OHIO AUDITOR OF STATE
KEITH FABER

ATHENS-MEIGS EDUCATIONAL SERVICE CENTER
ATHENS COUNTY
JUNE 30, 2023

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OHIO AUDITOR OF STATE
KEITH FABER

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INDEPENDENT AUDITOR'S REPORT

Athens-Meigs Educational Service Center
Athens County
PO Box 40
Chauncey, Ohio 45719

To the Governing Board:

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 Athens-Meigs Educational Service Center, Athens County, Ohio (Center), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the 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 Athens-Meigs Educational Service Center, Athens County, Ohio as of June 30, 2023 and the respective changes in financial position thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

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 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 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 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 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, Schedules of the Center's Proportionate Share of Net Pension and Other Post-Employment Benefit Liabilities and Pension and Other Post-Employment Benefit Schedules of Center 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 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 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The budgetary schedules for the General Fund, Special Projects Grant Fund, Public Preschool Grant Fund, Special Education Grant Fund, and Head Start Fund 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 and budgetary schedules are 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 March 25, 2024, on our consideration of the 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 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 Center's internal control over financial reporting and compliance.

Keith Faber
Auditor of State
Columbus, Ohio

March 25, 2024

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MANAGEMENT'S DISCUSSION AND ANALYSIS

The Athens-Meigs Educational Service Center's (the Center) discussion and analysis of the annual financial report provides a review of the Center's financial performance 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 basic financial statements to enhance their understanding of the Center's financial performance.

FINANCIAL HIGHLIGHTS

- The Center's net position of governmental activities increased $738,057.

- General revenues accounted for $77,743 in revenue or 1 percent of all revenues. Program specific revenues in the form of charges for services and sales and operating grants and contributions accounted for $11,206,132 or 99 percent of total revenues of $11,283,875.

- The Center had $10,545,818 in expenses; all of these expenses were offset by program specific charges for services and sales and operating grants and contributions of $11,206,132.

USING THIS ANNUAL FINANCIAL REPORT

This annual report consists of a series of financial statements. These statements are presented so that the reader can understand the Center's financial situation as a whole and also give a detailed view of the Center's financial activities.

The statement of net position and statement of activities provide information about the activities of the Center as a whole and present a longer-term view of the Center's 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 the amount of funds available for future spending. The fund financial statements also look at the Center's most significant funds with all other non-major funds presented in total in one column.

REPORTING THE CENTER AS A WHOLE

The analysis of the Center as a whole begins with the statement of net position and the statement of activities. These reports provide information that will help the reader to determine whether the Center is financially improving or declining as a result of the year's financial activities. These statements include all assets, deferred outflows and inflows of resources, and liabilities using the accrual basis of accounting similar to the accounting used by private sector companies. All current year revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Center's net position and changes to that position. This change informs the reader whether the Center's financial position, as a whole, has improved or diminished. In evaluating the overall financial health, the user of these financial statements needs to take into account non-financial factors that also impact the Center's financial well-being. Some of these factors include the condition of capital assets and required educational support services to be provided.

In the statement of net position and the statement of activities, the Center has only one kind of activity.

- Governmental Activities. Most of the Center's programs and services are reported here including instruction and support services.

REPORTING THE CENTER'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The analysis of the Center's funds begins on page 10. Fund financial statements provide detailed information about the Center's major funds – not the Center as a whole. Some funds are required by State law and bond covenants. Other funds may be established by the Treasurer with approval from the Board to help control, manage and report money received for a particular purpose or to show that the Center is meeting legal responsibilities for use of grants. The Center's major funds are the General Fund, Special Projects Grant Fund, the Public Preschool Grant Fund, the Special Ed Grant Fund, and the Head Start Fund.

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 the modified accrual basis of accounting, which measures cash and all other financial assets that can be readily 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 to determine whether there are more or fewer financial resources that can be spent in the near future to finance educational support services. The relationship (or difference) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is reconciled in the financial statements.

Fiduciary Funds. Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and custodial funds. Trust funds are used to account for assets held by the Center under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the Center's own programs. Custodial funds are used to maintain financial activity of the Center's fiduciary activities that are not required to be reported in a trust fund. In accordance with GASB 34, fiduciary funds are not included in the government-wide statements. The Center's custodial fund accounts for certain external functions for which the Center acts as fiscal agent. The Center's private-purpose funds are used to maintain the financial activity of the Center's scholarship funds.

THE CENTER AS A WHOLE

As stated previously, the statement of net position provides the perspective of the Center as a whole. Table 1 provides a summary of the Center's net position for 2023 compared to 2022.

Table 1
Net Position

	Governmental Activities	
	2023	2022
Assets		
Current and Other Assets	$ 1,632,968	$ 1,523,996
Net OPEB Asset	496,276	412,315
Capital Assets, Net	1,886,978	1,514,973
Total Assets	4,016,222	3,451,284
Deferred Outflows of Resources		
Pensions	1,904,569	1,781,117
OPEB	375,232	476,848
	2,279,801	2,257,965
Liabilities		
Current and Other Liabilities	1,161,781	1,045,045
Long-Term Liabilities:		
Due Within One Year	9,565	9,082
Due in More than One Year:		
Net Pension Liabilities	8,227,633	5,173,285
Net OPEB Liabilities	1,052,077	1,418,613
Other Amounts	95,603	128,444
Total Liabilities	10,546,659	7,774,469
Deferred Inflows of Resources		
Pensions	638,391	3,698,445
OPEB	1,605,953	1,469,372
	2,244,344	5,167,817
Net Position		
Net Investment in Capital Assets	1,874,943	1,493,856
Restricted	425,485	413,266
Unrestricted (Deficit)	(8,795,408)	(9,140,159)
Total Net Position (Deficit)	$ (6,494,980)	$ (7,233,037)

The net pension liability (NPL) is the largest single liability reported by the Center at June 30, 2023 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." The net other post-employment benefits (OPEB) liability (asset) is another significant liability (asset) reported pursuant to GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,". For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the Center's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability (asset) to the reported net position and subtracting deferred outflows related to pension and OPEB.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions

(GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OPEB liability (asset)*. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

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

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

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

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

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position. If there is a net OPEB asset, it will be reported in the asset section of the statement of net position. In accordance with GASB 68 and GASB 75, the Center's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability (asset), respectively, not accounted for as deferred inflows/outflows.

Total net position of the Center as a whole decreased $738,057. Capital assets, net increased due to current year additions. Deferred outflows of resources increased due to OPEB activity. Current and other liabilities increased primarily due to an increase in accrued wages and benefits and an increase in intergovernmental payables. Long-term liabilities increased primarily due to net pension liabilities. Deferred inflows of resources decreased due primarily to Pension activity.

Table 2 shows the changes in net position for the fiscal year ended June 30, 2023 as compared to 2022.

Table 2
Changes in Net Position

	Governmental Activities 2023	Governmental Activities 2022
Revenues		
Program Revenues		
Charges for Services and Sales	$ 4,453,222	$ 3,828,858
Operating Grants and Contributions	6,752,910	5,499,187
Total Program Revenues	11,206,132	9,328,045
General Revenues		
Grants and Entitlements Not Restricted to Specific Programs	39,693	21,917
Investment Earnings	11,056	2,073
Gifts and Donations Not Restricted	4,163	195
Miscellaneous	22,831	319,525
Total General Revenues	77,743	343,710
Total Revenues	11,283,875	9,671,755
Program Expenses		
Instruction:		
Regular	1,419,168	1,542,268
Special	2,298,684	1,995,131
Vocational	30,310	99,216
Support Services:		
Pupils	2,755,354	2,115,344
Instructional Staff	1,689,944	1,200,005
Board of Education	50,052	34,650
Administration	741,272	607,327
Fiscal	616,860	430,945
Business	8,493	87,261
Operation and Maintenance of Plant	333,558	146,979
Pupil Transportation	163,738	175,048
Central	137,378	254,976
Operation of Non-Instructional Services	300,124	235,886
Interest and Fiscal Charges	883	1,343
Total Expenses	10,545,818	8,926,379
Change in Net Position	738,057	745,376
Net Position, Beginning of Year	(7,233,037)	(7,978,413)
Net Position, End of Year	$ (6,494,980)	$ (7,233,037)

GOVERNMENTAL ACTIVITIES

Charges for services and sales comprised 39.4 percent of revenue for governmental activities, while operating grants and contributions comprised 59.85 percent of revenue for governmental activities of the Center for fiscal year 2023. Charges for services and sales increased primarily as a result of an increase in tuition and fees revenues in the general fund. Operating grants and contributions increased from prior year.

As indicated by governmental program expenses, instruction and support services for the benefit of the pupils are emphasized. Support services for pupils comprised 26 percent of governmental program expenses, regular instruction comprised 13 percent, instructional staff comprised 16 percent, and special instruction comprised 22 percent of government expenses. The increase in expenses is primarily due to the Pupils, Fiscal, and Instructional Staff activity in 2023.

The statement of activities shows the cost of program services and the charges for services and sales, grants and contributions offsetting those services. Table 3 shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by unrestricted State entitlements and other general revenues.

Table 3
Governmental Activities

	Total Cost of Services 2023	Net Cost of Services 2023	Total Cost of Services 2022	Net Cost of Services 2022
Instruction	$ 3,748,162	$ (380,364)	$ 3,636,615	$ (294,946)
Support Services	6,496,649	(271,758)	5,052,535	(76,765)
Operation of Non-Instructional Services	300,124	(9,075)	235,886	(31,298)
Interest and Fiscal Charges	883	883	1,343	1,343
Total Expenses	$ 10,545,818	$ (660,314)	$ 8,926,379	$ (401,666)

THE CENTER'S FUNDS

Governmental funds are accounted for using the modified accrual basis of accounting.

The General Fund balance decreased $138,137. The General Fund had revenues of $4,373,973 and expenditures of $4,512,110.

The fund balance of the Special Projects Grant Fund decreased $24,320. The fund had revenues of $335,067 and expenditures of $359,387.

The Public Preschool Grant Fund balance decreased $2,346. The fund had revenues of $372,430 and expenditures of $374,776.

The Special Ed Grant Fund balance decreased $28,868. The fund had revenues of $1,109,745 and expenditures of $1,138,613.

The Head Start Fund balance decreased $43,551. The fund had revenues of $3,174,196, and expenditures of $3,217,747.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2023, the Center had $1,886,978 invested in its capital assets. Table 4 shows the fiscal year 2023 balances compared to 2022.

Table 4
Capital Assets
(Net of Depreciation)

	Governmental Activities	
	2023	2022
Land	$ 8,230	$ 8,230
Land Improvements	10,410	11,787
Leasehold Improvements	19,586	20,245
Buildings and Building Improvements	1,070,131	996,293
Furniture and Equipment	746,905	440,722
Vehicles	31,716	37,696
Totals	$ 1,886,978	$ 1,514,973

Changes in capital assets from the prior year resulted from the additions, disposals and current year depreciation. See Note 5 to the basic financial statements for more detailed information related to capital assets.

Debt

As of June 30, 2023, the Center had a financed purchase outstanding in the amount of $12,035 with $9,565 due in one year. The obligation was for the purchase of copiers. For additional information regarding financed purchases and other long term obligations, please see Note 4 of the notes to the basic financial statements.

CONTACTING THE CENTER'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, creditors, and investors with a general overview of the Center's financial condition and to show the Center's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Teresa McGinnis, Treasurer, Athens-Meigs Educational Service Center, 21 Birge Drive, Chauncey, Ohio 45719, PO Box 40.

