



OHIO AUDITOR OF STATE
KEITH FABER



**MAPLEWOOD CAREER CENTER
PORTAGE COUNTY
JUNE 30, 2023**

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PORTAGE COUNTY
JUNE 30, 2023**

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Maplewood Career Center
Portage County
7075 State Route 88
Ravenna, Ohio 44266

To the Board of Education:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Maplewood Career Center, Portage 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 as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Maplewood Career Center, Portage County, Ohio as of June 30, 2023, and the respective changes in financial position thereof and the budgetary comparison for the General Fund 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.

Emphasis of Matter

As discussed in Note 23 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Center. We did not modify our opinion regarding this matter.

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

Supplementary information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the 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.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 12, 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

January 12, 2024

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Maplewood Career Center
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
Unaudited

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

Financial Highlights

Key financial highlights for the 2023 fiscal year are as follows:

- Certified, classified, and administrative staffs received a 6 percent salary increase in fiscal year 2023.
- Projects completed in fiscal year 2023 the front entrance remodel; HVAC make up air units, exhaust fans, and controls replacements; electrical upgrades; and installing flooring and painting in various parts of the building.
- Annually, the Center reviews the needs of the programs and purchases equipment. Significant purchases for fiscal year 2023 included dust and exhaust collection systems in the carpentry, power equipment mechanics, and auto collision programs; a truck loader for power equipment mechanics; a milo range ceiling kit for criminal justice; and a blast chiller for culinary arts.
- The Center continues to research new programming options but is limited by the availability of high bay laboratory space. New programming options are also limited to those that would lead to the opportunity for immediate work or pursuit of additional education. The Center started an HVAC program in the 2022-2023 school year and is researching the possibility of adding an Optician program in the 2024-2025 school year.
- A new front entrance remodel was completed over the summer of 2022. New windows with protective film were installed during the summer of 2023.

Using this Financial Report

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

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

Notes to the Basic Financial Statements

The notes provide additional information that is essential to the data provided in the government-wide and fund financial statements.

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Reporting the Center as a Whole

Statement of Net Position and the Statement of Activities

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

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

Reporting the Center's Most Significant Funds

Fund Financial Statements

The analysis of the Center's major governmental fund begins on page 11. Fund financial reports provide detailed information about the Center's major fund. The Center uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the Center's most significant fund. The Center's only major governmental fund is the general fund.

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

Fiduciary Funds Fiduciary funds are used to account for resources held for the benefit of parties outside the Center. Fiduciary funds are not reflected on the government-wide financial statements because the resources from these funds are not available to support the Center's programs. These funds use the accrual basis of accounting.

The Center as a Whole

You may recall that the statement of net position provides the perspective of the Center as a whole. Table 1 provides a comparison of the Center's net position for fiscal year 2023 compared to 2022:

Maplewood Career Center
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Unaudited

Table 1
Net Position

	Governmental Activities		
	2023	2022	Change
Assets			
Current and Other Assets	\$38,433,670	\$38,953,053	(\$519,383)
Net OPEB Asset	1,014,701	874,155	140,546
Capital Assets, Net	11,341,445	10,895,761	445,684
<i>Total Assets</i>	<u>50,789,816</u>	<u>50,722,969</u>	<u>66,847</u>
Deferred Outflows of Resources			
Pension	2,808,800	2,941,993	(133,193)
OPEB	225,992	290,348	(64,356)
<i>Total Deferred Outflows of Resources</i>	<u>3,034,792</u>	<u>3,232,341</u>	<u>(197,549)</u>
Liabilities			
Current Liabilities	1,346,936	1,759,052	412,116
Long-Term Liabilities:			
Due Within One Year	96,550	93,834	(2,716)
Due in More Than One Year:			
Net Pension Liability	11,011,370	7,005,315	(4,006,055)
Net OPEB Liability	574,791	828,052	253,261
Other Amounts	1,259,663	1,270,485	10,822
<i>Total Liabilities</i>	<u>14,289,310</u>	<u>10,956,738</u>	<u>(3,332,572)</u>
Deferred Inflows of Resources			
Property Taxes	5,519,510	6,325,454	805,944
Payments in Lieu of Taxes	21,918	22,709	791
Pension	1,486,046	5,715,077	4,229,031
OPEB	1,662,808	1,603,985	(58,823)
<i>Total Deferred Inflows of Resources</i>	<u>8,690,282</u>	<u>13,667,225</u>	<u>4,976,943</u>
Net Position			
Net Investment in Capital Assets	11,215,182	10,116,465	1,098,717
Restricted	620,627	520,574	100,053
Unrestricted	19,009,207	18,694,308	314,899
<i>Total Net Position</i>	<u>\$30,845,016</u>	<u>\$29,331,347</u>	<u>\$1,513,669</u>

The net pension liability (NPL) is the largest single liability reported by the Center at June 30, 2023. 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

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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 health care to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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 previously, 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.

