of net OPEB liability as a percentage of its covered payroll	35.44%	50.91%	57.30%	64.94%
Plan fiduciary net position as a percentage of the total OPEB liability	30.34%	24.08%	18.17%	15.57%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019		2018		2017	
	0.08110890%		0.07657060%		0.07723781%
$	2,250,180	$	2,054,953	$	2,201,563
$	2,825,941	$	2,675,364	$	2,537,707
	79.63%		76.81%		86.75%
	13.57%		12.46%		11.49%

UPPER VALLEY CAREER CENTER
MIAMI COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SEVEN FISCAL YEARS

	2023	2022	2021	2020
Career Center's proportion of the net OPEB liability/asset	0.078012330%	0.078209305%	0.07551062%	0.07512502%
Career Center's proportionate share net OPEB liability/(asset)	$ (2,019,998)	$ (1,648,979)	$ (1,327,099)	$ (1,244,250)
Career Center covered payroll	$ 10,178,493	$ 9,709,864	$ 9,170,821	$ 9,956,364
Career Center's proportionate share of net OPEB liability/asset as a percentage of its covered payroll	19.85%	16.98%	14.47%	12.50%
Plan fiduciary net position as a percentage of the total OPEB liability	230.73%	174.73%	182.10%	174.70%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

	2019	2018	2017
	0.07599164%	0.07493250%	0.07733354%
	$ (1,221,108)	$ 2,923,590	$ 4,135,818
	$ 9,209,964	$ 9,998,743	$ 9,421,421
	13.26%	29.24%	43.90%
	176.00%	47.10%	37.30%

UPPER VALLEY CAREER CENTER
MIAMI COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SEVEN FISCAL YEARS

	2023	2022	2021	2020
Contractually required contribution	$ 21,482	$ 17,770	$ 11,192	$ 5,715
Contributions in relation to the contractually required contribution	(21,482)	(17,770)	(11,192)	(5,715)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Career Center covered payroll	$ 3,282,957	$ 3,085,336	$ 2,882,607	$ 2,919,350
Contributions as a percentage of covered payroll	0.65%	0.58%	0.39%	0.20%

Note: Information prior to 2016 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019		2018		2017	
$	23,136	$	27,823	$	15,696
	(23,136)		(27,823)		(16,810)
$	-	$	-		
$	3,066,207	$	2,825,941	$	2,537,707
	0.75%		0.98%		0.66%

UPPER VALLEY CAREER CENTER
MIAMI COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SEVEN FISCAL YEARS

	2022	2022	2021	2020
Contractually required contribution	$ -	$ -	$ -	$ -
Contributions in relation to the contractually required contribution	-	-	-	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Career Center covered payroll	$ 10,700,064	$ 10,178,493	$ 9,709,864	$ 9,170,821
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

Note: Information prior to 2016 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019		2018		2017	
$	-	$	-	$	-
	-		-		-
$	-	$	-	$	-
$	9,956,364	$	9,209,964	$	9,421,421
	0.00%		0.00%		0.00%

PENSION

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for fiscal year 2014.
- There were no changes in benefit terms from the amounts reported for fiscal year 2015.
- There were no changes in benefit terms from the amounts reported for fiscal year 2016.
- There were no changes in benefit terms from the amounts reported for fiscal year 2017.
- For fiscal year 2018, SERS changed from a fixed 3% annual increase to a Cost of Living Adjustment (COLA) based on the changes in the Consumer Price Index (CPI-W), with a cap of 2.5% and a floor of 0%.
- For 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 receipients commencing benefits on or after April 1, 2018
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2020.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2021.
- For fiscal year 2022, SERS changed from a Cost of Living Adjustment (COLA) of 2.5% to 2.0%.
- There were no changes in benefit terms from the amounts reported for fiscal year 2023.