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Athens-Meigs Educational Service Center
Statement of Net Position
June 30, 2023

	Governmental Activities
ASSETS:	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	$ 565,099
Investments	3,336
Intergovernmental Receivable	1,052,475
Prepaid Items	12,058
Noncurrent Assets:	
Net OPEB Asset	496,276
Non-Depreciable Capital Assets	8,230
Depreciable Capital Assets, net	1,878,748
Total Assets	4,016,222
DEFERRED OUTFLOWS OF RESOURCES:	
Pensions:	
State Teachers Retirement System	1,250,641
School Employees Retirement System	653,928
OPEB:	
State Teachers Retirement System	37,768
School Employees Retirement System	337,464
Total Deferred Outflows of Resources	2,279,801
LIABILITIES:	
Current Liabilities:	
Accounts Payable	98,235
Accrued Wages and Benefits	890,022
Intergovernmental Payable	173,524
Non-Current Liabilities:	
Due Within One Year	9,565
Due in More Than One Year:	
Net Pension Liability (See Note 6)	8,227,633
Net OPEB Liability (See Note 7)	1,052,077
Other Amounts Due in More Than One Year	95,603
Total Liabilities	10,546,659
DEFERRED INFLOWS OF RESOURCES:	
Pensions:	
State Teachers Retirement System	473,920
School Employees Retirement System	164,471
OPEB:	
State Teachers Retirement System	453,159
School Employees Retirement System	1,152,794
Total Deferred Inflows of Resources	2,244,344
NET POSITION:	
Net Investment in Capital Assets	1,874,943
Restricted for:	
Special Projects	251,473
Preschool	75,694
Other Purposes	98,318
Unrestricted (Deficit)	(8,795,408)
Total Net Position	$ (6,494,980)

The notes to the basic financial statements are an integral part of this statement.

Athens-Meigs Educational Service Center
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	$ 1,419,168	$ 163,717	$ 1,261,552	$ 6,101
Special	2,298,684	1,741,418	931,260	373,994
Vocational	30,310	23,987	6,592	269
Support Services:				
Pupils	2,755,354	1,595,789	1,270,195	110,630
Instructional Staff	1,689,944	200,348	1,618,627	129,031
Board of Education	50,052	46,507	3,495	(50)
Administration	741,272	227,129	525,593	11,450
Fiscal	616,860	342,456	289,144	14,740
Business	8,493	-	-	(8,493)
Operation and Maintenance of Plant	333,558	14,811	322,653	3,906
Pupil Transportation	163,738	6,822	164,029	7,113
Central	137,378	77,893	62,916	3,431
Operation of Non-Instructional Services	300,124	12,345	296,854	9,075
Interest and Fiscal Charges	883	-	-	(883)
Total Governmental Activities	$ 10,545,818	$ 4,453,222	$ 6,752,910	660,314
	General Revenues:			
	Grants and Entitlements not Restricted to Specific Programs			39,693
	Gifts and Donations not Restricted			4,163
	Investment Earnings			11,056
	Miscellaneous			22,831
	Total General Revenues			77,743
	Change in Net Position			738,057
	Net Position Beginning of Year			(7,233,037)
	Net Position End of Year			$ (6,494,980)

The notes to the basic financial statements are an integral part of this statement.

Athens-Meigs Educational Service Center

Balance Sheet

Governmental Funds

June 30, 2023

	General	Special Projects Grant	Public Preschool Grant	Special Ed Grant	Head Start	All Other Governmental Funds	Total Governmental Funds
ASSETS:							
Equity in Pooled Cash and Cash Equivalents	$ 156,092	$ 269,268	$ 2	$ -	$ -	$ 139,737	$ 565,099
Investments	3,336	-	-	-	-	-	3,336
Interfund Receivable	430,354	-	-	-	-	-	430,354
Intergovernmental Receivable	370,227	10,567	189,356	181,883	-	300,442	1,052,475
Prepaid Items	8,064	-	-	3,138	-	856	12,058
Total Assets	$ 968,073	$ 279,835	$ 189,358	$ 185,021	$ -	$ 441,035	$ 2,063,322
LIABILITIES:							
Accounts Payable	$ 4,150	$ -	$ 82,794	$ 4,199	$ 7,092	$ -	$ 98,235
Accrued Wages and Benefits	485,788	23,251	24,001	51,863	217,358	87,761	890,022
Interfund Payable	-	-	77,320	115,524	42,055	195,455	430,354
Intergovernmental Payable	102,593	5,111	5,241	10,299	38,294	11,986	173,524
Total Liabilities	592,531	28,362	189,356	181,885	304,799	295,202	1,592,135
DEFERRED INFLOWS OF RESOURCES:							
Unavailable Revenue - Tuition and Fees	257,295	-	-	-	-	-	257,295
Unavailable Revenue - Grants	-	3,000	14,799	-	-	43,340	61,139
Total Deferred Inflows of Resources	257,295	3,000	14,799	-	-	43,340	318,434
FUND BALANCES:							
Nonspendable	8,064	-	-	3,138	-	856	12,058
Restricted	-	248,473	-	-	-	143,098	391,571
Assigned	24,391	-	-	-	-	-	24,391
Unassigned(Deficit)	85,792	-	(14,797)	(2)	(304,799)	(41,461)	(275,267)
Total Fund Balances	118,247	248,473	(14,797)	3,136	(304,799)	102,493	152,753
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 968,073	$ 279,835	$ 189,358	$ 185,021	$ -	$ 441,035	$ 2,063,322

The notes to the basic financial statements are an integral part of this statement.

Athens-Meigs Education Service Center
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
June 30, 2023

Total Governmental Fund Balances		$ 152,753
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.		1,886,978
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		
Intergovernmental	234,452	
Tuition and fees	83,982	
Total		318,434
The net pension and OPEB liabilities (assets) are not due and payable in the current period; therefore, the liabilities and related deferred inflows/outflows are not reported in the funds.		
Deferred outflows of resources related to pensions	1,904,569	
Deferred outflows of resources related to OPEB	375,232	
Deferred inflows of resources related to pensions	(638,391)	
Deferred inflows of resources related to OPEB	(1,605,953)	
Net OPEB Asset	496,276	
Net Pension Liability	(8,227,633)	
Net OPEB Liability	(1,052,077)	
		(8,747,977)
Long-term liabilities, including capital leases and the long-term portion of compensated absences, are not due and payable in the current period and therefore are not reported in the funds.		
Compensated Absences	(93,133)	
Financed Purchases	(12,035)	
Total		(105,168)
Net Position of Governmental Activities		$ (6,494,980)

The notes to the basic financial statements are an integral part of this statement.

Athens-Meigs Educational Service Center
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2023

	General	Special Projects Grant	Public Preschool Grant	Special Ed Grant	Head Start	All Other Governmental Funds	Total Governmental Funds
REVENUES:							
Intergovernmental	$ 371,442	$ 76,880	$ 372,430	$ 1,109,745	$ 3,174,196	$ 1,662,104	$ 6,766,797
Interest	11,056	-	-	-	-	-	11,056
Tuition and Fees	3,783,041	236,327	-	-	-	46,220	4,065,588
Extracurricular Avtivities	550						550
Gifts and Donations	2,198	1,700	-	-	-	265	4,163
Charges for Services and Sales	203,015	-	-	-	-	490	203,505
Miscellaneous	2,671	20,160	-	-	-	-	22,831
Total Revenues	4,373,973	335,067	372,430	1,109,745	3,174,196	1,709,079	11,074,490
EXPENDITURES:							
Current:							
Instruction:							
Regular	201,838	-		-	1,238,922	1,134	1,441,894
Special	1,838,756	71,160	304,374	-	192,291	1,721	2,408,302
Vocational	23,735	8,227	-	-	-	-	31,962
Support Services:					-	-	
Pupils	1,593,969	130,082	33,671	27,225	352,784	710,918	2,848,649
Instructional Staff	144,921	99,162	14,885	897,910	74,281	464,685	1,695,844
Board of Education	48,333	-	-	-	3,426	-	51,759
Administration	227,149	26,396	11,495	128,617	225,590	118,802	738,049
Fiscal	354,304	2,814	10,351	33,430	211,095	25,883	637,877
Business	63	-	-	-	-	-	63
Operation and Maintenance of Plant	1,338	21,546	-	41,466	111,738	141,528	317,616
Pupil Transportation	-	-	-	-	166,000	-	166,000
Central	77,613	-	-	-	51,051	10,622	139,286
Operation of Non-Instructional Services	91	-	-	-	132,372	172,731	305,194
Capital Outlay	-	-	-	-	458,197	40,982	499,179
Debt Service:							
Principal	-	-	-	9,082		-	9,082
Interest and Fiscal Charges	-	-	-	883		-	883
Total Expenditures	4,512,110	359,387	374,776	1,138,613	3,217,747	1,689,006	11,291,639
Net Change in Fund Balances	(138,137)	(24,320)	(2,346)	(28,868)	(43,551)	20,073	(217,149)
Fund Balance (Deficit) at Beginning of Year	256,384	272,793	(12,451)	32,004	(261,248)	82,420	369,902
Fund Balance (Deficit) at End of Year	$ 118,247	$ 248,473	$ (14,797)	$ 3,136	$ (304,799)	$ 102,493	$ 152,753

The notes to the basic financial statements are an integral part of this statement.

Athens-Meigs Educational Service Center
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2023

Net Change in Fund Balances - Total Governmental Funds		$ (217,149)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital asset additions in the current period.		
Current Year Additions	499,179	
Current Year Depreciation	(127,174)	
Total		372,005
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Intergovernmental	180,878	
Tuition and fees	28,507	
Total		209,385
Contractually required contributions for pensions are reported as expenditures in governmental funds; however, the statement of activities reports these amounts as deferred outflows.		810,902
Contractually required contributions for OPEB are reported as expenditures in governmental funds; however, the statement of activities reports these amounts as deferred outflows.		57,709
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.		(681,744)
Except for amounts reported as deferred inflows/outflows, changes in the net OPEB liability (asset) are reported as OPEB expense in the statement of activities.		154,591
Repayment of financed purchase obligations are expenditures in the governmental funds, but the repayment reduces liabilities in the statement of net position and does not result in an expense in the statement of activities.		9,082
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.		
Decrease in Compensated Absences	23,276	
Total		23,276
Net Change in Net Position of Governmental Activities		$ 738,057

The notes to the basic financial statements are an integral part of this statement.

Athens-Meigs Education Service Center
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2023

	Custodial Fund
ASSETS:	
Equity in Pooled Cash and Cash Equivalents	$ 64,033
NET POSITION:	
Restricted for Individuals, Organizations, and Other Governments	64,033
Total Net Position	$ 64,033

The notes to the basic financial statements are an integral part of this statement.

Athens-Meigs Educational Service Center

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

For the Fiscal Year Ended June 30, 2023

	Private Purpose Trust Fund	Custodial Fund
ADDITIONS:		
Amonts Received as Fiscal Agent	$ 7,461	$ 46,270
Total Additions	7,461	46,270
DEDUCTIONS:		
Payments in Accordance with Trust Agreements	9,000	-
Distributions as Fiscal Agent	-	35,193
Total Deductions	9,000	35,193
Change in Net Position	(1,539)	11,077
Net Position Beginning of Year	1,539	52,956
Net Position End of Year	$ -	$ 64,033

The notes to the basic financial statements are an integral part of this statement.

NOTE 1 - DESCRIPTION OF THE CENTER AND REPORTING ENTITY

Description of the Entity:

The Athens-Meigs Educational Service Center (the Center) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Center is a County Educational Service Center as defined by Section 3311.05 of the Ohio Revised Code. The Center is an administrative entity providing supervision and certain other services to the local school districts located within Athens, Meigs, and Perry Counties. It currently operates under a locally elected Governing Board form of government consisting of nine members elected in the following manner: seven members from sub-districts composed of the 7 school districts in Athens, Meigs and Perry Counties; and two members at large from sub-districts composed of the 7 school districts in Athens, Meigs and Perry Counties.

Reporting Entity:

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements of the Center are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Center. For the Center, this includes general operations.

Component units are legally separate organizations for which the Center is financially accountable. The Center is financially accountable for an organization if the Center appoints a voting majority of the organization's governing board and (1) the Center is able to significantly influence the programs or services performed or provided by the organization; or (2) the Center is legally entitled to or can otherwise access the organization's resources; the Center is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Center is obligated for the debt of the organization. Component units may also include organizations for which the Center approves the budget, the issuance of debt or the levying of taxes. As of June 30, 2023, the Center had no component units.