By comparing assets, deferred outflows of resources, liabilities, and deferred inflows of resources, one can see the overall position of the Center has improved as evidenced by the increase in net position, primarily the net investment in capital assets. The increase in net position was mainly related to the increase in the amount of property taxes available as an advance at fiscal year end, which caused a decrease in deferred inflows related to property taxes, as well as the increase in capital assets due to capital asset additions. A decrease in equity in pooled cash and cash equivalents primarily caused the decrease in current and other assets as the Center paid for significant capital improvements, including the front entrance remodel, dust/exhaust systems for three vocational programs, a truck loader for power equipment mechanics program, and new flooring in parts of the building. The decrease in cash was partly offset by a similar decrease in contracts payable related to construction projects.

Table 2 shows the changes in net position for fiscal year 2023 compared to fiscal year 2022.

Table 2
Change in Net Position
Governmental Activities

	2023	2022	Change
Revenues			
<i>Program Revenues</i>			
Charges for Services	\$557,603	\$350,999	\$206,604
Operating Grants and Interest	1,851,811	1,804,524	47,287
<i>Total Program Revenues</i>	2,409,414	2,155,523	253,891
<i>General Revenues</i>			
Property Taxes	8,239,915	7,012,326	1,227,589
Payments in Lieu of Taxes	22,313	26,199	(3,886)
Grants and Entitlements	5,817,621	5,355,823	461,798
Unrestricted Contributions	0	34,220	(34,220)
Investment Earnings/Interest	662,591	(368,040)	1,030,631
Gain on Sale of Capital Assets	0	16,452	(16,452)
Miscellaneous	51,765	41,522	10,243
<i>Total General Revenues</i>	14,794,205	12,118,502	2,675,703
Total Revenues	\$17,203,619	\$14,274,025	\$2,929,594

(continued)

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Table 2
 Change in Net Position
 Governmental Activities
(continued)

	2023	2022	Change
Program Expenses			
Instruction:			
Regular	\$1,473,874	\$1,272,734	(\$201,140)
Vocational	6,804,634	6,116,247	(688,387)
Adult/Continuing	361,127	228,563	(132,564)
Support Services:			
Pupil	1,512,259	1,286,004	(226,255)
Instructional Staff	858,256	733,394	(124,862)
Board of Education	85,126	106,481	21,355
Administration	1,061,835	884,342	(177,493)
Fiscal	644,232	623,285	(20,947)
Business	252,964	232,663	(20,301)
Operation and Maintenance of Plant	1,807,957	1,817,350	9,393
Pupil Transportation	32,758	25,004	(7,754)
Central	282,312	252,939	(29,373)
Operation of Non-Instructional Services	60,278	24,283	(35,995)
Operation of Food Services	381,098	400,717	19,619
Extracurricular Activities	65,398	32,583	(32,815)
Interest	5,842	7,486	1,644
<i>Total Program Expenses</i>	<u>15,689,950</u>	<u>14,044,075</u>	<u>(1,645,875)</u>
Change in Net Position	1,513,669	229,950	1,283,719
Net Position Beginning of Year	<u>29,331,347</u>	<u>29,101,397</u>	<u>229,950</u>
Net Position End of Year	<u><u>\$30,845,016</u></u>	<u><u>\$29,331,347</u></u>	<u><u>\$1,513,669</u></u>

Governmental Activities

Net position of the Center's governmental activities increased in fiscal year 2023 due to an increase in revenues, which was partly offset by an increase in program expenses. The increase in revenues was mainly a result of increases in property taxes and investment earnings/interest. Property taxes increased due to a significant increase in the amount available as an advance at fiscal year end, and investment earnings/interest increased due to rising interest rates. The increase in program expenses was primarily due to an increase in pension expense, as well as increased costs for salaries and benefits due to base salary increases, step increases, and related increases in retirement benefits, as well as higher health insurance costs.