Changes in assumptions :

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2014.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2015.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2016.
- For fiscal year 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females, (f) mortality among service retired members and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates and 110% of female rates, (g) mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement and (h) the discount rate was reduced from 7.75% to 7.50%.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2018.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2019.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2020.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2021.
- For fiscal year 2022, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) wage inflation decreased from 3.00% to 2.40%, (b) future salary increases changed from 3.50%-18.20% to 3.25%-13.58%, (c) investment rate of return decreased from 7.50% to 7.00%, (d) discount rate decreased from 7.50% to 7.00% and (e) mortality tables changed from the RP-2014 Blue Collar mortality table to the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table.

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2023.

(Continued)

PENSION (CONTINUED)

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms :
- There were no changes in benefit terms from the amounts reported for fiscal year 2014.
- There were no changes in benefit terms from the amounts reported for fiscal year 2015.
- There were no changes in benefit terms from the amounts reported for fiscal year 2016.
- There were no changes in benefit terms from the amounts reported for fiscal year 2017.
- For fiscal year 2018, STRS decreased the Cost of Living Adjustment (COLA) to zero.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2019
- There were no changes in benefit terms from amounts previously reported for fiscal year 2020
- There were no changes in benefit terms from amounts previously reported for fiscal year 2021
- There were no changes in benefit terms from amounts previously reported for fiscal year 2022
- There were no changes in benefit terms from amounts previously reported for fiscal year 2023

Changes in assumptions :
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2014.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2015.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2016.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017.
- For fiscal year 2018, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.75% to 7.45%, (b) the inflation assumption was lowered from 2.75% to 2.50%, (c) the payroll growth assumption was lowered to 3.00%, (d) total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation, (e) the healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016 and (f) rates of retirement, termination and disability were modified to better reflect anticipated future experience.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2019
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2020
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2021
- For fiscal year 2022, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.45% to 7.00% and (b) the discount rate of return was reduced from 7.45% to 7.00%.
- For fiscal year 2023, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the projected salary increases went from 12.50% at age 20 to 2.50% at age 65 to varies by service from 2.50% to 8.50%

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms :
- There were no changes in benefit terms from the amounts reported for fiscal year 2017.
- There were no changes in benefit terms from the amounts reported for fiscal year 2018.
- There were no changes in benefit terms from the amounts reported for fiscal year 2019.
- There were no changes in benefit terms from the amounts reported for fiscal year 2020.
- There were no changes in benefit terms from the amounts reported for fiscal year 2021.
- There were no changes in benefit terms from the amounts reported for fiscal year 2022.
- There were no changes in benefit terms from the amounts reported for fiscal year 2023.

(Continued)

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO (CONTINUED)

Changes in assumptions :

- For fiscal year 2017, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement, and disability were updated to reflect recent experience, (e) mortality among active members was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females, (f) mortality among service retired members and beneficiaries was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, (g) mortality among disabled members was updated to the following: RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

- For fiscal year 2018, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement, and disability were updated to reflect recent experience, (e) mortality among active members was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females, (f) mortality among service retired members and beneficiaries was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, (g) mortality among disabled members was updated to the following: RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement, (h) th municipal bond index rate increased from 2.92% to 3.56% and (i) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 2.98% to 3.63%.
- For fiscal year 2019, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate increased from 3.63% to 3.70%, (b) the health care cost trend rates for Medicare were changed from a range of 5.50%-5.00% to a range of 5.375%-4.75% and Pre-Medicare were changed from a range of 7.50%-5.00% to a range of 7.25%-4.75%, (c) the municipal bond index rate increased from 3.56% to 3.62% and (d) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 3.63% to 3.70%.
- For fiscal year 2020, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate decreased from 3.70% to 3.22%, (b) the health care cost trend rates for Medicare were changed from a range of 5.375%-4.75% to a range of 5.25%-4.75% and Pre-Medicare were changed from a range of 7.25%-4.75% to a range of 7.00%-4.75%, (c) the municipal bond index rate decreased from 3.62% to 3.13% and (d) the single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.70% to 3.22%.
- For fiscal year 2021, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate decreased from 3.22% to 2.63% and (b) the municipal bond index rate decreased from 3.13% to 2.45%, and (c) the single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.22% to 2.63%.
- For fiscal year 2022, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) wage inflation decreased from 3.00% to 2.40%, (b) future salary increases changed from 3.50%-18.20% to 3.25%-13.58%, (c) investment rate of return decreased from 7.50% to 7.00%, (d) discount rate decreased from 7.50% to 7.00% and (e) mortality tables changed from the RP-2014 Blue Collar mortality table to the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table.