The Center is associated with three jointly governed organizations and one insurance purchasing pool. These organizations are discussed in Note 9 and Note 10 to the basic financial statements. These organizations are:

Jointly Governed:
- Metropolitan Educational Technology Association (META) Solutions
- Tri-County Career Center
- Athens County School Employees Health and Welfare Benefit Association

Insurance Purchasing Pool:
- Ohio School Boards Association Workers' Compensation Group Rating Plan

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Government-wide Financial Statements:

The statement of net position and the statement of activities display information about the Center as a whole. These statements include the financial activities of the primary government. The statement of net position presents the financial condition of governmental activities of the Center at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Center's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Center. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the Center.

Fund Financial Statements:

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

B. Fund Accounting

The Center's accounts are maintained on the basis of funds, each of which is considered a separate accounting entity. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to specific Center functions or activities. The operation of each fund is accounted for within a separate set of self-balancing accounts. The funds of the Center fall within two categories: governmental and fiduciary.

Governmental Funds:

Governmental funds are those through which all governmental functions of the Center are financed. The acquisition, use, and balances of the Center's expendable financial resources and the related current liabilities and deferred inflows of resources are accounted for through governmental funds. The following are the Center's major governmental funds:

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

Special Projects Grant Fund– The Special Projects Grant Fund is a fund used to account for the proceeds of the special projects grants. The primary source of revenue for the Special Projects Grant Fund is grant monies received from specific revenue sources, except for State and Federal grants.

Public Preschool Grant Fund – The Public Preschool Grant Fund is a fund to assist school districts in paying the cost of preschool programs for three and four-year olds. The primary source of revenue for the Public Preschool Fund is grant monies received from state sources.

Special Ed Grant Fund – The Special Ed Grant Fund is a fund used to account for grant monies used to assist in providing an appropriate public education to all children with disabilities. The primary source of revenue for the Special Ed Grant Fund is grant monies received from federal sources.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Head Start Fund – The Head Start Fund distributes monies to agencies to expand their programs to serve more eligible children, including the lease of additional classroom space, to acquire materials, to pay license fees, and to hire and train Head Start agency staff. The primary source of revenue for the Head Start Fund is grant monies received from federal sources.

The other governmental funds of the Center account for grants and other resources whose use is restricted to a particular purpose.

Fiduciary Funds:

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and custodial funds. Trust funds are used to account for assets held by the Center under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the Center's programs. Custodial funds are used to maintain financial activity of the Center's fiduciary activities that are not required to be reported in a trust fund. In accordance with GASB 34, fiduciary funds are not included in the government-wide statements. The Center's fiduciary funds are comprised of private purpose trust and custodial funds.

The Center's private purpose trust fund is used to maintain the financial activity of the Center's scholarship funds. The Center has a custodial fund used to account for the activity of fiduciary activities.

C. Measurement Focus and Basis of Accounting

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

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

Basis of Accounting **-** Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide and fiduciary fund financial statements are prepared using the accrual basis of accounting. The fund financial statements are prepared using the modified accrual basis of accounting for governmental funds. Differences in the accrual and modified accrual bases of accounting arise in the recognition of revenue, the recording of unavailable revenue, the recording of deferred inflows and outflows of resources related to net pension/OPEB liabilities (assets), the recording of net pension/OPEB liabilities (assets), and in the presentation of expenses versus expenditures.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: interest, grants, tuition and fees and customer sales and services.

On the governmental fund financial statements, receivables that will not be collected within the available period have also been reported as unavailable revenue.

Deferred Outflows and Deferred Inflows of Resources Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expenditures/expenses) until then. The Center reports a deferred outflow of resources for pensions/OPEB. The deferred outflows of resources related to the pensions and OPEB are explained in Notes 6 and 7, respectively. The Center also reports a deferred inflow of resources which represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenues) until that time. For the Center these amounts normally would consist of intergovernmental receivables which are not collected in the available period and pensions/OPEB. The difference between deferred inflows on the Statement of Net Position and the Balance Sheet for 2023 is due to pensions, OPEB and also for unavailable grant revenue. Deferred inflows of resources related to pensions and OPEB are reported on the Statement of Net Position.

Expenses/Expenditures On the accrual basis of accounting, expenses are recognized at the time they are incurred. The focus of modified accrual basis accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable, except for the costs of accumulated unpaid vacation, personal leave and sick leave. They are reported as fund liabilities as payments come due each period upon the occurrence of employee resignations and retirements. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

D. Cash and Cash Equivalents

To improve cash management, all cash received by the Center is pooled. Monies for all funds are maintained in this pool, with the exception of one Special Revenue Fund that is held in a certificate of deposit, and a portion of the General Fund held in the form of common stock. Individual fund integrity is maintained through the Center's records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the financial statements.

During fiscal year 2023, investments were limited to certificates of deposits, STAR Ohio, and common stock. The common stock was received as a donation and is held in the General Fund. Investments are recorded at fair value that is based upon quoted market prices. Nonparticipating investment contracts such as repurchase agreements are reported at cost.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

For 2023, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding $25 million. STAR Ohio reserves the right to limit the transaction to $100 million, requiring the excess amount to be transacted the following business day(s), but only to the $100 million limit. All accounts of the participant will be combined for these purposes.

Following Ohio statutes, the Governing Board has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2023 amounted to $11,056.

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

E. Capital Assets and Depreciation

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The Center maintains a capitalization threshold of $500. The Center does not possess any infrastructure.

Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

Description	Estimated Lives
Land Improvements	15-20 years
Leasehold Improvements	10-15 years
Buildings and Building Improvements	10-50 years
Furniture and Equipment	5-10 years
Vehicles	5-15 years

F. Intergovernmental Revenues

In governmental funds, intergovernmental revenues, such as entitlements and grants awarded on a non-reimbursement basis, are recorded as receivables and revenues when measurable and available. Reimbursement type grants are recorded as receivables and revenues when the related expenditures are incurred and the funding is available.

G. Interfund Transactions

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. 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 employer 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 is based on the sick leave accumulated at June 30 by those employees who are eligible to receive termination benefits and by those employees for whom it is probable will become eligible to receive termination benefits 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 Center's termination policy.

For governmental funds, the Center records a liability for accumulated unused vacation time when earned for all employees with more than one year of service. The Center records a liability for accumulated unused sick leave for employees based on age and years of service.

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

On the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures as payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "matured compensated absences payable" in the fund from which the employee will be paid.

I. Accrued Liabilities and Long-Term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in full and in a timely manner from current financial resources, are reported as obligations of the funds. However, claims and judgments and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year.

The Center had long-term obligations at 2023 as disclosed in Note 4.

J. Net Position

Net position represents the difference between assets, liabilities and deferred inflows/outflows of resources. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings and the effect of deferred outflows and inflows related to the acquisition, construction or improvement of those assets.

Net position is reported as restricted when there are limitations imposed on their use either through constitutional provisions, or enabling legislation adopted or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Other purposes restricted net position includes various grants and other resources restricted for various purposes. The Center's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. Of the Center's restricted net position, none are restricted by enabling legislation.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. Fund Balance

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

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

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

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

Assigned Amounts in the assigned fund balance classification are intended to be used by the Center for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by policies of the Center Board of Education.

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 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.

L. Interfund Balances

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

M. Estimates

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. Flow-Through Grants

The Center is the primary recipient of grants, which are passed-through to or spent on the behalf of other governmental agencies. When the Center has a financial or administrative role in the grants, the grants are reported as revenues and intergovernmental expenditures in a special revenue fund.

O. Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to pension/OPEB expense, information about the fiduciary net position of the pension 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.

P. Prepaid Items

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

NOTE 3 - EQUITY IN POOLED CASH AND INVESTMENTS

The Center maintains a cash and investment pool used by all funds. Each fund's portion of this pool is displayed on the financial statements as "Equity in Pooled Cash and Cash Equivalents" and "Investments." State statutes classify monies held by the Center into three categories.

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

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

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

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

1. United States Treasury 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;

NOTE 3 - EQUITY IN POOLED CASH AND INVESTMENTS (continued)

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.

Protection of the Center's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), 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 Center, and must be purchased with the expectation that it will be held to maturity.

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

Deposits Custodial credit risk is the risk that in the event of bank failure, the Center will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, $239,392 of the Center's bank balance of $556,340 was exposed to custodial credit risk because those deposits were uninsured and collateralized. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the Center to a successful claim by the Federal Deposit Insurance Corporation

The Center does not have a deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or be protected by:

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

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

NOTE 3 - EQUITY IN POOLED CASH AND INVESTMENTS (continued)

Investments As of 2023, the Center had the following investments:

	Fair/Carrying Value	Weighted Average Maturity (Years)
Common Stock	$3,336	< One Year
STAR Ohio	108,900	< One Year
Totals	$112,236	

The 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. The above table identifies the Center's recurring fair value measurements as of June 30, 2023. As discussed further in Note 2D, STAR Ohio is reported at its share price. All other investments of the Center are valued using quoted market prices (Level 1 inputs).

Interest rate risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with the investment policy, the Center manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio.

Credit risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. In accordance with its investment policy, the Center limits its investments to donated stock, STAR Ohio and certificates of deposit. Investments in preferred stock should be rated "A" or better by Moody's or S&P at the time of purchase. Investments in STAR Ohio were rated AAAm by Standard & Poor's.

Concentration of credit risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Center's investment policy does not limit the amount it may invest in a single issuer. 3% of the Center's investments are in stocks and 97% are in STAR Ohio.

Custodial credit risk - Custodial credit risk is the risk that in the event of the failure of the counterparty, the Center will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the Center's securities are either insured and registered in the name of the Center or at least registered in the name of the Center.

NOTE 4 - LONG-TERM LIABILITIES AND OTHER OBLIGATIONS

Long-Term Liabilities

The changes in the Center's long-term liabilities during fiscal year 2023 were as follows:

	Balance at 6/30/2022	Increase	Decrease	Balance at 6/30/2023		Amount Due In One Year
Compensated Absences	$116,409	$684,146	$707,422	$93,133		$ -
Financed Purchase	21,117	-	9,082	12,035		9,565
Net Pension Liability:						
STRS	2,500,367	1,760,295	-	4,260,662		-
SERS	2,672,918	1,294,053	-	3,966,971		-
Total Net Pension Liability	5,173,285	3,054,348	-	8,227,633		-
Net OPEB Liability:						
STRS	-	-	-	-	(a)	-
SERS	1,418,613	-	366,536	1,052,077		-
Total Net OPEB Liability	1,418,613	-	366,536	1,052,077		-
Total Long-Term Liabilities	$6,729,424	$3,738,494	$1,083,040	$9,384,878		$9,565

(a) OPEB for STRS has a Net OPEB asset in the amount of $496,276 as of June 30, 2023.

Compensated absences are paid from the fund from which the employee is paid, with the General Fund being the most significant.

Financed Purchase

In a prior fiscal year, the Center entered into a purchasing agreement for the purchase of copiers. The capital assets under this purchase were capitalized in the amount of $47,143. The purchasing obligation is being paid from the Title VI-B Fund. The annual requirements to amortize the financed purchase obligation outstanding as of June 30, 2023 are as follows:

Year Ending June 30	Principal	Interest	Total
2024	$ 9,565	$ 401	$ 9,966
2025	2,470	21	2,491
Total	$ 12,035	$ 422	$ 12,457

NOTE 5 - CAPITAL ASSETS

Capital assets activity for the fiscal year ended 2023, was as follows:

	Beginning Balance 6/30/2022	Additions	Deletions	Ending Balance 6/30/2023
Governmental Activities:				
Capital Assets, Not Being Depreciated				
Land	$ 8,230	$ -	$ -	$ 8,230
Total Capital Assets, Not Being Depreciated	8,230	-	-	8,230
Capital Assets Being Depreciated				
Land Improvements	47,665			47,665
Leasehold Improvements	23,635	-	-	23,635
Buildings and Building Improvements	2,377,718	140,768	-	2,518,486
Furniture and Equipment	975,309	358,411	-	1,333,720
Vehicles	216,933	-	-	216,933
Total Capital Assets, Being Depreciated	3,641,260	499,179	-	4,140,439
Less Accumulated Depreciation:				
Land Improvements	(35,878)	(1,377)	-	(37,255)
Leasehold Improvements	(3,390)	(659)	-	(4,049)
Building and Building Improvements	(1,381,425)	(66,930)	-	(1,448,355)
Furniture and Equipment	(534,587)	(52,228)	-	(586,815)
Vehicles	(179,237)	(5,980)	-	(185,217)
Total Accumulated Depreciation	(2,134,517)	(127,174)	-	(2,261,691)
Total Depreciable Capital Assets, Net	1,506,743	372,005	-	1,878,748
Governmental Activities Capital Assets, Net	$ 1,514,973	$ 372,005	$ -	$ 1,886,978

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	$71,898
Special Instruction	1,407
Adult/Continuing Instruction	0
S.S - Pupils	2,374
S.S. - Instructional Staff	3,420
S.S. - Administration	19,623
S.S. - Fiscal	1,115
S.S. - Business	8,430
S.S. - Operation and Maintenance of Plant	15,942
S.S. - Pupil Transportation	2,950
Operation of Non-Instructional Services	15
Total Depreciation Expense	$127,174

NOTE 6 - DEFINED BENEFIT PENSION PLANS

The Statewide retirement systems provide both pension 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 and OPEB are provided to an employee on a deferred-payment basis as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions and OPEB are a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension/OPEB liability (asset) represents the Center's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension and 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 this estimate annually.