The primary sources of revenue for the Center are derived from property taxes and grants and entitlements revenue. These two revenue sources represent a majority of the total revenue. Property taxes, alone, represent close to half of total revenues. The remaining revenue is from program revenues, payments in lieu of taxes, unrestricted contributions, investment earnings, gain on sale of capital assets, and miscellaneous local sources.

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A State law, enacted in 1976, does not allow for tax revenue increases caused by inflationary growth of real property. Increases in valuation prompt corresponding annual reductions in the “effective millage,” the tax rates applied to real property. The Center operates on voted millage of 4 mills. The reduced or effective millage in fiscal year 2023 was 2.428258 mills for Residential/Agricultural property and 3.218252 mills for Commercial/Industrial property. The following table illustrates the rate of growth in property values in the past ten years which has positively impacted the Center:

Table 3

Year Ending	Portage County	Summit County	Total Valuation	Growth Rate
2023	\$3,008,018,210	\$65,908,460	\$3,073,926,670	1.86 %
2022	2,951,797,580	65,852,580	3,017,650,160	12.65
2021	2,613,402,910	65,388,880	2,678,791,790	2.23
2020	2,561,603,380	58,699,510	2,620,302,890	1.21
2019	2,528,785,580	60,214,600	2,589,000,180	8.51
2018	2,325,824,500	60,051,030	2,385,875,530	2.05
2017	2,281,276,630	56,628,760	2,337,905,390	1.25
2016	2,252,618,385	56,343,540	2,308,961,925	2.72
2015	2,190,879,120	56,869,740	2,247,748,860	0.44
2014	2,181,580,620	56,230,880	2,237,811,500	1.21

State funding per pupil increased over the past year due to changes in the State funding model with a higher phase-in percentage for fiscal year 2023. The Center has received increases in both unrestricted and restricted funding. Fluctuations in State funding are also dependent upon the enrollment of students in the various programs offered.

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

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Unaudited

Table 4
 Total and Net Cost of Program Services
 Governmental Activities

	Total Cost of Services 2023	Net Cost of Services 2023	Total Cost of Services 2022	Net Cost of Services 2022
Program Expenses				
Instruction:				
Regular	\$1,473,874	\$1,473,874	\$1,272,734	\$1,272,734
Vocational	6,804,634	5,641,096	6,116,247	5,021,762
Adult/Continuing	361,127	57,351	228,563	9,414
Support Services:				
Pupil	1,512,259	1,372,924	1,286,004	1,178,146
Instructional Staff	858,256	855,575	733,394	733,368
Board of Education	85,126	85,126	106,481	106,481
Administration	1,061,835	932,669	884,342	785,576
Fiscal	644,232	638,285	623,285	617,372
Business	252,964	252,964	232,663	232,663
Operation and Maintenance of Plant	1,807,957	1,583,827	1,817,350	1,804,679
Pupil Transportation	32,758	32,758	25,004	25,004
Central	282,312	279,522	252,939	250,450
Operation of Non-Instructional Services	60,278	60,278	24,283	24,283
Operation of Food Services	381,098	(19,904)	400,717	(185,953)
Extracurricular Activities	65,398	28,349	32,583	5,087
Interest	5,842	5,842	7,486	7,486
<i>Total</i>	<u>\$15,689,950</u>	<u>\$13,280,536</u>	<u>\$14,044,075</u>	<u>\$11,888,552</u>

As one can see, the reliance upon local tax revenues for the governmental activities is crucial. Fiscal year 2023 program revenues covered only a small portion of program expenses overall, while the majority of program expenses are supported through tax revenues and other general revenues. Grants and entitlements not restricted to specific programs support a smaller portion than tax revenues, but still support a significant portion of program expenses. Program revenues, payments in lieu of taxes, unrestricted contributions, investment earnings/interest, gain on sale of capital assets, and other miscellaneous revenues support the remaining activity costs. In fiscal year 2023, revenues exceeded expenses, resulting in an increase in net position.

The Center's Funds

The Center's governmental funds, as presented on the balance sheet, reported a combined fund balance increase from fiscal year 2022 due to higher revenues, primarily property taxes and investment earnings/interest, as discussed previously.

