



OHIO AUDITOR OF STATE
KEITH FABER



**WARREN COUNTY CAREER CENTER
WARREN COUNTY
FOR THE YEAR ENDED JUNE 30, 2023**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Prepared by Management:	
Management's Discussion and Analysis	5
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	14
Statement of Activities.....	15
Fund Financial Statements:	
Balance Sheet	
Governmental Funds	16
Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities	17
Statement of Revenues, Expenditures and Changes in Fund Balance Governmental Funds.....	18
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities.....	19
Notes to the Basic Financial Statements.....	20
Required Supplementary Information:	
Schedule of the Career Center's Proportionate Share of the Net Pension Liability (School Employees Retirement System of Ohio).....	57
Schedule of the Career Center's Contributions for Net Pension Liability (School Employees Retirement System of Ohio).....	58
Schedule of the Career Center's Proportionate Share of the Net Pension Liability (State Teachers Retirement System of Ohio).....	59
Schedule of the Career Center's Contributions for Net Pension Liability (State Teachers Retirement System of Ohio)	60
Schedule of the Career Center's Proportionate Share of the Net OPEB Liability (School Employees Retirement System of Ohio).....	61
Schedule of the Career Center's Contributions for Net OPEB Liability (School Employees Retirement System of Ohio).....	62
Schedule of the Career Center's Proportionate Share of the Net OPEB (Asset)/Liability (State Teachers Retirement System of Ohio).....	63

**WARREN COUNTY CAREER CENTER
WARREN COUNTY
FOR THE YEAR ENDED JUNE 30, 2023**

**TABLE OF CONTENTS
(Continued)**

TITLE	PAGE
Schedule of the Career Center’s Contributions for Net OPEB (Asset)/Liability (State Teachers Retirement System of Ohio)	64
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) General Fund.....	65
Notes to the Required Supplementary Information	66
Schedule of Expenditures of Federal Awards	75
Notes to the Schedule of Expenditures of Federal Awards	76
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	77
Independent Auditor’s Report on Compliance with Requirements Applicable to the Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance	79
Schedule of Findings.....	83



INDEPENDENT AUDITOR'S REPORT

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

To the Board of Education:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Warren County Career Center, Warren County, Ohio (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, each major fund, and the aggregate remaining fund information of the Warren County Career Center, Warren County, Ohio as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with the 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. Our responsibilities under those standards are further described in the *Auditor's 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.

Auditor's 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 auditor's 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, required budgetary comparison schedule*, and schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit contributions 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 auditing standards generally accepted in the United States of America, 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 (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purposes of additional analysis and are 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 auditing standards generally accepted in the United States of America. 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 18, 2023, on our consideration of the Career Center's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. 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.



Keith Faber
Auditor of State
Columbus, Ohio
December 18, 2023

This page intentionally left blank.

Warren County Career Center, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
(Unaudited)

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

Financial Highlights

Key financial highlights for 2023 are as follows:

- Net position of governmental activities increased \$881,304 which represents a 8% increase from 2022.
- General revenues accounted for \$23,253,978 in revenue or 83% of all revenues. Program specific revenues in the form of charges for services and sales, operating grants and contributions accounted for \$4,712,924 or 17% of total revenues of \$27,966,902.
- The Center had \$27,085,598 in expenses related to governmental activities; \$4,712,924 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$23,253,978 were also used to provide for these programs.

Overview of the Financial Statements

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

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

Government-wide Financial Statements

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

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

Warren County Career Center, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
(Unaudited)

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

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

Fund Financial Statements

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

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

The Center as a Whole

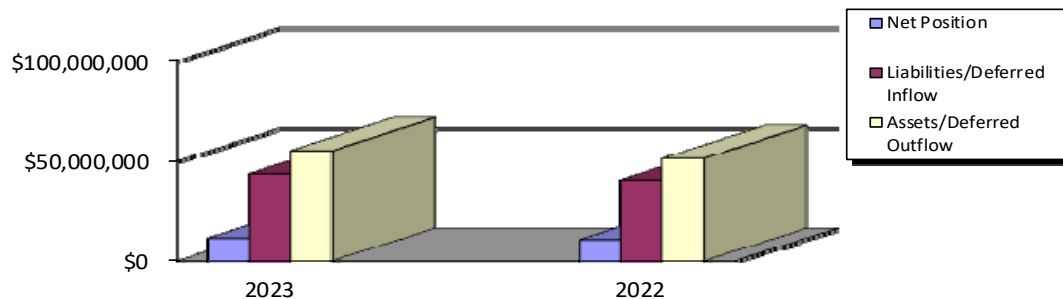
As stated previously, the Statement of Net Position looks at the Center as a whole. Table 1 provides a summary of the Center's net position for fiscal year 2023 compared to fiscal year 2022:

This Space Intentionally Left Blank

Warren County Career Center, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
(Unaudited)

Table 1
Net Position

	Governmental Activities	
	2023	2022
Assets:		
Current and Other Assets	\$26,291,189	\$28,442,348
Net OPEB Asset	1,986,385	1,647,559
Capital Assets	20,785,028	17,456,976
Total Assets	49,062,602	47,546,883
Deferred Outflows of Resources:		
OPEB	550,092	691,112
Pension	5,543,836	6,022,445
Total Deferred Outflows of Resources	6,093,928	6,713,557
Liabilities:		
Other Liabilities	1,573,887	1,271,112
Long-Term Liabilities	27,303,592	19,929,899
Total Liabilities	28,877,479	21,201,011
Deferred Inflows of Resources:		
Property Taxes	9,842,188	9,462,574
Grants and Other Taxes	99,059	72,892
OPEB	2,764,774	2,637,135
Pension	1,988,867	10,183,969
Total Deferred Inflows of Resources	14,694,888	22,356,570
Net Position:		
Net Investment in Capital Assets	16,464,250	12,606,897
Restricted	3,380,755	1,557,459
Unrestricted	(8,260,842)	(3,461,497)
Total Net Position	\$11,584,163	\$10,702,859



Warren County Career Center, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
(Unaudited)

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2023, the Center's assets and deferred outflows exceeded liabilities and deferred inflows of resources by \$11,584,163.

At year-end, capital assets represented 42% of total assets. Capital assets include land, construction in progress, land improvements, buildings and improvements, vehicles and equipment. Capital assets, net of related debt to acquire the assets at June 30, 2023, were \$16,464,250. These capital assets are used to provide services to the students and are not available for future spending. Although the Center's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the Center's net position, \$3,380,755 represents resources that are subject to external restriction on how they must be used. The external restriction will not affect the availability of fund resources for future use.

Total Assets increased slightly from fiscal year 2022 mainly due to an increase in capital assets during fiscal year 2023. Capital Assets increased from fiscal year 2022 mainly due to current year depreciation and disposals being less than current year additions. Total Liabilities increased mainly due to a increase in the Net Pension Liability.

Table 2 shows the changes in net position for fiscal years 2023 and 2022.

This Space Intentionally Left Blank

Warren County Career Center, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
(Unaudited)

Table 2
Changes in Net Position

	Governmental Activities	
	2023	2022
Revenues:		
Program Revenues		
Charges for Services	\$2,135,457	\$1,797,929
Operating Grants, Contributions	2,577,467	2,806,124
General Revenues:		
Property Taxes	12,267,868	12,213,530
Grants and Entitlements	10,566,899	10,264,673
Other	419,211	(58,638)
Total Revenues	<u>27,966,902</u>	<u>27,023,618</u>
Program Expenses:		
Instruction	15,963,895	14,765,725
Support Services:		
Pupil and Instructional Staff	2,794,633	2,631,553
School Administrative, General		
Administration, Fiscal and Business	3,327,344	3,051,833
Operations and Maintenance	2,393,011	2,133,517
Pupil Transportation	315,478	215,644
Central	1,715,182	1,525,489
Operation of Non-Instructional Services	344,261	360,998
Extracurricular Activities	116,556	120,728
Interest and Fiscal Charges	115,238	128,691
Total Program Expenses	<u>27,085,598</u>	<u>24,934,178</u>
Change in Net Position	881,304	2,089,440
Net Position - Beginning of Year	<u>10,702,859</u>	<u>8,613,419</u>
Net Position - End of Year	<u>\$11,584,163</u>	<u>\$10,702,859</u>

The Center's revenues are mainly from two sources. Property taxes levied for general purposes and grants and entitlements comprised 82% of the Center's revenues for governmental activities.

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

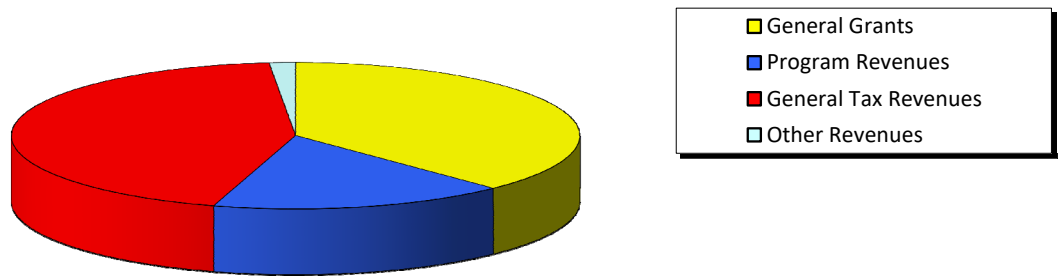
Thus Ohio Schools do not receive additional property tax revenue from an increase in appraisal values and must regularly return to the voters to maintain a constant level of service.

Property taxes made up 44% of revenues for governmental activities for the Center in fiscal year 2023. The Center's reliance upon tax revenues is demonstrated by the following graph:

Warren County Career Center, Ohio
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
(Unaudited)

Governmental Activities
Revenue Sources

	<u>2023</u>	<u>Percentage</u>
General Grants	\$10,566,899	38%
Program Revenues	4,712,924	17%
General Tax Revenues	12,267,868	44%
Other Revenues	<u>419,211</u>	<u>1%</u>
Total Revenue Sources	<u>\$27,966,902</u>	<u>100.0%</u>



Instruction comprises 59% of governmental program expenses. Support services expenses were 39% of governmental program expenses. All other expenses were 2%.

Overall the financial position of the Center improved by \$881,304 from 2022 to 2023. Property tax revenue increased slightly from prior year due to an increase in tax advances available from the county auditor. Grants and Entitlements increased slightly in fiscal year 2023 as compared to fiscal year 2022 because the Center received more grant monies in 2023 compared to 2022. Total expenses increased primarily due to changes related to net pension liability and other post-employment benefits liability.