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

GASB Statements No. 68/75 assume the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for the 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 pension plans to amortize unfunded 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 7 for the required OPEB disclosures.

Plan Description - School Employees Retirement System (SERS)

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

NOTE 6 - DEFINED BENEFIT PENSION PLANS (Continued)

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

Age and service requirements for retirement are as follows:

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

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

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

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost of living adjustment (COLA) on the first anniversary date of the benefit. 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 percent and with a floor of 0 percent. A three-year COLA suspension was in effect for all benefit recipients for the years 2018, 2019, and 2020. In 2022, the Retirement Board approved a 0.5 percent COLA for eligible retirees and beneficiaries in 2023.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the Center is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2023, 14.0% was designated to pension, death benefits, and Medicare B. There was no amount allocated to the Health Care Fund for fiscal year 2023.

The Center's contractually required contribution to SERS was $420,225 for fiscal year 2023. Of this amount $51,247 is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

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

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

NOTE 6 - DEFINED BENEFIT PENSION PLANS (Continued)

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

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 Aug. 1, 2015, the calculation is 2.2% of final average salary for the five highest years of earnings multiplied by all years of service. Eligibility changes will be phased in until Aug. 1, 2023, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit at any age.

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

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

The DC Plan allows members to place all their member contributions and 9.53% of the 14% employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.47% of the 14% employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

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

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

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. Eligible survivors of members who die before service retirement may qualify for monthly benefits. New members on or after July 1, 2013, must have at least 10 years of qualifying service credit to apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy – Employer and member contribution rates are established by the Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The statutory employer rate is 14% and the statutory member rate is 14% of covered payroll. The Center was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2023 contribution rates were equal to the statutory maximum rates.

The Center's contractually required contribution to STRS Ohio was $390,677 for fiscal year 2023. Of this amount $59,849 is reported as an intergovernmental payable.

NOTE 6 - DEFINED BENEFIT PENSION PLANS (Continued)

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

The net pension liability disclosed as current year below 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 Center's proportion of the net pension liability was based on the Center's share of contributions to the pension plan relative to the projected contributions of all participating entities. Following is information related to the proportionate share:

	SERS	STRS	Total
Proportionate Share of the Net Pension Liability - Current Year	0.0733432%	0.019166160%	
Proportionate Share of the Net Pension Liability - Prior Year	0.0724425%	0.019555662%	
Change in Proportionate Share	0.0009007%	-0.000389502%	
Proportion of the Net Pension Liability	$3,966,971	$4,260,662	$8,227,633
Pension Expense (Gain)	$175,562	$506,182	$681,744

:

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

Deferred Outflows of Resources	**SERS**	**STRS**	**Total**
Differences between expected and actual economic experience	$160,666	$54,542	$215,208
Difference from a change in proportion and differences between School District contributions and proportionate share of contributions	33,894	147,287	181,181
Changes of assumptions	39,143	509,873	549,016
Differences between projected and actual investment earnings	-	148,262	148,262
School District contributions subsequent to the measurement date	420,225	390,677	810,902
Total	$653,928	$1,250,641	$1,904,569

Deferred Inflows of Resources	**SERS**	**STRS**	**Total**
Differences between expected and actual economic experience	$26,042	$16,298	$42,340
Differences between projected and actual investment earnings	138,429	383,788	522,217
Changes of assumptions			
Difference from a change in proportion and differences between School District contributions and proportionate share of contributions	0	73,834	73,834
Total	$164,471	$473,920	$638,391

$810,902 reported as deferred outflows of resources related to pension resulting from Center contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024.

NOTE 6 - DEFINED BENEFIT PENSION PLANS (Continued)

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

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

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2024	$37,904	$26,515	$64,419
2025	(970)	15,686	14,716
2026	(197,748)	(88,258)	(286,006)
2027	230,046	432,101	662,147
Total	$69,232	$386,044	$455,276

Actuarial Assumptions - SERS

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

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

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

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

	June 30, 2022	June 30, 2021
Inflation	2.4 percent	2.4 percent
Future Salary Increases, including inflation	3.25 percent to 13.58 percent	3.25 percent to 13.58 percent
COLA or Ad Hoc COLA	2.0 percent, on or after April 1, 2018, COLAs for future retirees will be delayed for three years following commencement	2.0 percent, on or after April 1, 2018, COLAs for future retirees will be delayed for three years following commencement
Investment Rate of Return	7.00 percent net of system expenses	7.00 percent net of system expenses
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)	Entry Age Normal (Level Percent of Payroll)

NOTE 6 - DEFINED BENEFIT PENSION PLANS (Continued)

Actuarial Assumptions - SERS (Continued)

Mortality rates for 2021 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 percent for males and set forward 2 years and adjusted 81.35 percent 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 percent for males and set forward 3 years and adjusted 106.8 percent for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

Mortality rates for 2020 were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females. Mortality among service retired members, and beneficiaries were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120 percent of male rates, and 110 percent of female rates. Mortality among disabled members were based upon the RP-2000 Disabled Mortality Table, 90 percent for male rates and 100 percent for female rates, set back five years is used for the period after disability retirement.

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

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

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

Discount Rate The total pension liability for 2022 was calculated using the discount rate of 7.00 percent. The discount rate for 2021 was 7.0 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.00 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

NOTE 6 - DEFINED BENEFIT PENSION PLANS (Continued)

Actuarial Assumptions – SERS (Continued)

Sensitivity of the Center's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.00 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent), or one percentage point higher (8.00 percent) than the current rate.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Center's proportionate share of the net pension liability	$5,839,192	$3,966,971	$2,389,650

Assumptions and Benefit Changes Since the Prior Measurement Date - There were no changes in assumptions or benefits since the prior measurement date.

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:

	June 30, 2022	June 30, 2021
Inflation	2.50 %	2.50 %
Projected Salary Increases	Varies by service from 2.5 % to 8.50 %	12.50 % at age 20 to 2.50% at age 65
Payroll increases	3.00 %	3.00 %
COLA or Ad Hoc COLA	0.00 %	0.00 %
Discount rate of return	7.00 %	7.00 %
Investment Rate of Return	7.00 percent net of investment expenses, including inflation	7.00 percent net of investment expenses, including inflation
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)	Entry Age Normal (Level Percent of Payroll)

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

For the June 30, 2021 actuarial valuations, post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality 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% of rates for males and 100% of rates for females, projected forward generationally using mortality improvement scale MP-2016.

NOTE 6 - DEFINED BENEFIT PENSION PLANS (Continued)

Actuarial Assumptions – STRS (Continued)

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

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

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

Discount Rate The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with the rates described previously. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS Ohio's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2022. Therefore, the long-term expected rate of return on pension plan investments of 7.00% was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2022.

Sensitivity of the Center's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the Center's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.00 percent, as well as what the 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 percent) or one-percentage-point higher (8.00 percent) than the current rate:

NOTE 6 - DEFINED BENEFIT PENSION PLANS (Continued)

Actuarial Assumptions – STRS (Continued)

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Center's proportionate share of the net pension liability	$6,436,308	$4,260,662	$2,420,738

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

Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. As of June 30, 2023, three of the members of the Governing Board have elected Social Security. The Center's liability is 6.2 percent of wages paid.

NOTE 7 – POSTEMPLOYMENT BENEFITS

See Note 6 for a description of the net OPEB liability (asset).

School Employees Retirement System

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2023, no allocation of covered payroll was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2023, this amount was $25,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2023, the Center's surcharge obligation was $57,709.

NOTE 7 – POSTEMPLOYMENT BENEFITS (Continued)

School Employees Retirement System (Continued)

The surcharge added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. No portion of covered payroll was allocated to the Health Care Fund in 2023. The Center's contractually required contribution to SERS was $57,709 for fiscal year 2023. Of this amount, $57,709 is reported as an intergovernmental payable.

State Teachers Retirement System of Ohio

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

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 health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2023, STRS did not allocate any employer contributions to post-employment health care.

Net Other Post Employment Benefit (OPEB) Liability (Asset), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB Liability (Asset)

The net OPEB (asset) liability was measured as of June 30, 2022, and the total OPEB (asset) liability used to calculate the net OPEB (asset) liability was determined by an actuarial valuation as of that date. The Center's proportion of the net OPEB (asset) liability was based on the 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 (gain):

	SERS	STRS	Total
Proportionate Share of the Net OPEB (Asset) Liability - Current Year	0.0749337%	0.019166160%	
Proportionate Share of the Net OPEB (Asset) Liability - Prior Year	0.0749565%	0.019555662%	
Change in Proportionate Share	-0.0000228%	-0.000389502%	
Proportion of the Net OPEB Liability	$1,052,077	$0	$1,052,077
Proportion of the Net OPEB (Asset)	$0	($496,276)	($496,276)
OPEB Expense (Gain)	($50,386)	($104,205)	($154,591)

NOTE 7 – POSTEMPLOYMENT BENEFITS (Continued)

Net Other Post Employment Benefit (OPEB) Liability (Asset), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB Liability (Asset) (Continued)

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

Deferred Outflows of Resources	**SERS**	**STRS**	**Total**
Differences between expected and actual economic experience	$8,844	$7,194	$16,038
Difference from a change in proportion and differences between School District contributions and proportionate share of contributions	98,095	796	98,891
Changes of assumptions	167,347	21,139	188,486
Differences between projected and actual investment earnings	5,469	8,639	14,108
School District contributions subsequent to the measurement date	57,709	-	57,709
Total	$337,464	$37,768	$375,232

Deferred Inflows of Resources	**SERS**	**STRS**	**Total**
Differences between expected and actual economic experience	$672,986	$74,531	$747,517
Changes of assumptions	431,885	351,908	783,793
Difference from a change in proportion and differences between School District contributions and proportionate share of contributions	47,923	26,720	74,643
Total	$1,152,794	$453,159	$1,605,953

$57,709 reported as deferred outflows of resources related to OPEB resulting from Center 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:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2024	($172,449)	($128,604)	($301,053)
2025	(186,130)	(122,813)	(308,943)
2026	(184,694)	(54,427)	(239,121)
2027	(125,944)	(22,018)	(147,962)
2028	(80,329)	(28,870)	(109,199)
Thereafter	(123,493)	(58,659)	(182,152)
Total	($873,039)	($415,391)	($1,288,430)

NOTE 7 – POSTEMPLOYMENT BENEFITS (Continued)

Actuarial Assumptions - SERS

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

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

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

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation are presented below:

	June 30, 2022	June 30, 2021
Inflation	2.4 percent	2.4 percent
Future Salary Increases, including inflation	3.25 percent to 13.58 percent	3.25 percent to 13.58 percent
Investment Rate of Return	7.00 percent net of system expenses	7.00 percent net of system expenses
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)	Entry Age Normal (Level Percent of Payroll)
Municipal Bond Index Rate:	3.69 %	1.92 %
Single Equivalent Interest Rate, Net of Plan Investment Expense, Including Price Inflation	4.08 %	2.27 %
Medical Trend Assumption	7.00 to 4.40 %	
Medicare		5.125 to 4.400 %
Pre-Medicare		6.750 to 4.400 %

For 2022 and 2021, 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 percent for males and set forward 2 years and adjusted 81.35 percent 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 percent for males and set forward 3 years and adjusted 106.8 percent 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 percent for males and adjusted 122.5 percent for females. Mortality rates for actives is based on PUB-2010 General Amount Weighted Below Median Employee mortality table.