General Fund

The general fund balance also increased in fiscal year 2023 mainly due to significant rise in revenues. The rise in property taxes and investment earnings/interest discussed previously were the main sources of the overall revenue increase.

Maplewood Career Center
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
Unaudited

Budgeting Highlights

The Center's appropriations are prepared according to Ohio law and are based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. In fiscal year 2023, all funds were appropriated at the fund level.

In fiscal year 2023, the Center adopted its appropriations prior to October 1, 2022, and amended those appropriations several times prior to fiscal year end. For the general fund, final amended estimated revenues, including other financing sources, were a little higher than the original estimate. Total actual revenues were more than final estimated revenues mainly due to higher than expected intergovernmental revenue, interest revenue, and property taxes.

Total general fund final appropriations, including other financing uses, were marginally lower than original appropriations. The largest functions for final general fund appropriations included instruction, pupil and operation and maintenance of plant support services and capital outlay. Final appropriations exceeded actual expenditures mainly due to the Center appropriating for projects that had been started but not completed by fiscal year end and also from salaries and benefits coming in lower than predicted due to the use of conservative estimates.

Capital Assets and Debt Administration

Capital Assets

Capital assets net of depreciation/amortization increased from fiscal year 2022 due to current year additions outpacing annual depreciation/amortization and current year deletions. Some of the capital asset additions for fiscal year 2023 included a front entrance remodel and front sign, HVAC make up air units, HVAC exhaust fans, HVAC controls, electrical wiring, new flooring in various parts of the building, dust and exhaust collection systems, a truck loader, a MILO range ceiling kit, and a blast chiller.

The Center's capitalization threshold for capital assets was set at \$5,000. For additional information on capital assets, see Note 10 to the basic financial statements.

Debt

At June 30, 2023, the Center had no outstanding bonded long-term debt. The long-term liabilities listed in Table 1 are those accumulated for the Center's net pension liability and net OPEB liability, lease payable, and compensated absences. For additional information on long-term obligations, see Note 16 to the basic financial statements.

Challenges and Opportunities

The vision of the Maplewood Career Center is to prepare learners to be productive, responsible, and successful members of society. Through progressive curriculum and dynamic hands-on learning, the Center challenges each student to develop lifelong skills that relate to the leadership and teamwork necessary in their future careers and community roles. The Center establishes a relationship with staff, students, parents, and community businesses that allows all learners to reach their full potential.

Maplewood Career Center
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
Unaudited

The mission of the Center is to prepare all students to meet, to the best of their abilities, the career/technical, academic, social, cultural, current and future needs of the community. The mission will be accomplished by creating a safe learning environment that emphasizes the lifelong skills and knowledge necessary to continue learning, communicate clearly, solve problems, use information and technology effectively, enjoy productive employment, appreciate aesthetics and meet their obligations as citizens in a democratic and global society.

Keeping current is an ongoing challenge for the Center, where success is measured by graduate employment. As part of the Center's mission to provide relevant career technical programs that meet the needs of its students and its communities, medical and dental assisting were added at the beginning of fiscal year 2009, because those two fields were among the fastest growing career fields in the region. Also, at the beginning of fiscal year 2009, additional opportunities were added for students selecting auto service technology and cosmetology, doubling their capacity, since these programs have always been quickly filled. A new program titled Building and Property Maintenance was added, as well. These programs were fully operational with both juniors and seniors in fiscal year 2010. Unfortunately, the Building and Property Maintenance program was eliminated due to low enrollment at the end of the 2012 fiscal year. The previous Horticulture laboratory was renovated into an Animal Science laboratory over the summer of 2014. Animal Science was added in the fall of 2014 for juniors and was offered to both juniors and seniors in fiscal year 2016. The Administrative and Medical Terminology program was closed at the end of the 2014 year, and the Computer Aided Engineering program was closed at the end of the 2015 fiscal year. The Masonry program closed at the end of the 2021 fiscal year. HVAC was added for the 2022-2023 school year. Marketing Management closed at the end of the 2022-2023 school year. The Center continues to research new programming options but is limited by the availability of high bay laboratory space. New programming options are also limited to those that would lead to the opportunity for immediate work or pursuit of additional education. The Center will continue to assess the needs of the students and communities and make changes and additions to programs in the future. The Center is currently researching adding an Optician program.