Governmental Activities

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

This Space Intentionally Left Blank

Warren County Career Center, Ohio
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
(Unaudited)

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2023	2022	2023	2022
Instruction	\$15,963,895	\$14,765,725	(\$13,339,671)	(\$12,113,607)
Support Services:				
Pupil and Instructional Staff	2,794,633	2,631,553	(2,095,829)	(2,170,242)
School Administrative, General				
Administration, Fiscal and Business	3,327,344	3,051,833	(2,850,729)	(2,538,431)
Operations and Maintenance	2,393,011	2,133,517	(2,360,807)	(2,133,517)
Pupil Transportation	315,478	215,644	(315,042)	(215,394)
Central	1,715,182	1,525,489	(1,135,942)	(1,032,783)
Operation of Non-Instructional Services	344,261	360,998	(91,024)	75,946
Extracurricular Activities	116,556	120,728	(68,392)	(73,406)
Interest and Fiscal Charges	115,238	128,691	(115,238)	(128,691)
Total Expenses	<u>\$27,085,598</u>	<u>\$24,934,178</u>	<u>(\$22,372,674)</u>	<u>(\$20,330,125)</u>

The Center’s Funds

The Center has two major governmental funds: the General Fund and the Permanent Improvement Fund. Assets of the major funds comprised \$25,052,341 (92%) of the total \$27,184,962 governmental fund assets.

General Fund: Fund balance at June 30, 2023 was \$11,548,206, a decrease in fund balance of \$768,263 from 2022. The fund balance decreased mostly due to an increase in interfund transfers out from 2022 to 2023.

Permanent Improvement Fund: Fund balance at June 30, 2023 was \$1,816,211, an decrease in fund balance of \$1,669,332 from 2022. The fund balance decreased mostly due to an increase in Capital Outlay from 2022 to 2023.

General Fund Budgeting Highlights

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

During the course of fiscal year 2023, the Center amended its General fund budgets; however none were significant. The Center uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management. During the course of the year, the Center revised the Budgets in an attempt to deal with unexpected changes in revenues and expenditures.

For the General Fund, final budget basis revenue was \$23,431,785 compared to original budget estimates of \$23,645,702

The Center’s ending unobligated cash balance for the General Fund was \$9,922,220.

Warren County Career Center, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
(Unaudited)

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2023, the Center had \$20,785,028 invested in land, construction in progress, land improvements, vehicles, buildings and improvements, equipment, and leased assets. Table 4 shows fiscal year 2023 balances compared to fiscal year 2022:

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

	Governmental Activities	
	2023	2022
Land	\$456,000	\$456,000
Land Improvements	656,381	726,933
Buildings and Improvements	11,344,731	12,300,661
Equipment	590,696	886,721
Construction in Progress	4,856,524	0
Vehicles	201,150	109,388
Leased Assets	2,679,546	2,977,273
Total Net Capital Assets	<u>\$20,785,028</u>	<u>\$17,456,976</u>

The increase in capital assets is due to current year depreciation expense being less than additions.

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

Debt

At June 30, 2023, the Center had \$1,560,778 in general obligation bonds outstanding, \$194,730 due within one year. Table 5 summarizes debt outstanding:

Table 5
Outstanding Debt, at Year End

	Governmental Activities	
	2023	2022
General Obligation Bonds:		
2021 Ohio Development Services Energy Loan	\$960,778	\$1,075,079
2020 General Obligation Bonds	375,000	425,000
2020 School Energy Conservation Bonds	225,000	255,000
2011 Energy Conservation Notes	0	75,000
Subtotal Bonds	<u>1,560,778</u>	<u>1,830,079</u>
Total Long-Term Obligations	<u>\$1,560,778</u>	<u>\$1,830,079</u>

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

Warren County Career Center, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
(Unaudited)

Contacting the Center's Financial Management

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

This Space Intentionally Left Blank

Warren County Career Center, Warren County, Ohio
Statement of Net Position
June 30, 2023

	Governmental Activities
Assets:	
Equity in Pooled Cash and Investments	\$13,991,058
Restricted Cash and Investments	35,301
Receivables (Net):	
Taxes	11,980,124
Accounts	92,293
Intergovernmental	160,778
Prepays	10,346
Inventory	21,289
Nondepreciable Capital Assets	5,312,524
Depreciable Capital Assets, Net	15,472,504
Net OPEB Asset	<u>1,986,385</u>
 Total Assets	 <u>49,062,602</u>
Deferred Outflows of Resources:	
Pension	5,543,836
OPEB	<u>550,092</u>
 Total Deferred Outflows of Resources	 <u>6,093,928</u>
Liabilities:	
Accounts Payable	63,040
Accrued Wages and Benefits	1,245,261
Contracts Payable	228,709
Retainage Payable	35,301
Accrued Interest Payable	1,576
Long-Term Liabilities:	
Due Within One Year	648,745
Due In More Than One Year	
Net Pension Liability	21,141,399
Net OPEB Liability	999,940
Other Amounts	<u>4,513,508</u>
 Total Liabilities	 <u>28,877,479</u>
Deferred Inflows of Resources:	
Property Taxes	9,842,188
Grants and Other Taxes	99,059
OPEB	2,764,774
Pension	<u>1,988,867</u>
 Total Deferred Inflows of Resources	 <u>14,694,888</u>
Net Position:	
Net Investment in Capital Assets	16,464,250
Restricted for:	
Local / State Grants	1,394
Federal Grants	221
Capital Improvements	1,259,662
Food Service	55,916
Net OPEB Asset	1,986,385
Other Purposes	77,177
Unrestricted	<u>(8,260,842)</u>
 Total Net Position	 <u>\$11,584,163</u>

See accompanying notes to the basic financial statements.

Warren County Career Center, Warren County, Ohio
Statement of Activities
For the Fiscal Year Ended June 30, 2023

	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities:				
Instruction:				
Regular	\$22,377	\$0	\$0	(\$22,377)
Special	196,252	0	0	(196,252)
Vocational	12,921,582	310,691	343,361	(12,267,530)
Adult/Continuing	2,207,128	742,009	1,192,584	(272,535)
Other	616,556	19,564	16,015	(580,977)
Support Services:				
Pupil	1,497,966	114,362	77,793	(1,305,811)
Instructional Staff	1,296,667	41,066	465,583	(790,018)
General Administration	70,898	0	0	(70,898)
School Administration	2,434,663	339,029	107,690	(1,987,944)
Fiscal	771,623	0	0	(771,623)
Business	50,160	22,689	7,207	(20,264)
Operations and Maintenance	2,393,011	0	32,204	(2,360,807)
Pupil Transportation	315,478	0	436	(315,042)
Central	1,715,182	363,967	215,273	(1,135,942)
Operation of Non-Instructional Services	344,261	133,916	119,321	(91,024)
Extracurricular Activities	116,556	48,164	0	(68,392)
Interest and Fiscal Charges	115,238	0	0	(115,238)
Totals	\$27,085,598	\$2,135,457	\$2,577,467	(22,372,674)

General Revenues:

Property Taxes Levied for:

General Purposes	12,267,868
Grants and Entitlements, Not Restricted	10,566,899
Revenue in Lieu of Taxes	99,059
Unrestricted Contributions	22,125
Investment Earnings	139,946
Other Revenues	158,081

Total General Revenues 23,253,978

Change in Net Position 881,304

Net Position - Beginning of Year 10,702,859

Net Position - End of Year \$11,584,163

See accompanying notes to the basic financial statements.

Warren County Career Center, Warren County, Ohio

Balance Sheet

Governmental Funds

June 30, 2023

	General	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Assets:				
Equity in Pooled Cash and Investments	\$9,949,984	\$1,991,802	\$2,049,272	\$13,991,058
Restricted Cash and Investments	0	35,301	0	35,301
Receivables (Net):				
Taxes	11,980,124	0	0	11,980,124
Accounts	92,293	0	0	92,293
Intergovernmental	99,059	0	61,719	160,778
Interfund	880,615	13,158	0	893,773
Prepays	10,005	0	341	10,346
Inventory	0	0	21,289	21,289
Total Assets	23,012,080	2,040,261	2,132,621	27,184,962
Liabilities:				
Accounts Payable	7,555	1,852	53,633	63,040
Accrued Wages and Benefits	1,204,104	0	41,157	1,245,261
Contracts Payable	0	186,897	41,812	228,709
Retainage Payable	0	35,301	0	35,301
Interfund Payable	0	0	893,773	893,773
Total Liabilities	1,211,659	224,050	1,030,375	2,466,084
Deferred Inflows of Resources:				
Property Taxes	10,070,187	0	0	10,070,187
Grants and Other Taxes	99,059	0	58,751	157,810
Accounts	82,969	0	0	82,969
Total Deferred Inflows of Resources	10,252,215	0	58,751	10,310,966
Fund Balances:				
Nonspendable	10,005	0	341	10,346
Restricted	0	0	1,394,149	1,394,149
Assigned	471,790	1,816,211	14,953	2,302,954
Unassigned	11,066,411	0	(365,948)	10,700,463
Total Fund Balances	11,548,206	1,816,211	1,043,495	14,407,912
Total Liabilities, Deferred Inflows and Fund Balances	\$23,012,080	\$2,040,261	\$2,132,621	\$27,184,962

See accompanying notes to the basic financial statements.

Warren County Career Center, Warren County, Ohio
 Reconciliation of Total Governmental Fund Balance to
 Net Position of Governmental Activities
 June 30, 2023

Total Governmental Fund Balance		\$14,407,912
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets used in the operation of Governmental Funds		20,785,028
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		
Delinquent Property Taxes	\$227,999	
Intergovernmental	58,751	
Other Receivables	82,969	
		<u>369,719</u>
In the statement of net position interest payable is accrued when incurred; whereas, in the governmental funds interest is reported as a liability only when it will require the use of current financial resources.		
		(1,576)
Some liabilities reported in the statement of net position do not require the use of current financial resources and, therefore, are not reported as liabilities in governmental funds.		
Compensated Absences		(841,475)
Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions	5,543,836	
Deferred inflows of resources related to pensions	(1,988,867)	
Deferred outflows of resources related to OPEB	550,092	
Deferred inflows of resources related to OPEB	(2,764,774)	
		<u>1,340,287</u>
Long-term liabilities and net OPEB assets are not available to pay for current period expenditures and are not due and payable in the current period and, therefore, are not reported in the funds.		
Net OPEB Asset	1,986,385	
Net Pension Liability	(21,141,399)	
Net OPEB Liability	(999,940)	
Other Amounts	(4,320,778)	
		<u>(24,475,732)</u>
Net Position of Governmental Activities		<u>\$11,584,163</u>

See accompanying notes to the basic financial statements.