NOTE 7 – POSTEMPLOYMENT BENEFITS (Continued)

Actuarial Assumptions – SERS (Continued)

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

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 log-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.00 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class, as used in the June 30, 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 percent. The discount rate used to measure total OPEB liability prior to June 30, 2022, was 2.27 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the contribution rate of 1.50 percent of projected covered payroll each year, which includes a 1.50 percent 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 percent at June 30, 2022 and 1.92 percent at June 30, 2021.

NOTE 7 – POSTEMPLOYMENT BENEFITS (Continued)

Actuarial Assumptions – SERS (Continued)

Sensitivity of Center's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.08%) and higher (5.08%) than the current discount rate (4.08%).

	1% Decrease (3.08%)	Current Discount Rate (4.08%)	1% Increase (5.08%)
Center's proportionate share of the net OPEB liability	$1,306,695	$1,052,077	$846,531

The following table presents the OPEB liability of SERS, 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 (7.00% decreasing to 4.40%).

	1% Decrease in Trend Rates	Current Trend Rate	1% Increase in Trend Rates
Center's proportionate share of the net OPEB liability	$811,340	$1,052,077	$1,366,518

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	
Inflation	2.50 %		2.50 %	
Projected Salary Increases	Varies by service from 2.5 % to 8.50 %		12.50 % at age 20 to 2.50% at age 65	
Payroll increases	3.00 %		3.00 %	
Cost-of-living adjustments (COLA)	0.00 %		0.00 %	
Discount rate of return	7.00 %		7.00 %	
Investment Rate of Return	7.00 percent net of investment expenses, including inflation		7.00 percent net of investment expenses, including inflation	
Health care cost trends				
	Initial	Ultimate	Initial	Ultimate
Medical				
Pre-Medicare	7.50%	3.94%	5.00%	4.00%
Medicare	-68.78%	3.94%	-16.18%	4.00%
Prescription Drug				
Pre-Medicare	9.00%	3.94%	6.50%	4.00%
Medicare	-5.47%	3.94%	29.98%	4.00%

NOTE 7 – POSTEMPLOYMENT BENEFITS (Continued)

Actuarial Assumptions – STRS (Continued)

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

For the June 30, 2021 actuarial valuations, post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality 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% of rates for males and 100% of rates for females, projected forward generationally using mortality improvement scale MP-2016.

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

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

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

* Target allocation percentage is effective as of July 1, 2022. Target weights were phased in over a 3-month period concluding on October 1, 2022.

**10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25% and is net of investment expenses. Over a 30-year period, STRS Ohio's investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

NOTE 7 – POSTEMPLOYMENT BENEFITS (Continued)

Actuarial Assumptions – STRS (Continued)

Discount Rate The discount rate used to measure the total OPEB liability was 7.00% as of June 30, 2022 and was 7.45% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed STRS Ohio continues to allocate no employer contributions to the health care fund. Based on 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 fund investments of 7.00% was applied to all periods of projected health care costs to determine the total OPEB liability as of June 30, 2022.

Sensitivity of the Center's Proportionate Share of the Net OPEB (Asset) Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates The following table represents the net OPEB liability as of June 30, 2022, calculated using the current period discount rate assumption of 7.00%, as well as what the net OEPB (asset) liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current assumption. Also shown is the net OPEB (asset) liability as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease in Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
Center's proportionate share of the net OPEB (asset) liability	($458,794)	($496,276)	$528,382

	1% Decrease in Trend Rates	Current Trend Rate	1% Increase in Trend Rates
Center's proportionate share of the net OPEB (asset) liability	($514,759)	($496,276)	($472,946)

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

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

NOTE 8- RISK MANAGEMENT

A. Property and Liability

The Center is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. During fiscal year 2023, the Center's property was covered by Wright Specialty Insurance Agency, LLC.

Commercial General liability is protected by Wright Specialty Insurance Agency, LLC with a $1,000,000 single occurrence limit and $3,000,000 aggregate with a $2,500 deductible.

Auto-Owners Insurance maintains a $100,000 public official bond for the Treasurer. The Center also purchased a blanket bond rider on a liability policy through Wright Specialty Insurance Agency, LLC.

The Center has had no significant reductions in any of its insurance coverage from that maintained in prior years. Additionally, there have been no insurance settlements that have exceeded insurance coverage in any of the past three years.

NOTE 8- RISK MANAGEMENT (continued)

B. Workers Compensation

For fiscal year 2023, the Center participated in the Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool (Note 10). The intent of the GRP is to achieve the benefit of a reduced premium for the Center by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement ensures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Comp Management provides administrative, cost control and actuarial services to the GRP.

C. Employee Medical Benefits

The Center provides health and major medical insurance for all eligible employees through the Athens County School Employees Health and Welfare Benefit Association, a jointly governed organization (see Note 9). The Center pays 87.5% of monthly premiums for family coverage and 95% of premiums for individual coverage. Premiums are paid from the same funds that pay the employees' salaries.

The Center provides prescription drug insurance to all eligible employees through the Association. This plan utilizes a $5 per prescription deductible. The Center also provides dental and vision coverage to eligible employees through the Association. The premiums for these are $67.56 and $20.17, respectively, and are paid in full by the Center.

NOTE 9 - JOINTLY GOVERNED ORGANIZATIONS

Metropolitan Educational Technology Association (META) Solutions - META Solutions is an educational solutions partner providing services across Ohio. META provides cost-effective fiscal, network, technology and student services, a purchasing cooperative, and other individual services based on each client's needs.

The governing board of META consists of a president, vice president and six board members who represent the members of META. The board works with META's Chief Executive Officer, Chief Operating Officer, and Chief Financial Officer to manage operations and ensure the continued progress of the organization's mission, vision, and values. The Board exercises total control over the operations of the Council including budgeting, appropriating, contracting and designating management. Each member's degree of control is limited to its representation on the Board. The Center paid META $11,300 for services provided during the fiscal year. Financial information can be obtained from Ashley Widby, who serves as Chief Financial Officer, at 100 Executive Drive, Marion, Ohio 43302.

Tri-County Career Center – The Tri-County Career Center is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of eleven appointed representatives from the eight participating school districts and the Center. The Board possesses its own budgeting and taxing authority. The degree of control exercised by any participating school district is limited to its representation on the Board. To obtain financial information write to the Tri-County Career Center, Rodney Schilling, Treasurer, at 15676 State Route 691, Nelsonville, Ohio 45764.

Athens County School Employees Health and Welfare Benefit Association – The Center is a participant in a consortium of seven districts to operate the Athens County School Employees Health and Welfare Benefit Association. The Association was created to provide health care and dental benefits for the employees and eligible dependents of employees of participating districts. The Association has contracted with Anthem Insurance Company to be the health care provider for medical benefits as well as to provide aggregate and specific stop-loss insurance coverage, and CoreSource to provide administration of its dental benefits. A Board of Directors consisting of one representative of each of the participating districts governs the Association. Financial information for the Association can be obtained from the administrators at Combs & Associates, 9525 TR 50, Dola, Ohio 45835-0098.

NOTE 10 – INSURANCE PURCHASING POOL

Ohio School Boards Association Workers' Compensation Group Rating Plan - The Center participates in the Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by a three member Board of Directors consisting of the President, the President-Elect and the Immediate Past President of the OSBA. The Executive Director of the OSBA, or his designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

NOTE 11 – STATE SUPPORT TEAMS

House Bill 115 establishes the Educational Regional Service System and requires the creation of a coordinated, integrated and aligned system of support state and school district efforts to improve school effectiveness and student achievement. It is the intent of the general assembly that the educational regional service system would reduce the unnecessary duplication of programs and services and provide for a more streamlined and efficient delivery of educational services without reducing the availability of the services needed by the school districts and schools. The bill also contains information and deadlines for districts that want to transfer to another region.

The Center serves as fiscal agent for the Region 16 State Support Team, one of sixteen Teams established by the Ohio Department of Education to provide support for the regional delivery of school improvement, literacy, special education compliance, and early learning and school readiness services to districts using the Tri-Tier Model, a differentiated technical assistance structure of support based upon need. The Teams work through the Office for Exceptional Children, Office of Literacy, Office of Early Learning and School Readiness and the Office of Field Relations by providing technical assistance and professional development. The Teams include staff and services formerly provided by the Special Education Regional Resource Centers and the Regional School Improvement Teams. Region 16 is comprised of Athens, Gallia, Hocking, Jackson, Meigs, Monroe, Morgan, Perry, Vinton, and Washington Counties.

NOTE 12 - CONTINGENCIES

A. Grants

The 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 are 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, the effect of any such disallowed claims on the overall financial position of the Center at June 30, 2023, if applicable, cannot be determined at this time.

B. Litigation

The Center is not party to legal proceedings.

NOTE 13 - RECEIVABLES

Receivables at 2023, consisted of interfund and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds. A summary of the principal items of intergovernmental receivables follows:

	Amount
Major Funds:	
General	$ 370,227
Special Projects	10,567
Public Preschool	189,356
Special Ed Grant	181,883
Non-Major Funds:	
Miscellaneous State Grants	53,216
Intergrated Pre-School	820
Family & Comm Liaison	104,025
Homeless Grant	1,363
Preschool School Grant	8,036
Miscellaneous Federal Grants	128,226
Covid-19 Federal Funding	4,756
Total Non-Major Funds	300,442
Total All Funds	$ 1,052,475

NOTE 14 - INTERFUND ACTIVITY

As of June 30, 2023, receivables and payables that resulted from various interfund transactions were as follows:

Fund	Interfund Receivable	Interfund Payables
Major Funds:		
General Fund	$ 430,354	$ -
Head Start	-	42,055
Public Preschool		77,320
Special Education	-	115,524
Non-Major Funds:		
Food Services	-	18,639
Covid-19-Federal Funding		3,297
Miscellaneous State Grants	-	112,810
Homeless Grant	-	881
Preschool Grant	-	3,493
Family & Comm Liaison	-	56,335
Total Non-Major Funds	-	195,455
Total All Funds	$ 430,354	$ 430,354

During the year, the Center's General Fund made advances to several different funds due to negative fund balances. These advances are expected to be repaid in fiscal year 2024.

NOTE 15 – ACCOUNTABILITY

At 2023, the Head Start, Public Preschool, Special Ed Grant, Family and Comm Liaison, and Food Service Funds had fund balance deficits of $304,799, $29,596, $2, $22,821, and $18,640, respectively, which were created by the application of accounting principles generally accepted in the United States of America. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

NOTE 16 – FUND BALANCES

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Center is bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints placed on the fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balances	General	Special Projects Grant	Public Preschool	Special Ed Grant	Head Start	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable							
Prepaids	$ 8,064	$ -	$ -	$ 3,138	$ -	$ 856	$ 12,058
Restricted for							
Integrated Preschool	-	-	-	-	-	75,364	75,364
Federal Programs	-	-	-	-	-	28,304	28,304
Other Purposes	-	248,473	-	-	-	39,613	288,086
Total Restricted	-	248,473	-	-	-	143,281	391,754
Assigned to							
Other Purposes	24,391	-	-	-	-	-	24,391
Unassigned (Deficit)	85,792	-	(14,797)	(2)	(304,799)	(41,461)	(275,267)
Total Fund Balances	$ 118,247	$ 248,473	$ (14,797)	$ 3,136	$ (304,799)	$ 102,676	$ 152,936

NOTE 17 – NEW ACCOUNTING PRINCIPLES

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

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

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

GASB Statement No. 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset— and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The implementation of GASB Statement No. 96 did not have an effect on the financial statements of the Center.