The adult education program assists individuals and companies in their efforts to develop leadership, build new skills, upgrade skills, keep abreast of technological developments, and to develop competencies in areas of need and workforce development and personal interest. The job training and re-training needs of area adults are important concerns to the Center's adult education department. The Center offers Welding Technologies as a long-term adult education training program. It is a program most requested by area employers. The program is affordable, in depth, and most importantly, graduates are certified and ready to step into a job. In the summer and fall of 2015, the Center worked with area manufacturing businesses to start an Industrial Maintenance program. The program includes modules for electrical, fluid power, and mechanical. Area manufacturing businesses send employees to take the classes and receive certifications. The classes are also open to individuals. An adult cosmetology program was added in the 2022-2023 school year. The Center continues to work with area manufacturing businesses to create training programs that meet their individual needs. The Center is working with the Council on Occupational Education and the US Department of Education to achieve accreditation.

In order to meet the goals mentioned previously, it is imperative that the Center's management and staff continue to carefully and prudently plan in order to provide the resources and education required to meet student needs over the next several years. The Center has achieved a large measure of financial stability and forecasts a continuation of that stability throughout the five years of the required forecast period prior to a levy renewal or replacement being requested of its voters. Administrators and staff are cognizant of the vulnerability of this stability, and the Board of Education and Administration continue to closely monitor both revenues and expenses. The Board of Education and Administration plan to maintain the current facility indefinitely and as a result must upgrade and maintain the facility in a manner distinctly different from many traditional school districts that are building or planning to build new facilities.

Maplewood Career Center
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
Unaudited

Contacting the Center's Financial Management Personnel

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the Center's finances and to show the Center's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Michelle Seckman, Treasurer, Maplewood Career Center, 7075 State Route 88, Ravenna, Ohio 44266. You may also contact the Treasurer by phone at (330) 296-2892, extension 551005, or by e-mail at seckmanmi@mwood.cc.

Basic Financial Statements

Maplewood Career Center

Statement of Net Position

June 30, 2023

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$30,741,917
Accounts Receivable	3,451
Intergovernmental Receivable	68,179
Accrued Interest Receivable	96,395
Prepaid Items	11,045
Materials and Supplies Inventory	1,763
Inventory Held for Resale	4,670
Property Taxes Receivable	7,467,532
Payments in Lieu of Taxes Receivable	21,918
Assets Held for Resale	16,800
Net OPEB Asset (See Note 14)	1,014,701
Nondepreciable Capital Assets	192,312
Depreciable Capital Assets, Net	11,149,133
<i>Total Assets</i>	<i>50,789,816</i>
Deferred Outflows of Resources	
Pension	2,808,800
OPEB	225,992
<i>Total Deferred Outflows of Resources</i>	<i>3,034,792</i>
Liabilities	
Accounts Payable	61,316
Contracts Payable	47,575
Accrued Wages and Benefits Payable	832,078
Matured Compensated Absences Payable	82,649
Vacation Benefits Payable	78,445
Intergovernmental Payable	140,736
Retainage Payable	4,137
Unearned Revenue	100,000
Long-Term Liabilities:	
Due Within One Year	96,550
Due in More Than One Year:	
Net Pension Liability (See Note 13)	11,011,370
Net OPEB Liability (See Note 14)	574,791
Other Amounts Due in More Than One Year	1,259,663
<i>Total Liabilities</i>	<i>14,289,310</i>
Deferred Inflows of Resources	
Property Taxes	5,519,510
Payments in Lieu of Taxes	21,918
Pension	1,486,046
OPEB	1,662,808
<i>Total Deferred Inflows of Resources</i>	<i>8,690,282</i>
Net Position	
Net Investment in Capital Assets	11,215,182
Restricted for:	
Food Service Operations	146,801
Scholarships	39,445
Student Activities	122,326
Student Wellness Services	106,347
OPEB Plan	204,454
Other Purposes	1,254
Unrestricted	19,009,207
<i>Total Net Position</i>	<i>\$30,845,016</i>

See accompanying notes to the basic financial statements

Maplewood Career Center
Statement of Activities
For the Fiscal Year Ended June 30, 2023