Warren County Career Center, Warren County, Ohio
Statement of Revenues, Expenditures
and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended June 30, 2023

	General	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Revenues:				
Property and Other Taxes	\$12,115,038	\$0	\$0	\$12,115,038
Tuition and Fees	175,862	0	1,622,067	1,797,929
Investment Earnings	108,446	31,492	8	139,946
Intergovernmental	10,566,899	0	2,611,963	13,178,862
Extracurricular Activities	0	0	31,897	31,897
Charges for Services	139,451	0	150,075	289,526
Revenue in Lieu of Taxes	99,059	0	0	99,059
Other Revenues	79,781	0	16,641	96,422
Total Revenues	23,284,536	31,492	4,432,651	27,748,679
Expenditures:				
Current:				
Instruction:				
Regular	20,524	0	0	20,524
Special	193,953	0	0	193,953
Vocational	11,223,792	18,801	411,733	11,654,326
Adult/Continuing	15,919	0	2,165,811	2,181,730
Other	538,310	0	42,627	580,937
Support Services:				
Pupil	1,187,547	0	289,959	1,477,506
Instructional Staff	1,096,127	0	173,205	1,269,332
General Administration	70,808	0	0	70,808
School Administration	1,840,289	0	500,051	2,340,340
Fiscal	761,506	0	0	761,506
Business	0	0	34,617	34,617
Operations and Maintenance	1,989,472	269,555	36,538	2,295,565
Pupil Transportation	294,146	0	437	294,583
Central	707,062	0	650,852	1,357,914
Operation of Non-Instructional Services	27,311	0	312,672	339,983
Extracurricular Activities	96,073	0	20,483	116,556
Capital Outlay	4,602	4,412,468	670,166	5,087,236
Debt Service:				
Principal Retirement	529,301	0	0	529,301
Interest and Fiscal Charges	115,743	0	0	115,743
Total Expenditures	20,712,485	4,700,824	5,309,151	30,722,460
Excess of Revenues Over (Under) Expenditures	2,572,051	(4,669,332)	(876,500)	(2,973,781)
Other Financing Sources (Uses):				
Proceeds from Sale of Assets	16,686	0	234	16,920
Transfers In	0	3,000,000	357,000	3,357,000
Transfers (Out)	(3,357,000)	0	0	(3,357,000)
Total Other Financing Sources (Uses)	(3,340,314)	3,000,000	357,234	16,920
Net Change in Fund Balance	(768,263)	(1,669,332)	(519,266)	(2,956,861)
Fund Balance - Beginning of Year	12,316,469	3,485,543	1,562,761	17,364,773
Fund Balance - End of Year	\$11,548,206	\$1,816,211	\$1,043,495	\$14,407,912

See accompanying notes to the basic financial statements.

Warren County Career Center, Warren County, Ohio
 Reconciliation of the Statement of Revenues, Expenditures, and Changes
 in Fund Balance of Governmental Funds to the Statement of Activities
 For the Fiscal Year Ended June 30, 2023

Net Change in Fund Balance - Total Governmental Funds (\$2,956,861)

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

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

Capital assets used in governmental activities	\$5,121,312	
Depreciation Expense	<u>(1,793,260)</u>	
		3,328,052

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

Pension contributions	1,959,132	
Cost of benefits earned net of employee contributions - Pensions	(2,599,931)	
OPEB contributions	10,580	
Cost of benefits earned net of employee contributions - OPEB	<u>399,830</u>	
		(230,389)

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

Delinquent Property Taxes	152,830	
Intergovernmental	(34,496)	
Other	<u>82,969</u>	
		201,303

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 529,301

In the statement of activities interest expense is accrued when incurred; whereas, in governmental funds an interest expenditure is reported when due. 505

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

Compensated Absences	<u>9,393</u>	
----------------------	--------------	--

Change in Net Position of Governmental Activities \$881,304

See accompanying notes to the basic financial statements.

Warren County Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

Note 1 - Description Of The Career Center And Reporting Entity

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

The Career Center employs 107 certified, 32 classified, 14 administrative, 10 full time Adult Education along with 127 Adjunct Adult Education instructors who serve approximately 42 preschool students, 5,401 secondary students and 5,421 adult students. A vocational school exposes high school and adult students to academic preparation and job training which leads to employment and/or further education upon graduation from high school.

Reporting Entity

A reporting entity is composed of the primary government, component units, and other organizations that are included to insure that the financial statements are not misleading. The primary government of the Career Center consists of all funds, departments, boards, and agencies that are not legally separate from the Career Center. For the Career Center, this includes general operations, food service, adult education, preschool and student related activities of the Career Center.

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

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

Jointly Governed Organizations:
Southwest Ohio Computer Association

This organization is discussed in Note 15.

Note 2 - Summary of Significant Accounting Policies

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

Warren County Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

Government-Wide and Fund Financial Statements

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

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

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

Measurement Focus, Basis Of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

Fund Accounting

The Career Center uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Career Center employs the use of governmental funds.

This Space Intentionally Left Blank

Warren County Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

Governmental Funds

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

The Career Center reports the following major governmental funds:

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

Permanent Improvement Fund – A fund provided to account for all transactions related to the acquiring, constructing, or improving of such permanent improvements

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

Cash and Cash Equivalents

To improve cash management, cash received by the Career Center is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the Career Center’s records. Each fund’s interest in the pool is presented as equity in pooled cash and investments on the statement of net position and fund balance sheets.

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

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during the current fiscal year amounted to \$108,446. Interest revenue credited to the Permanent Improvement amounted to \$31,492. Other governmental funds also received interest of \$8.

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

Inventory (Materials and Supplies)

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

Prepays

Payments made to vendors for services that will benefit periods beyond June 30, 2023 are recorded as

Warren County Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and expenditure/expense is reported in the year in which services are consumed.

Capital Assets

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

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

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

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

Leased Assets

A leased asset is a lessee's right to use an asset over the life of a lease. The asset is calculated as the initial amount of the lease liability, plus any lease payments made to the lessor before the lease commencement date, plus any initial direct costs incurred, minus any lease incentives received. The amortization period of the leased asset is from the lease commencement date to the earlier of the end of the lease term or the end of the useful life of the asset. At the termination of the lease, the leased asset and associated lease liability are removed from the books of the lessee. The difference between the two amounts is accounted for as a gain or loss at that time.

Interfund Assets/Liabilities

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

Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the Career Center will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the Career Center has identified as probable

Warren County Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year-end, taking into consideration any limits specified in the Career Center's termination policy. The Career Center records a liability for accumulated unused sick leave for all employees after twenty years of current service with the Career Center.

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

Accrued Liabilities and Long-Term Obligations

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

Interfund Activity

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

Fund Balance

The Career Center reports the following fund balance categories:

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

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

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

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

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

Warren County Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

Net Position

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

Deferred Outflows/Deferred Inflows of Resources

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

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the Career Center, deferred inflows of resources include pension, OPEB, accounts, grants and other taxes, and property taxes. Deferred inflows of resources related to pension and OPEB are reported on the government-wide statement of net position (see Notes 9 and 10). Delinquent property taxes and grants and entitlements received before the eligibility requirements are met are also recorded as deferred inflows of resources. On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred inflows of resources. On the statement of net position, property taxes for which there is an enforceable legal claim as of June 30, 2023, but which were levied to finance fiscal year 2024 operations, have been recorded as a deferred inflow. Grants and other taxes have been recorded as deferred inflows on the governmental fund financial statements.

Pensions/Other Postemployment Benefits (OPEB)

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

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The entitlement value of donated commodities received during the year is reported in the fund financial statements as an

Warren County Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

expenditure with a like amount reported as intergovernmental revenue.

Exchange/Non-Exchange Transactions

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

Non-Exchange Transactions

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

Estimates

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

Note 3 – Accountability

At June 30, 2023 the following fund had deficit fund balances:

<u>Fund</u>	<u>Deficit</u>
Other Governmental Funds:	
Perkins Grant	\$30,622
Preschool	1,210
Other Grants	850
ABLE	27,444
Other Federal Grants	3,665
Student Wellness	13,900
Building	287,920

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

Note 4 - Equity in Pooled Cash And Investments

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

Active monies are public monies determined to be necessary to meet current demands upon the Career Center treasury. Active monies must be maintained either as cash in the Career Center treasury, in

Warren County Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

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

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

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

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

Warren County Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

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

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

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the Career Center will not be able to recover deposits or collateral securities that are in the possession of an outside party. As of June 30, 2023, \$0 of the Career Center's bank balance of \$184,351 was exposed to custodial credit risk because it was uninsured and collateralized.

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

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

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

Investments

As of June 30, 2023, the Career Center had the following investments.

	<u>Fair Value</u>	<u>Fair Value Hierarchy</u>	<u>Weighted Average Maturity (Years)</u>
Federal Farm Credit Bank	\$1,106,838	Level 2	1.80
Federal Home Loan Mortgage Corporation	2,245,522	Level 2	1.84
Federal National Mortgage Association	386,468	Level 2	0.69
Federal Home Loan Bank	2,676,073	Level 2	2.31
Commercial Paper	1,157,877	Level 2	0.41
Treasury Notes	548,214	Level 2	0.55
Negotiable CDs	2,637,208	Level 2	0.25
STAROhio	3,111,160	N/A	0.11
Money Market Funds	90,936	N/A	0.00
Total Fair Value	<u>\$13,960,296</u>		
Portfolio Weighted Average Maturity			1.37

Warren County Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

The Career Center categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. All investments of the Center are valued using quoted market prices. STAROhio is reported at its share price (net asset value per share).

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

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

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

Concentration of Credit Risk – The Career Center places no limit on the amount it may invest in any one issuer. The Career Center’s investment in Federal Home Loan Mortgage Corporation Notes represents 16% of the total investments, the Certificate of Deposit represents 19% of the total investments, Federal Farm Credit Bank represents 8% of the total investments, Treasury Notes represents 4% of the total investments, Money Market Mutual Funds represents 1% of the total investments, the Federal National Mortgage Association represents 3% of total investments, Federal Home Loan Bank represents 19% of total investments, STAROhio represents 22% of the total investments and Commercial Paper represents 8% of total investments.