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

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

NOTE 18 - OTHER MATTERS OF POTENTIAL SIGNIFICANCE

The United States and the State of Ohio declared a state of emergency in March 2020 due to the global Coronavirus Disease 2019 (COVID-19) pandemic. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Center. The impact on the Center's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

REQUIRED SUPPLEMENTARY INFORMATION

Athens-Meigs Educational Service Center
Required Supplementary Information
Schedule of the Center's Proportionate Share of the Net Pension Liability
School Employees Retirement System of Ohio
Last Ten Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Center's proportion of the net pension liability	0.0733432%	0.0724425%	0.0725062%	0.0762796%	0.0708903%	0.0766386%	0.0745603%	0.0786145%	0.0736840%	0.0736840%
Center's proportionate share of the net pension liability	$ 3,966,971	$ 2,672,918	$ 4,795,713	$ 4,563,942	$ 4,060,019	$ 4,578,987	$ 5,457,126	$ 4,485,820	$ 3,729,105	$ 4,381,751
Center's covered payroll	$ 2,740,093	$ 2,500,529	$ 2,541,907	$ 2,522,844	$ 2,374,837	$ 2,476,121	$ 2,315,564	$ 2,366,639	$ 2,141,111	$ 3,022,616
Center's proportionate share of the net pension liability as a percentage of its covered payroll	144.78%	106.89%	188.67%	180.90%	170.96%	184.93%	235.67%	189.54%	174.17%	144.97%
Plan fiduciary net position as a percentage of the total pension liability	75.82%	82.86%	68.55%	70.85%	71.36%	69.50%	62.98%	69.16%	71.70%	65.52%

See accompanying notes to the required supplementary information

Athens-Meigs Educational Service Center
Required Supplementary Information
Schedule of the Center's Proportionate Share of the Net Pension Liability
State Teachers Retirement System of Ohio
Last Ten Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Center's proportion of the net pension liability	0.019166160%	0.019555662%	0.01846385%	0.01842664%	0.01883523%	0.02040735%	0.02093813%	0.02098654%	0.02424557%	0.02424557%
Center's proportionate share of the net pension liability	$ 4,260,662	$ 2,500,367	$ 4,467,595	$ 4,074,941	$ 4,141,444	$ 4,847,810	$ 7,008,623	$ 5,800,066	$ 5,897,362	$ 7,024,899
Center's covered payroll	$ 2,365,029	$ 2,273,643	$ 2,258,129	$ 2,163,357	$ 2,141,250	$ 2,243,536	$ 2,203,093	$ 2,189,593	$ 2,477,308	$ 2,626,592
Center's proportionate share of the net pension liability as a percentage of its covered payroll	180.15%	109.97%	197.84%	188.36%	193.41%	216.08%	318.13%	264.89%	238.06%	267.45%
Plan fiduciary net position as a percentage of the total pension liability	78.88%	87.78%	75.48%	77.40%	77.31%	75.29%	66.78%	72.09%	74.71%	69.30%

See accompanying notes to the required supplementary information

Athens-Meigs Educational Service Center
Required Supplementary Information
Schedule of the Center's Pension Contributions
School Employees Retirement System of Ohio
Last Ten Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	$ 420,225	$ 383,613	$ 350,074	$ 355,867	$ 340,584	$ 320,603	$ 346,657	$ 324,179	$ 311,923	$ 296,758
Contributions in relation to the contractually required contribution	(420,225)	(383,613)	(350,074)	(355,867)	(340,584)	(320,603)	(346,657)	(324,179)	(311,923)	(296,758)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Center's covered payroll	$ 3,001,607	$ 2,740,093	$ 2,500,529	$ 2,541,907	$ 2,522,844	$ 2,374,837	$ 2,476,121	$ 2,315,564	$ 2,366,639	$ 2,141,111
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%	13.50%	13.50%	14.00%	14.00%	13.18%	13.86%

See accompanying notes to the required supplementary information

Athens-Meigs Educational Service Center
Required Supplementary Information
Schedule of the Center's Pension Contributions
State Teachers Retirement System of Ohio
Last Ten Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	$ 390,677	$ 331,104	$ 318,310	$ 316,138	$ 302,870	$ 299,775	$ 314,095	$ 308,433	$ 306,543	$ 322,050
Contributions in relation to the contractually required contribution	(390,677)	(331,104)	(318,310)	(316,138)	(302,870)	(299,775)	(314,095)	(308,433)	(306,543)	(322,050)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Center's covered payroll	$ 2,790,550	$ 2,365,029	$ 2,273,643	$ 2,258,129	$ 2,163,357	$ 2,141,250	$ 2,243,536	$ 2,203,093	$ 2,189,593	$ 2,477,308
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	13.00%

See accompanying notes to the required supplementary information

Athens-Meigs Educational Service Center
Required Supplementary Information
Schedule of the Center's Proportionate Share of the Net OPEB Liability
School Employees Retirement System of Ohio
Last Seven Years (1)

	2023	2022	2021	2020	2019	2018	2017
Center's proportion of the net OPEB liability	0.0749337%	0.0749565%	0.0754140%	0.0779502%	0.0722700%	0.0779662%	0.0756272%
Center's proportionate share of the net OPEB liability	$ 1,052,077	$ 1,418,613	$ 1,638,993	$ 1,960,284	$ 2,004,965	$ 2,092,408	$ 2,155,656
Center's covered payroll	$ 2,740,093	$ 2,500,529	$ 2,541,907	$ 2,522,844	$ 2,374,837	$ 2,476,121	$ 2,315,564
Center's proportionate share of the net OPEB liability as a percentage of its covered payroll	38.40%	56.73%	64.48%	77.70%	84.43%	84.50%	93.09%
Plan fiduciary net position as a percentage of the total OPEB liability	30.34%	24.08%	18.17%	15.57%	13.57%	12.46%	11.49%

(1) Information prior to 2016 is not available.
Amounts presented as of the Center's measurement date which is the prior fiscal year.

Athens-Meigs Educational Service Center

Required Supplementary Information

Schedule of the Center's Proportionate Share of the Net OPEB Liability (Asset)

State Teachers Retirement System of Ohio

Last Seven Years (1)

	2023	2022	2021	2020	2019	2018	2017
Center's proportion of the net OPEB liability (asset)	0.019166160%	0.019555662%	0.01846385%	0.01842664%	0.01883523%	0.02040735%	0.02093813%
Center's proportionate share of the net OPEB liability (asset)	$ (496,276)	$ (412,315)	$ (324,502)	$ (305,189)	$ (302,663)	$ 796,219	$ 1,119,777
Center's covered payroll	$ 2,365,029	$ 2,273,643	$ 2,258,129	$ 2,163,357	$ 2,141,250	$ 2,243,536	$ 2,203,093
Center's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	-20.98%	-18.13%	-14.37%	-14.11%	-14.13%	35.49%	50.83%
Plan fiduciary net position as a percentage of the total OPEB liability	230.73%	174.73%	182.13%	174.74%	176.00%	47.11%	37.33%

(1) Information prior to 2016 is not available.
Amounts presented as of the Center's measurement
date which is the prior fiscal year.

See accompanying notes to the required supplementary information.

Athens-Meigs Educational Service Center
Required Supplementary Information
Schedule of the Center's OPEB Contributions
School Employees Retirement System of Ohio
Last Ten Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	$ 57,709	$ 48,627	$ 49,348	$ 49,273	$ 59,150	$ 55,268	$ 43,399	$ 38,562	$ 59,391	$ 41,058
Contributions in relation to the contractually required contribution	(57,709)	(48,627)	(49,348)	(49,273)	(59,150)	(55,268)	(43,399)	(38,562)	(59,391)	(41,058)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Center's covered payroll	$ 3,001,607	$ 2,740,093	$ 2,500,529	$ 2,541,907	$ 2,522,844	$ 2,374,837	$ 2,476,121	$ 2,315,564	$ 2,366,639	$ 2,141,111
Contributions as a percentage of covered payroll	1.92%	1.77%	1.97%	1.94%	2.34%	2.33%	1.75%	1.67%	2.51%	1.92%

See accompanying notes to the required supplementary information.

Athens-Meigs Educational Service Center
Required Supplementary Information
Schedule of the Center's OPEB Contributions
State Teachers Retirement System of Ohio
Last Ten Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 25,889
Contributions in relation to the contractually required contribution	-	-	-	-	-	-	-	-	-	(25,889)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Center covered payroll	$ 2,790,550	$ 2,365,029	$ 2,273,643	$ 2,258,129	$ 2,163,357	$ 2,141,250	$ 2,243,536	$ 2,203,093	$ 2,189,593	$ 2,477,308
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.00%

See accompanying notes to the required supplementary information.

Pension

School Employees Retirement System (SERS)

Changes in benefit terms

2023: There were no changes in benefit terms from the amounts reported for this fiscal year.

2022: For fiscal year 2022, SERS changed from a Cost of Living Adjustment (COLA) of 2.5% to 2.0%.

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

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

Changes in assumptions

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

2022: The assumed rate of inflation was reduced from 3.00% to 2.40%, the assumed real wage growth was increased from 0.50% to 0.85%, the cost-of-living adjustments were reduced from 2.50% to 2.00%, the discount rate was reduced from 7.50% to 7.00%, the rates of withdrawal, compensation, participation, spouse coverage assumption, retirement, and disability were updated to reflect recent experience, and 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.

Pension (continued)

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 change of assumptions affected the total pension liability since the prior measurement date:

(1) The projected salary increases went from 12.50% at age 20 to 2.50% at age 65 to varies by service from 2.50% to 8.50%.

2022: 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 7.45% to 7.00%,
(2) The discount rate of return was reduced from 7.45% to 7.00%,

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.

OPEB

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) The municipal bond index rate went from 1.92% to 3.69%
(2) The single equivalent interest rate when from 2.27% to 4.08% medical trend assumptions went from 5.125% to 4.40% Medicare and 6.75% to 4.40% Pre-Medicare to 7.00% to 4.40%

OPEB (continued)

School Employees Retirement System (SERS) (continued)

Changes in assumptions (continued)

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) Wage inflation decreased from 3.00% to 2.40%
(2) Future salary increases changed from 3.50%-18.20% to 3.25%-13.58%
(3) Investment rate of return decreased from 7.50% to 7.00%
(4) The discount rate decreased from 7.50% to 7.00%
(5) Municipal Bond Index Rate:
    Prior Measurement Date 2.45%
    Measurement Date 1.92%
(6) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:
    Prior Measurement Date 2.63%
    Measurement Date 2.27%
(7) Mortality tables changes from the RP=2014 Blue Collar mortality table to the PUB-2010 General Employee Amount Weighted Below median Health Retiree mortality table.

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) The discount rate was changed from 3.22% to 2.63%
(2) Municipal Bond Index Rate:
    Prior Measurement Date 3.13%
    Measurement Date 2.45%

2020: Municipal Bond Index Rate changed from 3.62 percent to 3.13 percent and Single Equivalent Interest Rate, net of plan investment expense, including price inflation changed from 3.70 percent to 3.22 percent.
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) The discount rate was changed from 3.63% to 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%

OPEB (continued)

School Employees Retirement System (SERS) (continued)

Changes in assumptions (continued)

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

2022: There was no change to the claims costs process. The non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055 percent to 2.1 percent per year of service. 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 CY 2022. 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 FYE 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 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.

OPEB (continued)

State Teachers Retirement System (STRS) (Continued)

Changes in benefit terms (continued)

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

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

Changes in assumptions

2023: The projected salary increase went from 12.50% at age 20 to 2.50% at age 65 to varies by services from 2.50% to 8.50%. The health care cost trend rates were changed to the following: Pre-Medicare from 5.00% initial - 4.00% ultimate to 7.50% initial - 3.94% ultimate; medical Medicare from -16.18% initial - 4.00% ultimate to -68.78% initial - 3.94% ultimate; prescription drug Pre-Medicare from 6.50% initial - 4.00% ultimate to 9.00% initial - 3.94% ultimate; Medicare from 29.98% initial - 4.00% ultimate to -5.47% initial - 3.94% ultimate.

2022: The long-term expected rate of return was reduced from 7.45% to 7.00%. The discount rate was reduced from 7.45% in the prior year to 7.00% in the current year. The health care cost trend rates were changed to the following: medical Medicare from -6.69% initial - 4.00% ultimate down to -16.18% initial - 4.00% ultimate; prescription drug Medicare from 11.87% initial - 4.00% ultimate up to 29.98% initial - 4.00% ultimate.