	Program Revenues			Net (Expense)
	Expenses	Charges for Services	Operating Grants and Interest	Revenue and Changes in Net Position
Governmental Activities:				
Instruction:				
Regular	\$1,473,874	\$0	\$0	(\$1,473,874)
Vocational	6,804,634	192,075	971,463	(5,641,096)
Adult/Continuing	361,127	76,798	226,978	(57,351)
Support Services:				
Pupil	1,512,259	0	139,335	(1,372,924)
Instructional Staff	858,256	0	2,681	(855,575)
Board of Education	85,126	0	0	(85,126)
Administration	1,061,835	64,609	64,557	(932,669)
Fiscal	644,232	0	5,947	(638,285)
Business	252,964	0	0	(252,964)
Operation and Maintenance of Plant	1,807,957	16,210	207,920	(1,583,827)
Pupil Transportation	32,758	0	0	(32,758)
Central	282,312	737	2,053	(279,522)
Operation of Non-Instructional Services	60,278	0	0	(60,278)
Operation of Food Services	381,098	170,125	230,877	19,904
Extracurricular Activities	65,398	37,049	0	(28,349)
Interest	5,842	0	0	(5,842)
<i>Total</i>	<u>\$15,689,950</u>	<u>\$557,603</u>	<u>\$1,851,811</u>	<u>(13,280,536)</u>
General Revenues				
Property Taxes Levied for General Purposes				8,239,915
Payments in Lieu of Taxes				22,313
Grants and Entitlements not Restricted to Specific Programs				5,817,621
Investment Earnings/Interest				662,591
Miscellaneous				51,765
<i>Total General Revenues</i>				<u>14,794,205</u>
Change in Net Position				1,513,669
<i>Net Position Beginning of Year</i>				<u>29,331,347</u>
<i>Net Position End of Year</i>				<u>\$30,845,016</u>

See accompanying notes to the basic financial statements

Maplewood Career Center

Balance Sheet

Governmental Funds

June 30, 2023

	General	Other Governmental Funds	Total Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$29,864,749	\$652,552	\$30,517,301
Restricted Assets:			
Equity in Pooled Cash and Cash Equivalents	224,616	0	224,616
Accounts Receivable	3,353	98	3,451
Interfund Receivable	281,000	739	281,739
Accrued Interest Receivable	96,395	0	96,395
Intergovernmental Receivable	4,950	63,229	68,179
Prepaid Items	10,471	574	11,045
Materials and Supplies Inventory	0	1,763	1,763
Inventory Held for Resale	0	4,670	4,670
Property Taxes Receivable	7,467,532	0	7,467,532
Payments in Lieu of Taxes Receivable	21,918	0	21,918
Assets Held for Resale	16,800	0	16,800
<i>Total Assets</i>	<u>\$37,991,784</u>	<u>\$723,625</u>	<u>\$38,715,409</u>
Liabilities			
Accounts Payable	\$50,406	\$10,910	\$61,316
Contracts Payable	47,575	0	47,575
Accrued Wages and Benefits Payable	775,443	56,635	832,078
Matured Compensated Absences Payable	82,649	0	82,649
Intergovernmental Payable	127,299	13,437	140,736
Retainage Payable	4,137	0	4,137
Interfund Payable	739	281,000	281,739
Unearned Revenue	0	100,000	100,000
<i>Total Liabilities</i>	<u>1,088,248</u>	<u>461,982</u>	<u>1,550,230</u>
Deferred Inflows of Resources			
Property Taxes	5,519,510	0	5,519,510
Payments in Lieu of Taxes	21,918	0	21,918
Unavailable Revenue	211,992	1,056	213,048
<i>Total Deferred Inflows of Resources</i>	<u>5,753,420</u>	<u>1,056</u>	<u>5,754,476</u>
Fund Balances			
Nonspendable	28,525	2,337	30,862
Restricted	0	413,105	413,105
Committed	779,338	0	779,338
Assigned	4,750,176	0	4,750,176
Unassigned (Deficit)	25,592,077	(154,855)	25,437,222
<i>Total Fund Balances</i>	<u>31,150,116</u>	<u>260,587</u>	<u>31,410,703</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$37,991,784</u>	<u>\$723,625</u>	<u>\$38,715,409</u>

See accompanying notes to the basic financial statements

Maplewood Career Center
*Reconciliation of Total Governmental Fund Balances to
 Net Position of Governmental Activities
 June 30, 2023*