- For fiscal year 2023, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) municipal bond index rate went from 1.92% to 3.69%, (b) single equivalent interest rate when from 2.27% to 4.08% and (c) medical trend assumptions went from 5.125% to 4.40% Medicare and 6.75% to 4.40% Pre-Medicare to 7.00% to 4.40%.

(Continued)

OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms:

- There were no changes in benefit terms from the amounts previously reported for fiscal year 2017.
- For fiscal year 2018, STRS reduced the subsidy multiplier for non-Medicare benefit recipients from 2.1% to 1.9% per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019.
- For fiscal year 2019, STRS increased the subsidy multiplier for non-Medicare benefit recipients from 1.9% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.
- For fiscal year 2020, STRS increased the subsidy percentage from 1.944% to 1.984% effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.
- For fiscal year 2021, the non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984% to 2.055% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.
- For fiscal year 2022, the non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055% to 2.100%. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D subsidy was updated to reflect it is expected to be negative in CY2022. The Part B monthly reimbursement elimination date was postponed indefinitely
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2023.

Changes in assumptions:

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

(Continued)

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO (CONTINUED)

Changes in assumptions (continued) :

- For fiscal year 2021, health care cost trend rates were changed to the following: medical pre-Medicare from 5.87% initial - 4.00% ultimate down to 5.00% initial - 4.00% ultimate; medical Medicare from 4.93% initial - 4.00% ultimate down to -6.69% initial - 4.00% ultimate; prescription drug pre-Medicare from 7.73% initial - 4.00% ultimate down to 6.50% initial - 4.00% ultimate; prescription drug Medicare from 9.62% initial - 4.00% ultimate up to 11.87% initial - 4.00% ultimate.
- For fiscal year 2022, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.45% to 7.00%, (b) the discount rate of return was reduced from 7.45% to 7.00% and (c) health care cost trend rates were changed to the following: medical Medicare from -6.69% initial - 4.00% ultimate down to -16.18% initial - 4.00% ultimate; prescription drug Medicare from 11.87% initial - 4.00% ultimate up to 29.98% initial - 4.00% ultimate.

- For fiscal year 2023, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) projected salary increase went from 12.50% at age 20 to 2.50% at age 65 to varies by services from 2.50% to 8.50% and (b) health care cost trend rates were changed to the following: Pre-Medicare from 5.00% initial - 4.00% ultimate to 7.50% initial - 3.94% ultimate; medical Medicare from -16.18% initial - 4.00% ultimate to -68.78% initial - 3.94% ultimate; prescription drug Pre-Medicare from 6.50% initial - 4.00% ultimate to 9.00% initial - 3.94% ultimate; Medicare from 29.98% initial - 4.00% ultimate to -5.47% initial - 3.94% ultimate.