2021: The health care cost trend rates were changed to the following: medical pre-Medicare from 5.87% initial - 4.00% ultimate down to 5.00% initial - 4.00% ultimate; medical Medicare from 4.93% initial - 4.00% ultimate down to -6.69% initial - 4.00% ultimate; prescription drug pre-Medicare from 7.73% initial - 4.00% ultimate down to 6.50% initial - 4.00% ultimate; prescription drug Medicare from 9.62% initial - 4.00% ultimate up to 11.87% initial - 4.00% ultimate.

2020: The health care cost trend rates were changed to the following: medical pre-Medicare from 6.00% initial - 4.00% ultimate down to 5.87% initial - 4.00% ultimate; medical Medicare from 5.00% initial - 4.00% ultimate down to 4.93% initial - 4.00% ultimate; prescription drug pre-Medicare from 8.00% initial - 4.00% ultimate down to 7.73% initial - 4.00% ultimate and (5.23%) initial - 4.00% ultimate up to 9.62% initial - 4.00% ultimate.

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

2018: The discount rate was increased from 3.26 percent to 4.13 percent based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB) and the long term expected rate of return was reduced from 7.75 percent to7.45 percent. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

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

SUPPLEMENTARY INFORMATION

Athens-Meigs Educational Service Center

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2023

	Budget Amounts			Variance With
	Original	Final	Actual	Final Budget Positive (Negative)
REVENUES:				
Interest	$ -	$ 12,000	$ 11,570	$ (430)
Tuition and Fees	3,900,000	3,917,597	3,793,408	(124,189)
Gifts and Donations	-	2,000	2,000	-
Intergovernmental	-	372,000	371,442	(558)
Miscellaneous	-	425	2,276	1,851
Total Revenues	3,900,000	4,304,022	4,180,696	(123,326)
EXPENDITURES:				
Current:				
Instruction:				
Regular	190,482	210,204	209,997	207
Special	1,447,848	1,597,756	1,596,180	1,576
Support Services:				
Pupils	1,495,380	1,650,210	1,648,582	1,628
Instructional Staff	116,179	128,207	128,081	126
Board of Education	44,472	49,076	49,028	48
Administration	208,054	229,595	229,369	226
Fiscal	318,649	351,642	351,295	347
Business	57	63	63	-
Operation and Maintenance of Plant	871	961	960	1
Central	78,008	86,085	86,000	85
Total Expenditures	3,900,000	4,303,799	4,299,555	4,244
Excess of Revenues Over (Under) Expenditures	-	223	(118,859)	(119,082)
Net Change in Fund Balance	-	223	(118,859)	(119,082)
Fund Balance at Beginning of Year	435,982	435,982	435,982	-
Prior Year Encumbrances Appropriated	40,825	40,825	40,825	-
Fund Balance at End of Year	$ 476,807	$ 477,030	$ 357,948	$ (119,082)

See accompanying notes to the supplementary information.

Athens-Meigs Educational Service Center
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Special Projects Grant Fund
For the Fiscal Year Ended June 30, 2023

	Budget Amounts			Variance With
	Original	Final	Actual	Final Budget Positive (Negative)
REVENUES:				
Intergovernmental	$ 108,305	$ 131,305	$ 92,604	$ (38,701)
Tuition and Fees	130,240	448,383	283,850	(164,533)
Gifts and Donations	1,700	2,700	1,700	(1,000)
Miscellaneous	20,000	20,160	20,160	-
Total Revenues	260,245	602,548	398,314	(204,234)
EXPENDITURES:				
Current:				
Instruction:				
Special	87,199	81,509	70,739	10,770
Vocational	10,141	31,429	8,227	23,202
Support Services:				
Pupils	179,821	164,932	145,878	19,054
Instructional Staff	161,974	155,773	131,400	24,373
Administration	32,244	27,751	26,158	1,593
Fiscal	3,469	117,112	2,814	114,298
Operation and Maintenance of Plant	46,102	19,970	37,400	(17,430)
Total Expenditures	520,950	598,476	422,616	175,860
Excess of Receipts Over (Under) Disbursements	(260,705)	4,072	(24,302)	(28,374)
Net Change in Fund Balance	(260,705)	4,072	(24,302)	(28,374)
Fund Balance at Beginning of Year	233,458	233,458	233,458	-
Prior Year Encumbrances Appropriated	9,443	9,443	9,443	-
Fund Balance at End of Year	$ (17,804)	$ 246,973	$ 218,599	$ (28,374)

See accompanying notes to the supplementary information.

Athens-Meigs Educational Service Center
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Public Preschool Grant Fund
For the Fiscal Year Ended June 30, 2023

	Budget Amounts			Variance With Final Budget
	Original	Final	Actual	Positive (Negative)
REVENUES:				
Intergovernmental	$ 448,000	$ 451,400	$ 265,856	$ (185,544)
Total Revenues	448,000	451,400	265,856	(185,544)
EXPENDITURES:				
Current:				
Instruction:				
Special	343,515	365,290	355,855	9,435
Support Services:				
Pupils	37,299	37,366	35,241	2,125
Instructional Staff	19,869	17,266	16,434	832
Administration	32,152	11,931	10,924	1,007
Fiscal	15,165	19,547	19,547	-
Total Expenditures	448,000	451,400	438,001	13,399
Net Change in Fund Balance	-	-	(172,145)	(172,145)
Fund Balance at Beginning of Year	(67,288)	(67,288)	(67,288)	-
Prior Year Encumbrances Appropriated	69,829	69,829	69,829	-
Fund Balance at End of Year	$ 2,541	$ 2,541	$ (169,604)	$ (172,145)

See accompanying notes to the supplementary information.

Athens-Meigs Educational Service Center

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Special Ed Grant Fund
For the Fiscal Year Ended June 30, 2023

	Budget Amounts			Variance With Final Budget
	Original	Final	Actual	Positive (Negative)
REVENUES:				
Intergovernmental	$ 1,099,650	$ 1,201,150	$ 986,291	$ (214,859)
Total Revenues	1,099,650	1,201,150	986,291	(214,859)
EXPENDITURES:				
Current:				
Support Services:				
Pupils	27,671	30,225	30,225	-
Instructional Staff	823,427	899,431	899,429	2
Administration	141,230	154,265	154,265	-
Fiscal	69,360	75,762	75,762	-
Operation and Maintenance of Plant	37,962	41,466	41,466	-
Total Expenditures	1,099,650	1,201,149	1,201,147	2
Net Change in Fund Balance	-	1	(214,856)	(214,857)
Fund Balance at Beginning of Year	(132,370)	(132,370)	(132,370)	-
Prior Year Encumbrances Appropriated	161,110	161,110	161,110	-
Fund Balance at End of Year	$ 28,740	$ 28,741	$ (186,116)	$ (214,857)

See accompanying notes to the supplementary information.

Athens-Meigs Educational Service Center
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Head Start Fund
For the Fiscal Year Ended June 30, 2023

	Budget Amounts			Variance With Final Budget
	Original	Final	Actual	Positive (Negative)
REVENUES:				
Intergovernmental	$ 3,483,581	$ 3,560,646	$ 3,174,196	$ (386,450)
Total Revenues	3,483,581	3,560,646	3,174,196	(386,450)
EXPENDITURES:				
Current:				
Instruction:				
Regular	1,479,092	1,511,485	1,386,851	124,634
Special	203,500	207,957	190,809	17,148
Support Services:				
Pupils	375,270	383,489	351,867	31,622
Instructional Staff	78,912	80,640	73,991	6,649
Board of Education	3,654	3,734	3,426	308
Administration	254,921	260,504	239,023	21,481
Fiscal	252,064	257,584	236,344	21,240
Business	-			-
Operation and Maintenance of Plant	121,728	124,394	114,137	10,257
Pupil Transportation	177,041	180,918	166,000	14,918
Central	54,446	55,639	51,051	4,588
Operation of Non-instructional Services	143,814	146,963	134,845	12,118
Capital Outlay	339,139	346,566	317,989	28,577
Total Expenditures	3,483,581	3,559,873	3,266,333	293,540
Net Change in Fund Balance	-	773	(92,137)	(92,910)
Fund Balance at Beginning of Year	(193,993)	(193,993)	(193,993)	-
Prior Year Encumbrances Appropriated	195,734	195,734	195,734	-
Fund Balance at End of Year	$ 1,741	$ 2,514	$ (90,396)	$ (92,910)

See accompanying notes to the supplementary information.

NOTE 1 – BUDGETARY PROCESS

The Center is no longer required under State statute to file budgetary information with the State Department of Education. However, the Center's Board does follow the budgetary process for control purposes.

The Center's Board budgets for resources estimated to be received during the fiscal year. The estimated revenues may be amended during the fiscal year if projected increases or decreases in revenue are identified by the Treasurer. The amounts reported as the original budgeted amounts on the budgetary schedules reflect the amounts of estimated revenues when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary schedules reflect the amounts of the estimated revenues in effect at the time final appropriations were passed by the Board.

The Center's Board adopts an annual appropriation resolution, which is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by the Board. The level of control has been established by the Board at the fund level for all funds. The Treasurer has been authorized to allocate appropriations to the function and object level within all funds.

Throughout the fiscal year, appropriations may be amended or supplemented as circumstances warrant. The amounts reported as the original budgeted amounts on the budgetary schedules reflect the amounts on the first appropriation resolution for that fund that covered the entire fiscal year, including amounts automatically carried forward from prior fiscal years. The amounts reported as the final budgeted amounts on the budgetary schedules represent the final appropriation amounts passed by the Board during the fiscal year.

NOTE 2 – BUDGETARY BASIS OF ACCOUNTING

While the Center is reporting financial position, results of operations, and changes in fund balances on the basis of generally accepted accounting principles (GAAP), the budgetary basis is based upon the accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The schedule of revenues, expenditures and changes in fund balance – budget (non-GAAP basis) and actual – for the General Fund and the major special revenue funds are 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 that:

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

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

3. Encumbrances are treated as expenditures (budget basis) rather than as a restriction, commitment, or assignment of fund balance (GAAP basis); and

4. Some funds are included in the General Fund (GAAP basis), but have separate legally adopted budgets (budget basis).

NOTE 2 – BUDGETARY BASIS OF ACCOUNTING (Continued)

The following table summarizes the adjustments necessary to reconcile the GAAP and budgetary basis schedules for the General Fund, the Special Project Grant Fund, Public Preschool Grant Fund, Special Ed Grant Fund, and the Head Start Fund.