Note 5 - Property Taxes

Property taxes include amounts levied against real, public utility and tangible personal (business) property. The assessed value, by property classification, upon which taxes collected in 2023 were based, is as follows:

Warren County Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

	2022 Second Half Collections		2023 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/residential and other real estate	\$5,963,488,750	94.44%	\$6,088,709,780	94.53%
Public Utility	351,270,190	5.56%	352,507,290	5.47%
Total Assessed Value	<u>\$6,314,758,940</u>	<u>100.00%</u>	<u>\$6,441,217,070</u>	<u>100.00%</u>

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

2023 tangible personal property taxes are levied after April 1, 2022, on the value as of December 31, 2022. Collections are made in 2023. Tangible personal property assessments are six and one quarter

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

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

The Career Center received property taxes from the Warren County auditor. The county auditor periodically advances to the Career Center its portion of the taxes collected. Second-half real property tax payments collected by the county by June 30, 2023 are available to finance current fiscal year operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Note 6 – Receivables

Receivables at June 30, 2023, consisted of property taxes, accounts, interfund, and intergovernmental. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of state programs, and the current year guarantee of federal funds. A summary of intergovernmental receivables follows:

Fund	Amount
General Fund:	\$99,059
Nonmajor Governmental Funds:	
Able Grant Fund	30,412
Preschool	464
Perkins Grant	30,843
Total	<u>\$160,778</u>

Note 7 - Capital Assets

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

Warren County Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital Assets, not being depreciated:				
Land	\$456,000	\$0	\$0	\$456,000
Construction in Progress	0	4,856,524	0	4,856,524
Capital Assets, being depreciated:				
Land Improvements	1,231,897	0	0	1,231,897
Buildings and Improvements	26,450,886	48,261	0	26,499,147
Furniture, Fixtures and Equipment	7,305,983	106,527	15,632	7,396,878
Vehicles	538,288	110,000	52,070	596,218
Totals at Historical Cost	<u>35,983,054</u>	<u>5,121,312</u>	<u>67,702</u>	<u>41,036,664</u>
Less Accumulated Depreciation:				
Land Improvements	504,964	70,552	0	575,516
Building Improvements	14,150,225	1,004,191	0	15,154,416
Furniture, Fixtures and Equipment	6,419,262	402,552	15,632	6,806,182
Vehicles	428,900	18,238	52,070	395,068
Total Accumulated Depreciation	<u>21,503,351</u>	<u>1,495,533</u>	<u>67,702</u>	<u>22,931,182</u>
Governmental Activities Capital Assets, Net	<u>\$14,479,703</u>	<u>\$3,625,779</u>	<u>\$0</u>	<u>\$18,105,482</u>
Leased Assets:				
Building	3,275,000	0	0	3,275,000
Total Leased Asset, Being depreciated	<u>3,275,000</u>	<u>0</u>	<u>0</u>	<u>3,275,000</u>
Less: Accumulated Amortization	<u>297,727</u>	<u>297,727</u>	<u>0</u>	<u>595,454</u>
Total Leased Asset, net	<u>2,977,273</u>	<u>(297,727)</u>	<u>0</u>	<u>2,679,546</u>
Governmental Activities Capital Assets, Net	<u>\$17,456,976</u>	<u>3,328,052</u>	<u>\$0</u>	<u>\$20,785,028</u>

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Vocational	\$1,130,096
Adult Education	115,503
Support Services:	
Instructional Staff	4,466
School Administration	39,163
Business	15,063
Operations and Maintenance	84,197
Pupil Transportation	20,895
Central	380,192
Operation of Non-Instructional Services	<u>3,685</u>
Total Depreciation Expense	<u>\$1,793,260</u>

Warren County Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

Note 8 - Risk Management

The Career Center is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the fiscal year 2023, the Career Center contracted with Wright Insurance Company for general liability insurance with a \$1,000,000 single occurrence limit and a \$3,000,000 aggregate and property and building replacement of \$70,718,485 (which includes the Atrium Academy) carrying a \$5,000 deductible and 90% coinsurance. Vehicles are also covered under a business policy with American Family Home Insurance Company which carries \$500 Comprehensive Deductible, \$500 Collision Deductible and a \$1,000,000 limit on liability with \$5,000 deductible for medical and \$1,000,000 Limit for Each Accident, uninsured motorists..

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

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

For the PPO plan, the Career Center paid for Secondary Instruction staff \$2,251.75 per month for a family plan, \$1,620.38 for an employee and kids plan, or \$875.95 for single coverage and all other staff the Career Center paid \$2,392.49 per month for a family plan, \$1,721.66 for an employee and kids plan, or \$930.70 for single coverage for medical and prescription insurance through Anthem–Blue Access which represents eighty-five percent of the total premium.

For the HDHP plan, the Career Center paid for Secondary Instruction staff \$1,730.50 per month for a family plan, \$1,245.31 for an employee and kids plan, or \$673.21 for single coverage and all other staff the Career Center paid \$1,838.66 per month for a family plan, \$1,323.14 for an employee and kids plan, or \$715.28 for single coverage for medical and prescription insurance through Anthem – Blue Access which represents eighty-five percent of the total premium.

The Career Center paid \$15.38 for family coverage and \$6.60 for single coverage per month to EPC Vision Benefit Plan, which represents eighty-five percent of the premium required.

Dental insurance was provided by Delta Dental. The Career Center paid \$97.98 for family coverage and \$33.77 for single coverage for the in-network (HMO), which represents eighty-five percent of the total premium. The Career Center paid \$4.73 to EPC for Sun Life Insurance Company.

Note 9 - Defined Benefit Pension Plans

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

Net Pension Liability/Net OPEB Liability (Asset)

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

Warren County Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

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.

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.

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

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

Plan Description - School Employees Retirement System (SERS)

Plan Description

Career Center non-teaching employees participate in SERS, a cost-sharing multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability and survivor benefits, 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:

**Warren County Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023**

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

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

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on years of service; 2.2% 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.

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. 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. The COLA is indexed to the percentage increase in the CPI-W, not to exceed 2.5% and with a floor of 0.0%. A three-year COLA suspension was in effect for all benefit recipients for the years 2018, 2019, and 2020. The Retirement Board approved a 2.5% COLA for calendar year 2023.

Funding Policy

Plan members are required to contribute 10.0% of their annual covered salary and the Career Center is required to contribute 14.0% 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 10.0% for plan members and 14.0% 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 14.0%. 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 \$390,294 for fiscal year 2023. Of this amount \$32,792 is reported as accrued wages and benefits.

Plan Description - State Teachers Retirement System (STRS)

Plan Description

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

Warren County Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

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

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2% of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0.0% upon a determination by its actuary that it was necessary to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of living increases are not affected by this change. Effective July 1, 2022, an ad-hoc COLA of 3.0% of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2023 as long as they retired prior to July 1, 2018. Eligibility changes will be phased in August 1, 2023, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 34 years of service credit and any age. Further adjusting to five years of service and age 65, or 35 years of service credit and any age as of August 1, 2028.

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 their member contributions and 9.53% of the 14.0% employer contributions into an investment account. The member determines how to allocate the member and employer money among various investment choices offered by STRS. The remaining 4.47% of the 14.0% employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 12.0% of the 14.0% member rate is deposited into the member's DC account and the remaining 2.0% is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age fifty and after termination of employment.

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

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

Warren County Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

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 2023 employer and employee contribution rate of 14.0% was equal to the statutory maximum rates. For 2023, the full employer contribution was allocated to pension.

The Career Center’s contractually required contribution to STRS was \$1,568,838 for fiscal year 2023. Of this amount \$63,678 is reported as accrued wages and benefits.

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

The net pension liability (asset) 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:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$4,087,738	\$17,053,661	\$21,141,399
Proportion of the Net Pension Liability:			
Current Measurement Date	0.07557600%	0.07671419%	
Prior Measurement Date	<u>0.07569590%</u>	<u>0.07814193%</u>	
Change in Proportionate Share	-0.00011990%	-0.00142773%	
Pension Expense	\$332,737	\$2,267,194	\$2,599,931

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

This Space Intentionally Left Blank

Warren County Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

	SERS	STRS	Total
<u>Deferred Outflows of Resources</u>			
Differences between expected and actual experience	165,557	218,309	\$383,866
Changes of assumptions	40,334	2,040,811	2,081,145
Net difference between projected and actual earnings on pension plan investments	0	593,430	593,430
Changes in employer proportionate share of net pension liability	32,114	494,149	526,263
Contributions subsequent to the measurement date	390,294	1,568,838	1,959,132
Total Deferred Outflows of Resources	\$628,299	\$4,915,537	\$5,543,836
<u>Deferred Inflows of Resources</u>			
Differences between expected and actual experience	26,834	65,236	\$92,070
Changes of assumptions	0	1,536,144	1,536,144
Net difference between projected and actual earnings on pension plan investments	142,643	0	142,643
Changes in employer proportionate share of net pension liability	4,460	213,550	218,010
Total Deferred Inflows of Resources	\$173,937	\$1,814,930	\$1,988,867

\$1,959,132 reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year	SERS	STRS	Total
Ending June 30:			
2024	\$46,753	\$204,655	\$251,408
2025	(\$15,967)	\$16,941	974
2026	(\$203,769)	(\$419,344)	(623,113)
2027	\$237,051	\$1,729,517	1,966,568
Total	\$64,068	\$1,531,769	\$1,595,837

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

Warren County Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2022 and compared with June 30, 2021, are presented below:

	June 30, 2022	June 30, 2021
Inflation	2.40%	2.40%
Future Salary Increases, including inflation	3.25% to 13.58%	3.25% to 13.58%
COLA or Ad Hoc COLA	2.00%, on or after April 1, 2018, COLAs for future retirees will be delayed for three years following commencement	2.00%, on or after April 1, 2018, COLAs for future retirees will be delayed for three years following commencement
Investment Rate of Return	7.00% net of system expenses	7.00% net of system expenses
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)	Entry Age Normal (Level Percent of Payroll)

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

This Space Intentionally Left Blank

Warren County Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

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 for 2022 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 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 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Proportionate share of the net pension liability	\$6,016,955	\$4,087,738	\$2,462,399

Actuarial Assumptions - STRS

Key methods and assumptions used in the June 30, 2022, actuarial valuation compared to those used in the June 30, 2021, actuarial valuation are presented below:

This Space Intentionally Left Blank

Warren County Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

	June 30, 2022	June 30, 2021
Inflation	2.50%	2.50%
Projected Salary Increases	From 2.50% to 8.50% based on age	12.50% at age 20 to 2.50% at age 65
Investment Rate of Return	7.00% net of investments expense, including inflation	7.00% net of investments expense, 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 2022, post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110.0% for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95.0% 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 2021, post-retirement mortality rates are based on RP-2014 Annuitant Mortality Table with 50.0% of rates through age 69, 70.0% of rates between ages 70 and 79, 90.0% of rates between ages 80 and 84, and 100.0% of rates, thereafter, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90.0% of rates for males and 100.0% 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.