UPPER VALLEY CAREER CENTER
MIAMI COUNTY, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Federal Agency/ Pass Through Agency/ Program Title	Assistance Listing Number	Pass Though Entity Identifying Number	Disbursements	Non-Cash Disbursements
U.S. Department of Agriculture:				
Passed through Ohio Department of Education:				
Nutrition Cluster:				
School Breakfast Program	10.553	N/A	$ 32,088	$ -
National School Lunch Program	10.555	N/A	294,513	-
National School Lunch Program - Food Distribution	10.555	N/A	-	38,922
			294,513	38,922
Total Nutrition Cluster			326,601	38,922
COVID-19: P-EBT Administrative Costs Grants	10.649	N/A	628	-
Total US Department of Agriculture			327,229	38,922
U.S. Treasury Department:				
Passed through State of Ohio Office of Budget and Management:				
COVID-19: Coronavirus Relief Fund	21.027	N/A	45,400	-
Total U.S. Treasury Department			45,400	-
U.S. Department of Education:				
Direct Award				
Student Financial Assistance Cluster:				
Federal Pell Grant Program	84.063	(1)	306,651	
Federal Direct Student Loans	84.268	(1)	441,880	-
Total Student Financial Assistance Cluster			748,531	-
Passed through Ohio Department of Education:				
Adult Education - Basic Grants to States	84.002A	N/A	278,702	-
Career and Technical Education - Basic Grants to States	84.048A	N/A	433,993	-
COVID-19: Education Stabilization Fund				
Governors' Emergency Education Relief (GEER) Fund	84.425C	N/A	209,819	-
Elementary and Secondary School Emergency Relief (ESSER) ARP	84.425U	N/A	96,998	-
Total Education Stablization Fund			306,817	-
Total U.S. Department of Education			1,768,043	-
Total Expenditures of Federal Awards			$ 2,140,672	$ 38,922

(1) - Direct Award

See accompanying notes to the Schedule of Expenditures of Federal Awards.

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Upper Valley Career Center (the Career Center) under programs of the federal government for the fiscal year ended June 30, 2023. 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 2 – 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.

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

NOTE 3 – 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 4 – FOOD DONATION PROGRAM

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

NOTE 5 – MATCHING REQUIREMENTS

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

NOTE 6 – FEDERAL DIRECT STUDENT LOANS

The Career Center originates but does not provide funding under the Federal Direct Student Loan Program. The amount presented represents the value of new direct student loans awarded by the Department of Education during the year.

CLARK SCHAEFER HACKETT
BUSINESS ADVISORS

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Education
Upper Valley Career Center
8811 Career Drive
Piqua, Ohio 45356

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Upper Valley Career Center (the "Career Center"), as of and for the year ended June 30, 2023, 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 27, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Career Center's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Career Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Career Center's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. 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 deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Career Center's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Career Center's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Career Center's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
December 27, 2023

CLARK SCHAEFER HACKETT
BUSINESS ADVISORS

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P. 937.399.2000 | F. 937.399.5433

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Education
Upper Valley Career Center
8811 Career Drive
Piqua, Ohio 45356

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Upper Valley Career Center's (the "Career Center") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Career Center's major federal programs for the year ended June 30, 2023. The Career Center's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Career Center complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Career Center and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Career Center's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Career Center's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Career Center's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Career Center's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Career Center's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Career Center's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Career Center's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
December 27, 2023

Section I – Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified not considered to be material weakness(es)?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major program:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified not considered to be material weakness(es)?	None reported
Type of auditors' report issued on compliance for major federal program:	Unmodified
Any audit findings that are required to be reported in accordance with 2 CFR 200.516(a)?	No

Identification of major programs:

ALN 84.048A – Career and Technical Education Basic Grants to States

COVID-19: Education Stabilization Fund:
ALN 84.425C – Governor Emergency Education Relief (GEER)Fund
ALN 84.425U – Elementary and Secondary School Emergency Relief (ESSER) ARP

Dollar threshold to distinguish between Type A and Type B programs:	$750,000
Auditee qualified as low-risk auditee?	Yes

Section II – Financial Statement Findings

None noted

Section III – Federal Awards Findings and Questioned Costs

None noted

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OHIO AUDITOR OF STATE
KEITH FABER

UPPER VALLEY CAREER CENTER

MIAMI 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 2/8/2024

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