Net Changes in Fund Balances

	General	Special Projects Grant	Public Preschool Grant	Special Ed Grant	Head Start
GAAP Basis	$ (138,137)	$ (24,320)	$ (2,346)	$ (28,868)	$ (43,551)
Adjustments:					
Revenue Accruals	(193,277)	63,247	(106,574)	(123,454)	-
Expenditure Accruals	236,946	(12,553)	29,058	8,062	(235)
Encumbrances	(24,391)	(50,676)	(92,283)	(70,596)	(48,351)
Budget Basis	$ (118,859)	$ (24,302)	$ (172,145)	$ (214,856)	$ (92,137)

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ATHENS-MEIGS EDUCATIONAL SERVICE CENTER
ATHENS COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

FEDERAL GRANTOR/ ***Pass Through Grantor*** **Program / Cluster Title**	**Federal AL Number**	**Pass Through Entity Identifying Number**	**Total Federal Expenditures**
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through Ohio Department of Education and Workforce:			
Child and Adult Care Food Program	10.558	2022/2023	$161,609
Total Child and Adult Care Food Program			161,609
Total U.S. Department of Agriculture			161,609
U.S. DEPARTMENT OF EDUCATION			
Passed Through Ohio Department of Education and Workforce:			
Title I Grants to Local Educational Agencies	84.010A	2022	1,665
Title I Grants to Local Educational Agencies	84.010A	2023	11,202
Total Title I Grants to Local Educational Agencies			12,867
Special Education Cluster (IDEA)			
Special Education - Grants to States	84.027A	2022	223,787
Special Education - Grants to States	84.027A	2023	831,059
Special Education - Grants to States: Early Literacy	84.027A	2022	1,902
Special Education - Grants to States: Early Literacy	84.027A	2023	73,918
Total Special Education - Grants to States			1,130,666
Special Education- Preschool Grants	84.173A	2022	7,676
Special Education- Preschool Grants	84.173A	2023	59,445
Special Education - Preschool Grants: Early Literacy	84.173A	2022	571
Special Education - Preschool Grants: Early Literacy	84.173A	2023	21,764
Total Special Education - Preschool Grants			89,456
Total Special Education Cluster (IDEA)			1,220,122
Covid-19: Education Stabilization Fund			
Governor's Emergency Education Relief Fund	84.425C	2022	48,221
Governor's Emergency Education Relief Fund	84.425C	2023	52,863
Elementary and Secondary School Emergency Relief Fund- Extended Learning and Recovery	84.425D	2022	19,077
American Rescue Plan Elementary and Secondary School Emergency Relief- Extended Learning and Recovery	84.425U	2023	386,833
Elementary and Secondary School Emergency Relief Fund- Family Engagement Liaisons	84.425D	2022	8,182
American Rescue Plan Elementary and Secondary School Emergency Relief- Family & Community Partner Liaisons	84.425U	2023	74,210
American Rescue Plan Elementary and Secondary School Emergency Relief--Literacy: ESC's to Support Structured Literacy	84.425U	2023	1,500
American Rescue Plan – Elementary and Secondary School Emergency Relief –Homeless Children and Youth- Round 1	84.425W	2022	1,128
American Rescue Plan – Elementary and Secondary School Emergency Relief –Homeless Children and Youth- Round 1	84.425W	2023	51,216
American Rescue Plan – Elementary and Secondary School Emergency Relief –Homeless Children and Youth- Round 2	84.425W	2023	2,312
Total Covid-19: Education Stabilization Fund			645,542
Total U.S. Department of Education			1,878,531
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Temporary Assistance for Needy Families- 477 Cluster			
Passed Through Athens County Department of Job and Family Services:			
Temporary Assistance for Needy Families- Outreach	93.558	2023	42,899
Temporary Assistance for Needy Families- Career Coaches	93.558	2023	184,886
Passed Through Meigs County Department of Job and Family Services:			
Temporary Assistance for Needy Families- Career Coaches	93.558	2023	87,273
Total Temporary Assistance for Needy Families- 477 Cluster			315,058
Passed Through Ohio Child Care Resource and Referral Association (OCCRRA):			
COVID 19: Child Care and Development Block Grant- CCDF Cluster	93.575	2023	129,200
Passed Through Ohio Children's Trust Fund:			
Community-Based Child Abuse Prevention Grants	93.590	2023	1,814

ATHENS-MEIGS EDUCATIONAL SERVICE CENTER
ATHENS COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

FEDERAL GRANTOR/ ***Pass Through Grantor*** **Program / Cluster Title**	**Federal AL Number**	**Pass Through Entity Identifying Number**	**Total Federal Expenditures**
Direct from Federal Government			
Head Start	93.600	2023	2,511,424
Head Start	93.600	2022	404,716
COVID-19: Head Start- American Rescue Plan	93.600	2022	301,844
Total Head Start- Head Start Cluster			3,217,984
Total U.S. Department of Health and Human Services			3,664,056
Total Expenditures of Federal Awards			**$5,704,196**

The accompanying notes are an integral part of this Schedule.

ATHENS-MEIGS EDUCATIONAL SERVICE CENTER
ATHENS COUNTY

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE 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 the Athens-Meigs Educational Service Center (the Center) under programs of the federal government for the 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 Government, it is not intended to and does not present the financial position, changes in net position, or cash flows of the 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 Center has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D - MATCHING REQUIREMENTS

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

NOTE E - TRANSFERS BETWEEN PROGRAM YEARS

Federal regulations require schools to obligate certain federal awards by June 30. However, with ODE's consent, schools can transfer unobligated amounts to the subsequent fiscal year's program. The District transferred the following amounts from 2022 to 2023 programs:

Program Title	AL Number	Amount Carried over
Education Stabilization Fund: American Rescue Plan – Elementary and Secondary School Emergency Relief –Homeless Children and Youth-Round 1	84.425W	$173,883
Education Stabilization Fund: American Rescue Plan – Elementary and Secondary School Emergency Relief –Homeless Children and Youth-Round 2	84.425W	39,082

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OHIO AUDITOR OF STATE
KEITH FABER

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

Athens-Meigs Educational Service Center
Athens County
PO Box 40
Chauncey, Ohio 45719

To the Governing Board:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States *(Government Auditing Standards)*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Athens-Meigs Educational Service Center, Athens County, Ohio (the Center) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Center's basic financial statements and have issued our report thereon dated March 25, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Center's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings as item 2023-002 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 an instance of noncompliance or other matters that are required to be reported under Government Auditing Standards and which is described in the accompanying Schedule of Findings as item 2023-001.

Center’s Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Center’s response to the finding identified in our audit and described in the accompanying Schedule of Findings and Corrective Action Plan. The Center’s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 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 Center’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Keith Faber
Auditor of State
Columbus, Ohio

March 25, 2024

OHIO AUDITOR OF STATE
KEITH FABER

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

Athens-Meigs Educational Service Center
Athens County
PO Box 40
Chauncey, Ohio 45719

To the Governing Board:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Athens-Meigs Educational Service Center's, Athens County, (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 each of Athens-Meigs Educational Service Center's major federal programs for the year ended June 30, 2023. Athens-Meigs Educational Service Center's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying Schedule of Findings.

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

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

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

Responsibilities of Management for Compliance

The 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 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 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 Center's compliance with the requirements of each major federal program as a whole.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the 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 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 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

March 25, 2024

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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)?**	Yes
(d)(1)(iii)	**Was there any reported material noncompliance at the financial statement level (GAGAS)?**	Yes
(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):** • Head Start Cluster, AL# 93.600 • Special Education Cluster (IDEA), AL# 84.027/84.173	
(d)(1)(viii)	**Dollar Threshold: Type A\B Programs**	Type A: > $ 750,000 Type B: all others
(d)(1)(ix)	**Low Risk Auditee under 2 CFR § 200.520?**	No

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

FINDING NUMBER 2023-001

Noncompliance

Ohio Rev. Code § 3313.46(A) provides, in part, that in addition to any other law governing the bidding for contracts by the board of education of any ESC or school district, when any such board determines to build, repair, enlarge, improve, or demolish any school building, the cost of which will exceed fifty thousand dollars, except in certain cases, the board shall advertise for bids once each week for a period of not less than two consecutive weeks, or as provided in section 7.16 of the Revised Code. Unless the board extends the time for the opening of bids, they shall be opened at the time and place specified by the board in the advertisement for the bids. None but the lowest responsible bid shall be accepted. The board may reject all the bids or accept any bid for both labor and material for such improvement or repair, which is the lowest in the aggregate.

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

FINDING NUMBER 2023-001 (Continued)

Noncompliance- Ohio Rev. Code § 3313.46(A) (Continued)

The Center paid the following contracts during fiscal year 2023 without following the required competitive bidding procedures to award the contracts:

- A contract with A-1 Glass Door for the installation of new windows at the Meigs Early Learning Center for $117,000;
- A contract with Haffelt's Mill Outlet for the installation of flooring at the Meigs Early Learning Center for $71,783; and
- A contract with Hendrix Heating and Cooling for HVAC demolition and installation at the Meigs Early Learning Center for $95,110.

The failure to follow the required competitive bidding process reduces the Center's assurance of utilizing the lowest, responsible vendor.

The Center should follow the required competitive bidding process for any contracts to build, repair, enlarge, improve, or demolish any school building which cost in excess of $50,000.

Officials' Response: See Corrective Action Plan.

FINDING NUMBER 2023-002

Significant Deficiency- Financial Reporting

In our audit engagement letter, as required by AU-C Section 210, Terms of Engagement, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16. Governmental Accounting Standards Board (GASB) Cod. 1100 paragraph .101 states a governmental accounting system must make it possible both: (a) to present fairly and with full disclosure the funds and activities of the governmental unit in conformity with generally accepted accounting principles, and (b) to determine and demonstrate compliance with finance-related legal and contractual provisions.

The fiscal year 2023 annual financial report filed in the Hinkle System required audit adjustments for the following items which were not identified and corrected during the review process:

- A receivable relating to excess cost was excluded from the reported amounts resulting in an increase in Intergovernmental Receivable and Unavailable Revenue of $50,710 in the General Fund and an increase in Intergovernmental Receivable and Charges for Services revenue of $50,710 in Governmental Activities.
- A Special Revenue Fund was included in Custodial Fund amounts rather than All Other Governmental Funds resulting in:
    - All Other Governmental Funds - a decrease in Equity in Pooled Cash and Cash Equivalents, an increase in Operation of Non-Instructional Services and decrease in Restricted Fund Balance of $15,000.

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

FINDING NUMBER 2023-002 (Continued)

Significant Deficiency- Financial Reporting (Continued)

- Governmental Activities - a decrease in Equity in Pooled Cash and Cash Equivalents, an increase in Operation of Non-Instructional Services and decrease in Restricted Fund Balance of $15,000.
- Custodial Fund - an increase in Equity in Pooled Cash and Cash Equivalents, an increase in Net Position Restricted for Individuals, Organizations, and Other Governments, and a decrease in Payments in Accordance with Trust Agreements of $15,000.

- Intergovernmental receivables for reimbursement grants were incorrectly calculated resulting in:
  - All Other Governmental Funds - an increase in Intergovernmental Receivable 21,342, an increase in Intergovernmental revenue of $6,525, and an increase in Unavailable Revenue of $27,867.
  - Governmental Activities - an increase in Intergovernmental Receivable and Intergovernmental revenue of $36,141.
  - Public Preschool Grant Fund - an increase in Intergovernmental Receivable and Intergovernmental revenue of $14,799.

The Notes to the Basic Financial Statements also required adjustment to account for these audit adjustments. These misstatements were caused by mistakes which were not identified during the annual financial report review process. An adjustment to correct these errors, with which the Center agrees, has been posted to the accompanying basic financial statements and related footnotes.

The Center's management should review underlying lead sheets and supporting files for accuracy to help ensure the financial statements are complete and accurate.

Officials' Response: See Corrective Action Plan.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

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ATHENS-MEIGS EDUCATIONAL SERVICE CENTER
Heather Wolfe, Superintendent/Teresa McGinnis, Treasurer
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740-797-0064
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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR 200.511(b)
JUNE 30, 2023

Finding Number	Finding Summary	Status	Additional Information
2022-001	Material Weakness pertaining to Financial Reporting due to audit adjustment	Partially Corrected	The items as identified as misclassified in the prior audit have been corrected. However, there were additional errors identified from the GAAP compilation process in the current period that required adjustment. The Treasurer will work with the Independent Public Accounting firm that is hired for the GAAP compilation process to avoid such errors going forward.
2022-002	Noncompliance and Material Weakness with AL # 93.600, Head Start Cluster Section F: Equipment and Real Property Management	Corrective Action Taken and Finding is Fully Corrected	N/A
2022-003	Noncompliance and Material Weakness with AL # 84.425C, Education Stabilization Fund-Governor's Emergency Education Relief Section F: Equipment and Real Property Management	Corrective Action Taken and Finding is Fully Corrected	N/A
2022-004	Noncompliance and Material Weakness with AL # 84.425C, Education Stabilization Fund-Governor's Emergency Education Relief Section N: Wage Rate Requirements	Corrective Action Taken and Finding is Fully Corrected	N/A

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ATHENS-MEIGS EDUCATIONAL SERVICE CENTER
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CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
JUNE 30, 2023

Finding Number:	2023-001
Planned Corrective Action:	The Treasurer will ensure the ESC follows the required competitive bidding process when applicable.
Anticipated Completion Date:	03/22/2024
Responsible Contact Person:	Teresa McGinnis

Finding Number:	2023-002
Planned Corrective Action:	The Treasurer will work with the IPA to ensure transactions are classified properly and in total.
Anticipated Completion Date:	06/30/2024
Responsible Contact Person:	Teresa McGinnis

ATHENS-MEIGS EDUCATIONAL SERVICE CENTER

ATHENS 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 3/28/2024

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