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

Asset Class	Target Allocation *	Long-Term Expected Rate of Return **
Domestic Equity	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	<u>1.00%</u>	1.00%
Total	<u><u>100.00%</u></u>	

* Final target weights reflected October 1, 2022.

Warren County Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

** 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' 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 rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2022. Therefore, the long-term expected rate of return on pension plan investments of 7.00% was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2022.

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

The following table presents the Career Center's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.00%, as well as what the Career Center's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.00%) or one-percentage-point higher (8.00%) than the current rate:

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Proportionate share of the net pension liability	\$25,761,874	\$17,053,661	\$9,689,209

Changes Between the Measurement Date and the Reporting Date

In May 2023, the Board approved the following:

1. Retirees who started receiving benefits on June 1, 2019, or earlier will receive a 1.0% cost-of-living adjustment (COLA) in fiscal year 2024. The increase will be added to the base benefit on the retirement date anniversary.
2. For teachers now in the classroom, the current retirement eligibility rule requiring 34 years of service for an unreduced retirement has been extended five years through July 2028. The requirement was scheduled to increase to 35 years of service on August 1, 2023.

Any effect on the net pension liability is not known at this time.

Note 10 - Defined Benefit OPEB Plans

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

Plan Description - School Employees Retirement System (SERS)

Health Care Plan Description

Warren County Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

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. The following types of credit purchased after January 29, 1981 do not count toward health care coverage eligibility: military, federal, out-of-state, municipal, private school, exempted, and early retirement incentive credit. 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. 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 14.0% of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2023, no allocation was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2023, this amount was \$25,000. Statutes provide that no employer shall pay a health care surcharge greater than 2.0% 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 \$10,580.

The surcharge, added to the allocated portion of the 14.00% employer contribution rate is the total amount assigned to the Health Care Fund. The Career Center's contractually required contribution to SERS was \$10,580 for fiscal year 2023.

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 Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Warren County Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

Funding Policy

Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. All benefit recipients pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14.0% of covered payroll. For the fiscal year ended June 30, 2023, STRS did not allocate any employer contributions to post-employment health care.

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

The net OPEB liability (asset) was measured as of June 30, 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:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportionate Share of the Net OPEB Liability	999,940	\$0	\$999,940
Proportionate Share of the Net OPEB (Asset)	0	(1,986,385)	(1,986,385)
Proportion of the Net OPEB Liability/Asset:			
Current Measurement Date	0.07122030%	0.07671419%	
Prior Measurement Date	<u>0.07081240%</u>	<u>0.07814193%</u>	
Change in Proportionate Share	0.00040790%	-0.00142773%	
OPEB Expense	(47,893)	(351,937)	(\$399,830)

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

This Space Intentionally Left Blank

Warren County Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

	SERS	STRS	Total
<u>Deferred Outflows of Resources</u>			
Differences between expected and actual experience	\$8,406	\$28,797	\$37,203
Changes of assumptions	159,053	84,613	243,666
Net difference between projected and actual earnings on OPEB plan investments	5,197	34,578	39,775
Changes in employer proportionate share of net OPEB liability	185,660	33,208	218,868
Contributions subsequent to the measurement date	10,580	0	10,580
Total Deferred Outflows of Resources	\$368,896	\$181,196	\$550,092
<u>Deferred Inflows of Resources</u>			
Differences between expected and actual experience	\$639,635	\$298,319	\$937,954
Changes of assumptions	410,483	1,408,541	1,819,024
Changes in employer proportionate share of net OPEB liability	0	7,796	7,796
Total Deferred Inflows of Resources	\$1,050,118	\$1,714,656	\$2,764,774

\$10,580 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (adjustment to net OPEB asset) in the year ending June 30, 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:

Fiscal Year	SERS	STRS	Total
Ending June 30:			
2024	(133,351)	(449,573)	(\$582,924)
2025	(141,410)	(434,846)	(576,256)
2026	(135,265)	(210,377)	(345,642)
2027	(95,518)	(88,162)	(183,680)
2028	(71,974)	(115,701)	(187,675)
Thereafter	(114,284)	(234,801)	(349,085)
Total	(\$691,802)	(\$1,533,460)	(\$2,225,262)

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

Warren County Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

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

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2022, compared with June 30, 2021, are presented below:

	June 30, 2022	June 30, 2021
Inflation	2.40%	2.40%
Future Salary Increases, Including Inflation		
Wage Increases	3.25% to 13.58%	3.25% to 13.58%
Investment Rate of Return	7.00% net of investment expense, including inflation	7.00% net of investment expense, including inflation
Fiduciary Net Position is Projected to be Depleted	2044	2042
Municipal Bond Index Rate:		
Measurement Date	3.69%	1.92%
Prior Measurement Date	1.92%	2.45%
Single Equivalent Interest Rate (SEIR), net of plan investment expense, including price inflation:		
Measurement Date	4.08%	2.27%
Prior Measurement Date	2.27%	2.63%
Health Care Cost Trend Rate:		
Medicare	5.125% to 4.40%	5.125% to 4.40%
Pre-Medicare	6.75% to 4.40%	6.75% to 4.40%
Medical Trend Assumption	7.00% to 4.40%	7.00% to 4.40%

Mortality rates among healthy retirees 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. Mortality rates for contingent survivors were based on PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5% for males and adjusted 122.5% for females. Mortality rates for actives is based on PUB-2010 General Amount Weighted Below Median Employee mortality table.

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

Warren County Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 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, as used in the June 30, 2020 five-year experience study, 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, 2021, 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.

Warren County Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

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

The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.08%) and higher (5.08%) than the current discount rate (4.08%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.00% decreasing to 3.40%) and higher (8.00% decreasing to 5.40%) than the current rate

	1% Decrease (3.08%)	Current Discount Rate (4.08%)	1% Increase (5.08%)
Proportionate share of the net OPEB liability	\$1,241,941	\$999,940	\$804,580
	1% Decrease (6.00% decreasing to 3.40%)	Current Trend Rate (7.00% decreasing to 4.40%)	1% Increase (8.00% decreasing to 5.40%)
Proportionate share of the net OPEB liability	\$771,134	\$999,940	\$1,298,799

Actuarial Assumptions - STRS

Key methods and assumptions used in the June 30, 2022, actuarial valuation and the June 30, 2021 actuarial valuation are presented below:

	June 30, 2022	June 30, 2021
Projected salary increases	Varies by service from 2.50% to 8.50%	Varies by service from 2.50% to 12.50%
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%
Discount Rate of Return	7.00%	7.00%
Health Care Cost Trends:		
Medical		
Pre-Medicare	7.50% initial, 3.94% ultimate	5.00% initial, 4.00% ultimate
Medicare	-68.78% initial, 3.94% ultimate	-16.18% initial, 4.00% ultimate
Prescription Drug		
Pre-Medicare	9.00% initial, 3.94% ultimate	6.50% initial, 4.00% ultimate
Medicare	-5.47% initial, 3.94% ultimate	29.98% initial, 4.00% ultimate

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

For 2022, healthy retirees post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110.0% for males, projected forward generationally using mortality improvement scale MP-2020; pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95.0% for females, projected forward generationally using mortality improvement scale

Warren County Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

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 2021, healthy retirees the mortality rates are based on the RP-2014 Annuitant Mortality Table with 50.0% of rates through age 69, 70.0% of rates between ages 70 and 79, 90.0% of rates between ages 80 and 84, and 100.0% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. For disabled retirees, mortality rates are based on the RP-2014 Disabled Mortality Table with 90.0% of rates for males and 100.0% 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.

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

Asset Class	Target Allocation *	Long-Term Expected Rate of Return **
Domestic Equity	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 will be 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' investment consultant indicates that the above target allocations should generate a return above the actual 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 continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2022. Therefore, the long-term expected rate of return on health care plan 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.

Warren County Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

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

The following table represents the net OPEB asset as of June 30, 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 (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate share of the net OPEB (asset)	(\$1,836,361)	(\$1,986,385)	(\$2,114,894)
	1% Decrease	Current Trend Rate	1% Increase
Proportionate share of the net OPEB (asset)	(\$2,060,365)	(\$1,986,385)	(\$1,893,005)

Changes Between the Measurement Date and the Reporting Date

In May 2023, the Board approved the following:

1. Retirees who started receiving benefits on June 1, 2019, or earlier will receive a 1.0% cost-of-living adjustment (COLA) in fiscal year 2024. The increase will be added to the base benefit on the retirement date anniversary.
2. For teachers now in the classroom, the current retirement eligibility rule requiring 34 years of service for an unreduced retirement has been extended five years through July 2028. The requirement was scheduled to increase to 35 years of service on August 1, 2023.

Any effect on the net OPEB asset is not known at this time.

Note 11 - Compensated Absences

The criteria for determining vested vacation and sick leave components are derived from negotiated agreements and State laws. Eligible classified employees may earn up to ten to twenty days of vacation per year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees upon termination of employment. Teachers do not earn vacation time. Teachers, administrators and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 255 days. Upon retirement, payment shall be made for accrued but unused sick days on the basis of 25 percent of member's actual accumulated sick leave days to a maximum of 60 days.

Note 12 - Long-Term Liabilities

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

Warren County Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

	Beginning Balance	Additions	Deductions	Ending Balance	Due In One Year
Governmental Activities:					
General Obligation Bonds:					
2011 Energy Conservation Notes	\$75,000	\$0	\$75,000	\$0	\$0
2020 GO Bonds	425,000	0	50,000	375,000	50,000
2020 School Energy Conservative Bonds	255,000	0	30,000	225,000	30,000
2021 Ohio Development Services Agency Energy Loan	1,075,079	0	114,301	960,778	114,730
Subtotal Bonds and Notes	1,830,079	0	269,301	1,560,778	194,730
Leased Liability	3,020,000	0	260,000	2,760,000	270,000
Compensated Absences	955,530	162,113	276,168	841,475	184,015
Subtotal Bonds, Notes and Other Amounts	5,805,609	162,113	805,469	5,162,253	648,745
Net Pension Liability	12,784,107	8,357,292	0	21,141,399	0
Net OPEB Liability	1,340,183	0	340,243	999,940	0
Total Long-Term Obligations	<u>\$19,929,899</u>	<u>\$8,519,405</u>	<u>\$1,145,712</u>	<u>\$27,303,592</u>	<u>\$648,745</u>

2021 Ohio Development Services Agency Energy Loan – On February 25, 2021 the Career Center issued \$1,188,952 in energy loans to finance capital improvements for the energy conservation project. The loan will mature on September 1, 2031.

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

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

2011 Energy Conservation Notes – On September 8, 2010, the Career Center issued \$881,000 in energy conservation notes under the Qualified School Construction Bond program that will rebate one hundred percent of the interest costs from the Federal government. The notes were issue for a twelve year period with a final maturity of December 1, 2022. The notes will be retired from the general fund and used for updating various lighting and other electrical items throughout the school.

The Center is subject to a debt limit that is 9 percent of the full assessed valuation of taxable real property. At June 30, 2023 that amount was \$6,441,217,070. As of June 30, 2023 the total outstanding debt applicable to the limit was \$1,560,778 which is 0.27 percent of the total debt limit.

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

Warren County Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

Fiscal Year Ending June 30	General Obligation Bonds		
	Principal	Interest	Total
2024	\$194,730	\$15,281	\$210,011
2025	195,160	13,254	208,414
2026	195,592	11,228	206,820
2027	201,027	9,201	210,228
2028	206,462	7,059	213,521
2029-2032	567,807	7,494	575,301
Total	<u>\$1,560,778</u>	<u>\$63,517</u>	<u>\$1,624,295</u>

Note 13 - Lease Liability – Leased Assets

The Career Center entered into a lease agreement with the City of Middletown and Miami University for the building known as the WCCC Atrium Campus located at 5757 Innovation Dr. Middletown, Ohio 45005. Annual rent payments for the lease are the bond payments issued to construct the building. The term of the lease is 20 years.

During the period, there were no outflows of resources recognized for variable payments not previously included in the measurement of the lease liability. Also, there were no outflows of resources recognized for other payments, such as residual value guarantees or termination penalties, not previously included in the measurement of the lease liability during the period. There were no commitments under leases before the commencement of the lease term.

Principal and interest amounts for the next five years and thereafter are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2024	\$270,000	\$89,199	\$359,199
2025	280,000	80,502	360,502
2026	285,000	71,568	356,568
2027	295,000	62,113	357,113
2028	305,000	52,048	357,048
2029-2032	1,325,000	98,495	1,423,495
	<u>\$2,760,000</u>	<u>\$453,925</u>	<u>\$3,213,925</u>

Note 14 - Interfund Transactions

Interfund balances at June 30, 2023, consist of the following individual receivables and payables and transfers in the governmental balance sheet (such amounts are removed from consolidated columns in the statement of net position):

	Interfund		Transfers	
	Receivable	Payable	In	Out
General Fund	\$880,615	\$0	\$0	\$3,357,000
Permanent Improvement	13,158	0	3,000,000	0
Other Governmental	0	893,773	357,000	0
Total All Funds	<u>\$893,773</u>	<u>\$893,773</u>	<u>\$3,357,000</u>	<u>\$3,357,000</u>

Warren County Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

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

Note 15 - Jointly Governed Organization

The Career Center is a participant in the Southwest Ohio Computer Association (SWOCA), which is a computer consortium. SWOCA is an association of public schools and educational service centers within the boundaries of Butler, Preble, and Warren Counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member Career Centers. The governing board of SWOCA consists of the superintendent (or the superintendent’s designee) from each member district. The Career Center paid \$56,230 for services provided during the fiscal year. Financial information can be obtained from the fiscal agent, Butler Tech, 3603 Hamilton- Middletown Road, Hamilton, Ohio 45011.

Note 16 - Statutory Reserves

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

	Capital Improvements
Set Aside Reserve Balance as of June 30, 2022	\$0
Current Year Set Aside Requirements	248,662
Qualified Disbursements	<u>(700,398)</u>
Set Aside Balance as of June 30, 2023	<u><u>(451,736)</u></u>

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

Note 17 – Fund Balance Allocation

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

This Space Intentionally Left Blank

Warren County Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

Fund Balances	General	Permanent Improvement	Non-Major Funds	Total
Nonspendable on:				
Prepays	\$10,005	\$0	\$341	\$10,346
Total Nonspendable	10,005	0	341	10,346
Restricted for:				
Student Activity	0	0	71,124	71,124
Pell Grant	0	0	5,090	5,090
Classroom Facilities Maintenance	0	0	1,259,662	1,259,662
Student Scholarships	0	0	963	963
School to Work	0	0	1,394	1,394
Food Service	0	0	55,916	55,916
Total Restricted	0	0	1,394,149	1,394,149
Assigned to:				
Encumbrances	433,811	0	0	433,811
Adult Education	0	0	14,953	14,953
Permanent Improvement	0	1,816,211	0	1,816,211
Public School Funds	37,979	0	0	37,979
Total Assigned	471,790	1,816,211	14,953	2,302,954
Unassigned	11,066,411	0	(365,948)	10,700,463
Total Fund Balance	<u>\$11,548,206</u>	<u>\$1,816,211</u>	<u>\$1,043,495</u>	<u>\$14,407,912</u>

Note 18 – Contingencies

Grants

The Career Center received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Career Center at June 30, 2023.

Litigation

As of June 30, 2023, the Career Center did not have any pending litigation.

Note 19 – Center Foundation

Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of

Warren County Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

the date of this report, additional ODE adjustments for fiscal year 2023 are not finalized. As a result, the impact of future FTE adjustments on the fiscal year 2023 financial statements is not determinable, at this time. Management believes this may result in either an additional receivable to, or a liability of, the Career Center.

Note 20 – Tax Abatements entered Into By Other Governments

Other governments entered into property tax abatement agreements with property owners under the Ohio Community Reinvestment Area (“CRA”) and Enterprise Zone Agreement (“EZA”) programs with the taxing districts of the Center. The CRA program is a directive incentive tax exemption program benefiting property owners who renovate or construct new buildings. Under this program, the other governments designated areas to encourage revitalization of the existing housing stock and the development of new structures. The EZA program is an economic development tool administered by municipal and county governments that provides real and personal property tax exemptions to businesses making investments in the community. Within the taxing districts of the Center, Warren County has entered into CRA and EZA agreements. Under these agreements the Center’s property taxes were reduced by \$99,059.

Note 21 – Implementation of New Accounting Principles

New Accounting Principles

For fiscal year 2023, the School District implemented Governmental Accounting Standards Board (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 (SBITAs); and portions of GASB Statement No. 99, Omnibus 2022.

GASB Statement No. 91 clarifies the definition of a conduit debt obligation, establishing that a conduit debt obligation is not a liability of the issuer; establishes standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improves required note disclosures. The implementation of GASB Statement No. 91 did not have an effect on the financial statements of the School District.

GASB Statement No. 94 primary objective is to improve financial reporting by addressing issues related to public-private and public-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. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

GASB Statement No. 94 also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing,

Warren County Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

maintaining, or operating an underlying nonfinancial 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 School District.

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. The implementation of GASB Statement No. 96 did not have an effect on the financial statements of the School District.

GASB Statement No. 99 addresses a variety of topics and includes clarification of provisions related to accounting and reporting of leases under GASB Statement No. 87, provides extension of the period which the London Interbank Offered Rate is considered appropriate benchmark interest rate, guidance on disclosure of nonmonetary transaction, accounting for pledges of future revenues when resources are not received by the pledging government under GASB Statement No. 48, and terminology updates related to certain provisions of GASB Statement No. 63 and No. 53. These topics under GASB Statement No. 99 provisions were implemented and did not have an effect on the financial statements of the School District.

Other topics in GASB Statement No. 99 includes classification of other derivative instruments within the scope of GASB Statement No. 53, clarification of provisions related to accounting and reporting of Public-Private and Public-Public Partnerships under GASB Statement No. 94, and clarification of provisions to accounting and reporting of subscription-based information technology arrangements under GASB Statement No. 96. These topics are effective for future fiscal years and have not been implemented by of the School District.

This Space Intentionally Left Blank

REQUIRED SUPPLEMENTARY INFORMATION

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

Year	Career Center's Proportion of the Net Pension Liability	Career Center's Proportionate Share of the Net Pension Liability	Career Center's Covered Payroll	Career Center's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2023	0.07557600%	\$4,087,738	\$2,823,193	144.79%	75.82%
2022	0.07569590%	2,792,959	2,612,829	106.89%	82.86%
2021	0.07341530%	4,855,843	2,573,779	188.67%	68.55%
2020	0.06806270%	4,072,311	2,334,933	174.41%	70.85%
2019	0.06266290%	3,588,820	2,018,059	177.84%	71.36%
2018	0.05904460%	3,527,784	1,973,286	178.78%	69.50%
2017	0.06015550%	4,402,828	1,868,207	235.67%	62.98%
2016	0.06311340%	3,601,312	1,863,703	193.23%	69.16%
2015	0.06086300%	3,080,242	1,786,421	172.43%	71.70%
2014	0.06086300%	3,619,327	1,796,113	201.51%	65.52%

(1) Amounts presented as of the District's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information.

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

Year	Career Center's Contractually Required Contribution	Career Center's Contributions in Relation to the Contractually Required Contributions	Career Center's Contribution Deficiency (Excess)	Career Center's Covered Payroll	Career Center's Contributions as a Percentage of Covered Payroll
2023	\$390,294	(\$390,294)	\$0	\$2,787,814	14.00%
2022	395,247	(395,247)	0	2,823,193	14.00%
2021	365,796	(365,796)	0	2,612,829	14.00%
2020	360,329	(360,329)	0	2,573,779	14.00%
2019	315,216	(315,216)	0	2,334,933	13.50%
2018	272,438	(272,438)	0	2,018,059	13.50%
2017	276,260	(276,260)	0	1,973,286	14.00%
2016	261,549	(261,549)	0	1,868,207	14.00%
2015	245,636	(245,636)	0	1,863,703	13.18%
2014	247,598	(247,598)	0	1,786,421	13.86%

See accompanying notes to the required supplementary information

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

Year	Career Center's Proportion of the Net Pension Liability	Career Center's Proportionate Share of the Net Pension Liability	Career Center's Covered Payroll	Career Center's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2023	0.07671419%	\$17,053,661	\$10,920,429	156.16%	78.88%
2022	0.07814193%	9,991,147	10,500,421	95.15%	87.78%
2021	0.07543612%	18,252,857	10,088,829	180.92%	75.48%
2020	0.07479353%	16,540,140	9,582,907	172.60%	77.40%
2019	0.07250718%	15,942,701	9,061,000	175.95%	77.30%
2018	0.07050611%	16,748,878	7,796,686	214.82%	75.30%
2017	0.07152652%	23,942,082	7,951,907	301.09%	66.80%
2016	0.06972967%	19,271,241	7,273,407	264.95%	72.10%
2015	0.07025447%	17,088,318	7,730,223	221.06%	74.70%
2014	0.07025447%	20,355,493	7,679,685	265.06%	69.30%

(1) Amounts presented as of the District's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information.

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

Year	Career Center's Contractually Required Contribution	Career Center's Contributions in Relation to the Contractually Required Contributions	Career Center's Contribution Deficiency (Excess)	Career Center's Covered Payroll	Career Center's Contributions as a Percentage of Covered Payroll
2023	\$1,568,838	(\$1,568,838)	\$0	11,205,986	14.00%
2022	\$1,528,860	(\$1,528,860)	\$0	10,920,429	14.00%
2021	1,470,059	(1,470,059)	0	10,500,421	14.00%
2020	1,412,436	(1,412,436)	0	10,088,829	14.00%
2019	1,341,607	(1,341,607)	0	9,582,907	14.00%
2018	1,268,540	(1,268,540)	0	9,061,000	14.00%
2017	1,091,536	(1,091,536)	0	7,796,686	14.00%
2016	1,113,267	(1,113,267)	0	7,951,907	14.00%
2015	1,018,277	(1,018,277)	0	7,273,407	14.00%
2014	1,004,929	(1,004,929)	0	7,730,223	13.00%

See accompanying notes to the required supplementary information

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

Year	Career Center's Proportion of the Net OPEB Liability	Career Center's Proportionate Share of the Net OPEB Liability	Career Center's Covered Payroll	Career Center's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2023	0.07122030%	\$999,940	\$2,823,193	35.42%	30.34%
2022	0.07081240%	1,340,183	2,612,829	51.29%	24.08%
2021	0.06999370%	1,521,192	2,573,779	59.10%	18.17%
2020	0.06475880%	1,628,548	2,334,933	69.75%	15.57%
2019	0.06022600%	1,670,832	2,018,059	82.79%	13.57%
2018	0.05663520%	1,519,940	1,973,286	77.03%	12.46%
2017	0.05719827%	1,630,362	1,868,207	87.27%	11.49%

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

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

See accompanying notes to the required supplementary information.

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

Year	Career Center's Contractually Required Contribution (2)	Career Center's Contributions in Relation to the Contractually Required Contributions	Career Center's Contribution Deficiency (Excess)	Career Center's Covered Payroll	Career Center's Contributions as a Percentage of Covered Payroll
2023	\$10,580	(\$10,580)	\$0	\$2,787,814	0.38%
2022	15,532	(15,532)	0	2,823,193	0.16%
2021	12,062	(12,062)	0	2,612,829	0.46%
2020	15,692	(15,692)	0	2,573,779	0.61%
2019	27,806	(27,806)	0	2,334,933	1.19%
2018	27,769	(27,769)	0	2,018,059	1.38%
2017	15,689	(15,689)	0	1,973,286	0.80%
2016	12,797	(12,797)	0	1,868,207	0.68%

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

(2) Includes surcharge.

See accompanying notes to the required supplementary information.

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

Year	Career Center's Proportion of the Net OPEB (Asset)/Liability	Career Center's Proportionate Share of the Net OPEB (Asset)/Liability	Career Center's Covered Payroll	Career Center's Proportionate Share of the Net OPEB (Asset)/Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB (Asset)/Liability
2023	0.07671419%	(\$1,986,385)	\$10,920,429	(18.19%)	230.73%
2022	0.07814193%	(1,647,559)	10,500,421	(15.69%)	174.73%
2021	0.07543612%	(1,325,789)	10,088,829	(13.14%)	182.13%
2020	0.07479353%	(1,238,760)	9,582,907	(12.93%)	174.74%
2019	0.07250718%	(1,165,116)	9,061,000	(12.86%)	176.00%
2018	0.07050611%	2,750,888	7,796,686	35.28%	47.10%
2017	0.07152652%	3,825,257	7,951,907	48.10%	37.30%

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

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

See accompanying notes to the required supplementary information.

Warren County Career Center
 Required Supplementary Information
 Schedule of the District's Contributions for Net OPEB (Asset)/Liability
 State Teachers Retirement System of Ohio
 Last Eight Fiscal Years (1)

Year	Career Center's Contractually Required Contribution	Career Center's Contributions in Relation to the Contractually Required Contributions	Career Center's Contribution Deficiency (Excess)	Career Center's Covered Payroll	Career Center's Contributions as a Percentage of Covered Payroll
2023	\$0	\$0	\$0	\$11,205,986	0.00%
2022	0	0	0	10,920,429	0.00%
2021	0	0	0	10,500,421	0.00%
2020	0	0	0	10,088,829	0.00%
2019	0	0	0	9,582,907	0.00%
2018	0	0	0	9,061,000	0.00%
2017	0	0	0	7,796,686	0.00%
2016	0	0	0	7,951,907	0.00%

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

See accompanying notes to the required supplementary information.

Warren County Career Center, Warren County, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2023

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$12,489,447	\$12,376,458	\$12,380,027	\$3,569
Revenue in lieu of taxes	99,935	99,030	99,059	29
Tuition and Fees	54,162	53,672	53,687	15
Investment Earnings	228,203	226,139	226,204	65
Intergovernmental	10,660,293	10,563,853	10,566,899	3,046
Other Revenues	55,466	54,964	54,980	16
Total Revenues	23,587,506	23,374,116	23,380,856	6,740
Expenditures:				
Current:				
Instruction:				
Regular	20,297	20,163	20,524	(361)
Special	182,376	181,172	184,413	(3,241)
Vocational	10,954,882	10,882,526	11,077,219	(194,693)
Other	526,812	523,332	532,695	(9,363)
Support Services:				
Pupil	1,173,691	1,165,939	1,186,798	(20,859)
Instructional Staff	1,066,858	1,059,812	1,078,772	(18,960)
General Administration	84,850	84,290	85,798	(1,508)
School Administration	1,917,190	1,904,527	1,938,600	(34,073)
Fiscal	767,709	762,638	776,282	(13,644)
Operations and Maintenance	2,146,071	2,131,897	2,170,037	(38,140)
Pupil Transportation	290,663	288,743	293,909	(5,166)
Central	788,497	783,289	797,302	(14,013)
Operation of Non-Instructional Services	37,163	36,918	37,578	(660)
Extracurricular Activities	106,678	105,973	107,869	(1,896)
Capital Outlay	361,283	358,897	365,318	(6,421)
Debt Service:				
Principal Retirement	269,301	269,301	269,301	0
Interest and Fiscal Charges	14,989	13,112	18,164	(5,052)
Total Expenditures	20,709,310	20,572,529	20,940,579	(368,050)
Excess of Revenues Over (Under) Expenditures	2,878,196	2,801,587	2,440,277	(361,310)
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	16,833	16,681	16,686	5
Advances In	39,345	38,989	39,000	11
Advances (Out)	(851,949)	(846,322)	(861,463)	(15,141)
Transfers In	2,018	1,999	2,000	1
Transfers (Out)	(3,368,137)	(3,345,891)	(3,405,750)	(59,859)
Total Other Financing Sources (Uses)	(4,161,890)	(4,134,544)	(4,209,527)	(74,983)
Net Change in Fund Balance	(1,283,694)	(1,332,957)	(1,769,250)	(436,293)
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	11,691,470	11,691,470	11,691,470	0
Fund Balance - End of Year	\$10,407,776	\$10,358,513	\$9,922,220	(\$436,293)

See accompanying notes to the required supplementary information.

Warren County Career Center
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2023

Note 1 – 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.

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

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

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

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

Warren County Career Center
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2023

Net Change in Fund Balance

	<u>General</u>
GAAP Basis	(\$768,263)
Revenue Accruals	96,320
Expenditure Accruals	210,364
Transfers In	2,000
Transfers Out	(48,750)
Advances In	39,000
Advances Out	(861,463)
Encumbrances	<u>(438,458)</u>
Budget Basis	<u><u>(\$1,769,250)</u></u>

Note 2 - Net Pension Liability

School Employees Retirement System (SERS)

Changes in Benefit Terms:

2023: There were no changes in benefit terms since the prior measurement period.

2022: Cost of Living Adjustments (COLA) increased from 0.50% to 2.50%.

2020-2021: There were no changes in benefit terms from the amounts reported for this fiscal year.

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

2018: SERS changed from a fixed 3.00% annual increase to a Cost of Living Adjustments (COLA) based on the changed in the Consumer Price Index Index (CPI-W), with a cap of 2.50% and a floor of 0.00%.

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

Changes in Assumptions:

2023: The following changes of assumptions affected the total pension liability since the prior measurement date:

- (1) Cost of Living Adjustments (COLA) was increased from 2.00% to 2.50% for calendar year 2023.

2022: The following changes of assumptions affected the total pension liability since the prior measurement date:

- (1) The assumed rate of inflation was reduced from 3.00% to 2.40%,
- (2) Payroll growth assumption was reduced from 3.50% to 1.75%,
- (3) Assumed real wage growth was increased from 0.50% to 0.85%,
- (4) Cost of Living Adjustments (COLA) was reduced from 2.50% to 2.00%,
- (5) The discount rate was reduced from 7.50% to 7.00%,

Warren County Career Center
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2023

- (6) Rates of withdrawal, compensation, participation, spouse coverage assumption, retirement, and disability were updated to reflect recent experience, and,
- (7) Mortality among active members, service retirees and beneficiaries, and disabled members were updated.

2018-2021: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for these fiscal years.

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

- (1) The assumed rate of inflation was reduced from 3.25% to 3.00%,
- (2) Payroll growth assumption was reduced from 4.00% to 3.50%,
- (3) Assumed real wage growth was reduced from 0.75% to 0.50%,
- (4) Rates of withdrawal, retirement and disability were updated to reflect recent experience,
- (5) Mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females,
- (6) Mortality among service retired members, and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates,
- (7) Mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement, and
- (8) The discount rate was reduced from 7.75% to 7.50%.

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

State Teachers Retirement System (STRS)

Changes in Benefit Terms:

2019-2023: There were no changes in benefit terms from the amounts reported for these fiscal years.

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

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

Changes in Assumptions:

2023: The following changes of assumptions affected the total pension liability since the prior measurement date:

- (1) Post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table:
 - a. Adjusted 110.0% for males, projected forward generationally using mortality improvement scale MP-2020
- (2) Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table:
 - a. Adjusted 95.0% for females, projected forward generationally using mortality improvement scale MP-2020
- (3) Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disable Annuitant

Warren County Career Center
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2023

Table:

- a. Projected forward generationally using mortality improvement scale MP-2020
- (4) Projected salary increases changed from 2.50% to 12.50% to 2.50% to 8.50%

2022: There were changes in assumptions since the prior measurement date, which the discount rate was adjusted to 7.00% from 7.45%.

2019-2021: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for these fiscal years.

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

- (1) The long term expected rate of return was reduced from 7.75% to 7.45%,
- (2) The inflation assumption was lowered from 2.75% to 2.50%,
- (3) The payroll growth assumption was lowered to 3.00%,
- (4) Total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation,
- (5) The healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016, and
- (6) Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

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

Note 3 - Net OPEB (Asset)/Liability

School Employees Retirement System (SERS)

Changes in Benefit Terms:

2017-2023: There were no changes in benefit terms from the amounts reported for these fiscal years.

Changes in Assumptions:

2023: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

- (1) Discount Rate:
 - Prior Measurement Date 2.27%
 - Measurement Date 4.08%
- (2) Municipal Bond Index Rate:
 - Prior Measurement Date 1.92%
 - Measurement Date 3.69%
- (3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:
 - Prior Measurement Date 2.27%
 - Measurement Date 4.08%
- (4) Health care trend rates were updated.

Warren County Career Center
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2023

2022: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

- (1) Discount Rate:
 - Prior Measurement Date 2.63%
 - Measurement Date 2.27%
- (2) Investment Rate of Return:
 - Prior Measurement Date 7.50%
 - Measurement Date 7.00%
- (3) Assumed Rate of Inflation:
 - Prior Measurement Date 3.00%
 - Measurement Date 2.40%
- (4) Payroll Growth Assumption:
 - Prior Measurement Date 3.50%
 - Measurement Date 1.75%
- (5) Assumed Real Wage Growth:
 - Prior Measurement Date 0.50%
 - Measurement Date 0.85%
- (6) Municipal Bond Index Rate:
 - Prior Measurement Date 2.45%
 - Measurement Date 1.92%
- (7) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:
 - Prior Measurement Date 2.63%
 - Measurement Date 2.27%
- (8) Rates of withdrawal, retirement and disability were updated to reflect recent experience.
- (9) Rate of health care participation for future retirees and spouses was updated to reflect recent.
- (10) Mortality among active members was updated to the following:
 - a. PUB-2010 General Amount Weighted Below Median Employee mortality table.
- (11) Mortality among service retired members was updated to the following:
 - a. 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.
- (12) Mortality among beneficiaries was updated to the following:
 - a. PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5% for males and adjusted 122.5% for females.
- (13) Mortality among disabled member was updated to the following:
 - a. 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.
- (14) Mortality rates are projected using a fully generational projection with Scale MP-2020.

2021: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

- (1) Discount Rate:
 - Prior Measurement Date 3.22%

Warren County Career Center
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2023

Measurement Date	2.63%
(2) Municipal Bond Index Rate:	
Prior Measurement Date	3.13%
Measurement Date	2.45%
(3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:	
Prior Measurement Date	3.22%
Measurement Date	2.63%

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

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

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

(1) Discount Rate:	
Prior Measurement Date	3.63%
Measurement Date	3.70%
(2) Municipal Bond Index Rate:	
Prior Measurement Date	3.56%
Measurement Date	3.62%
(3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:	
Prior Measurement Date	3.63%
Measurement Date	3.70%

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

(1) Discount Rate:	
Fiscal Year 2018	3.63%
Fiscal Year 2017	2.98%
(2) Municipal Bond Index Rate:	
Fiscal Year 2018	3.56%
Fiscal Year 2017	2.92%
(3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:	
Fiscal Year 2018	3.63%
Fiscal Year 2017	2.98%

Warren County Career Center
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2023

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

- (1) The assumed rate of inflation was reduced from 3.25% to 3.00%,
- (2) Payroll growth assumption was reduced from 4.00% to 3.50%,
- (3) Assumed real wage growth was reduced from 0.75% to 0.50%,
- (4) Rates of withdrawal, retirement and disability were updated to reflect recent experience,
- (5) Mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females,
- (6) Mortality among service retired members, and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, and
- (7) Mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

State Teachers Retirement System (STRS)

Changes in Benefit Terms:

2023: 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. Healthcare trends were updated to reflect emerging claims and recoveries experience.

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.

2021: There was no change to the claims costs process. Claim curves were updated to reflect the projected fiscal year end 2021 premium based on June 30, 2020 enrollment distribution. 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.

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

2019: The subsidy multiplier for non-Medicare benefit recipients was increased from 1.900% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased effective January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020. The Board is extending the current Medicare Part B partial

Warren County Career Center
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2023

reimbursement program for one year. Under this program, benefit recipients currently enrolled in the STRS Ohio Health Care Program and Medicare Part B receive \$29.90 per month to reimburse a portion of the Medicare Part B premium. The reimbursement was set to be reduced to \$0 beginning January 1, 2020. This impacts about 85,000 benefit recipients.

2018: The subsidy multiplier for non-Medicare benefit recipients was reduced from 2.10% to 1.90% per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2019.

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

Changes in Assumptions:

2023: The discount rate remained unchanged at 7.00% for the June 30, 2022 valuation.

2022: There were changes in assumptions since the prior measurement date, which the discount rate was adjusted to 7.00% from 7.45%.

2021: There were changes in assumptions during the measurement year, which decreased the total OPEB liability by approximately \$0.26 billion. The assumption changes included changes in healthcare costs and trends.

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

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

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

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

This Space Intentionally Left Blank

This page intentionally left blank.

**WARREN COUNTY CAREER CENTER
WARREN COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023**

Federal Grant/ Pass Through Grantor Program Title	Assistance Listing Number	Pass Through Entity Number	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
<i>Passed Through Ohio Department of Education:</i>			
Child Nutrition Cluster:			
Cash Assistance:			
School Breakfast Program	10.553	3L70	\$24,936
Non-Cash Assistance (Food Distribution):			
National School Lunch Program	10.555	3L60	21,289
Cash Assistance:			
National School Lunch Program	10.555	3L60	83,758
Total National School Lunch Program			<u>105,047</u>
Total Child Nutrition Cluster			<u>129,983</u>
COVID-19 State Pandemic Electronic Benefit Transfer (P-EBT) Administrative Costs Grant			
	10.649	3HF0	628
Total U.S. Department of Agriculture			<u>130,611</u>
U.S. DEPARTMENT OF EDUCATION			
<i>Direct Program:</i>			
Student Financial Aid Cluster:			
Federal Pell Grant Program	84.063	N/A	213,224
Federal Direct Student Loans	84.268	N/A	398,672
Total Student Financial Aid Cluster			<u>611,896</u>
Rural Education	84.358	N/A	59,870
<i>Direct Program:</i>			
COVID - 19 HEERF Fund for the Improvement of Postsecondary Education (FIPSE) Formula Grant	84.425N	N/A	183,061
<i>Passed Through Pickaway-Ross Career and Technology Center:</i>			
COVID - 19 Elementary and Secondary School Emergency Relief Fund	84.425D	N/A	1,301
<i>Passed Through Ohio Department of Education:</i>			
COVID - 19 Governor's Emergency Education Relief (GEER) Fund	84.425C	3HQ0	382,246
Total Education Stabilization Fund			<u>566,608</u>
<i>Passed Through Ohio Department of Education:</i>			
Adult Education - Basic Grants to States	84.002	3120	261,856
Career & Technical Education - Basic Grants to State	84.048	3L90	340,018
Total U.S. Department of Education			<u>1,840,248</u>
U.S. DEPARTMENT OF THE TREASURY			
<i>Passed Through Ohio Facilities Construction Commission:</i>			
COVID - 19 Coronavirus State and Local Fiscal Recovery Funds	21.027	5CV3	36,538
Total U.S. Department of the Treasury			<u>36,538</u>
Total Expenditures of Federal Awards			<u><u>\$2,007,397</u></u>

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

**WARREN COUNTY CAREER CENTER
WARREN COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Warren County Career Center (the Career Center) under programs of the federal government for the 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 B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

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

NOTE D - CHILD NUTRITION CLUSTER

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

NOTE E – FOOD DONATION PROGRAM

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

NOTE F – PRIOR YEAR FEDERAL SCHEDULE

The following grant was understated on the prior year Federal Schedule due to an error. The difference did not effect testing of major programs in the previous year. The error was as noted below:

Adult Education – Basic Grants to States – AL # 84.002
Understated by \$148,091

OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
(800) 282-0370

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

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

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Warren County Career Center, Warren County, (the Career Center) as of and for the year ended June 30, 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 18, 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 purposes of expressing our opinion 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 Career Center'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.



Keith Faber
Auditor of State
Columbus, Ohio
December 18, 2023

OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
(800) 282-0370

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

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

To the Board of Education:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Warren County Career Center's, Warren County, (the Career Center) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on the Warren County Career Center's major federal program for the year ended June 30, 2023. Warren County Career Center's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

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

Basis for Opinion on the 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 *Auditor's 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 the 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

The Career Center's 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.

Auditor's 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 the 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 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 *Auditor's 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 this testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio
December 18, 2023

This page intentionally left blank.

**WARREN COUNTY CAREER CENTER
WARREN COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2023**

1. SUMMARY OF AUDITOR'S RESULTS

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

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

OHIO AUDITOR OF STATE KEITH FABER



WARREN COUNTY CAREER CENTER

WARREN COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 12/26/2023

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

This report is a matter of public record and is available online at
www.ohioauditor.gov