Total Governmental Funds Balances	\$31,410,703
 <i>Amounts reported for governmental activities in the statement of net position are different because:</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	11,341,445
Other long-term assets are not available to pay for current-period expenditures and therefore are reported as unavailable revenue in the funds:	
Delinquent Property Taxes	208,552
Intergovernmental	4,496
Total	213,048
Vacation benefits payable is a contractually required benefit not expected to be paid with expendable available financial resources and therefore not reported in the funds.	(78,445)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Lease Payable	(63,951)
Compensated Absences	(1,292,262)
Total	(1,356,213)
The net OPEB asset and net pension/OPEB liability are not due and payable in the current period; therefore, the asset, liabilities and related deferred outflows/inflows are not reported in the funds:	
Net OPEB Asset	1,014,701
Deferred Outflows - Pension	2,808,800
Deferred Outflows - OPEB	225,992
Net Pension Liability	(11,011,370)
Net OPEB Liability	(574,791)
Deferred Inflows - Pension	(1,486,046)
Deferred Inflows - OPEB	(1,662,808)
Total	(10,685,522)
 <i>Net Position of Governmental Activities</i>	 \$30,845,016

See accompanying notes to the basic financial statements

Maplewood Career Center
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2023

	General	Other Governmental Funds	Total Governmental Funds
Revenues			
Property Taxes	\$8,238,993	\$0	\$8,238,993
Payments in Lieu of Taxes	22,313	0	22,313
Intergovernmental	6,627,837	1,031,172	7,659,009
Investment Earnings/Interest	662,591	6,291	668,882
Tuition and Fees	67,679	114,285	181,964
Leases and Rentals	16,210	0	16,210
Extracurricular Activities	0	37,049	37,049
Contributions and Donations	0	1,000	1,000
Charges for Services	152,255	170,125	322,380
Miscellaneous	40,766	10,999	51,765
<i>Total Revenues</i>	<u>15,828,644</u>	<u>1,370,921</u>	<u>17,199,565</u>
Expenditures			
Current:			
Instruction:			
Regular	1,380,477	0	1,380,477
Vocational	5,434,999	159,171	5,594,170
Adult/Continuing	31,026	321,494	352,520
Support Services:			
Pupil	1,333,750	181,741	1,515,491
Instructional Staff	861,437	2,665	864,102
Board of Education	84,289	0	84,289
Administration	919,894	192,617	1,112,511
Fiscal	661,272	5,912	667,184
Business	271,807	0	271,807
Operation and Maintenance of Plant	1,749,736	207,888	1,957,624
Pupil Transportation	2,743	0	2,743
Central	297,646	3,494	301,140
Operation of Non-Instructional Services	21,725	0	21,725
Operation of Food Services	0	391,322	391,322
Extracurricular Activities	33,102	32,296	65,398
Capital Outlay	1,888,996	0	1,888,996
Debt Service:			
Principal Retirement	38,720	1,516	40,236
Interest	6,003	402	6,405
<i>Total Expenditures</i>	<u>15,017,622</u>	<u>1,500,518</u>	<u>16,518,140</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>811,022</u>	<u>(129,597)</u>	<u>681,425</u>
Other Financing Sources			
Sale of Capital Assets	2,115	0	2,115
Inception of Subscription	16,100	0	16,100
<i>Total Other Financing Sources</i>	<u>18,215</u>	<u>0</u>	<u>18,215</u>
<i>Net Change in Fund Balances</i>	829,237	(129,597)	699,640
<i>Fund Balances Beginning of Year</i>	<u>30,320,879</u>	<u>390,184</u>	<u>30,711,063</u>
<i>Fund Balances End of Year</i>	<u>\$31,150,116</u>	<u>\$260,587</u>	<u>\$31,410,703</u>

See accompanying notes to the basic financial statements

Maplewood Career 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	\$699,640
 <i>Amounts reported for governmental activities in the statement of activities are different because:</i>	
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 capital outlay exceeded depreciation/amortization in the current period:	
Capital Outlay	2,652,300
Depreciation/Amortization	<u>(2,189,933)</u>
Total	462,367
Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.	
	(16,683)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:	
Property Taxes	922
Intergovernmental	<u>3,132</u>
Total	4,054
Accrued interest reported in the statement of activities does not require the use of current financial resources and therefore is not reported as an expenditure in the governmental funds.	
	563
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
	40,236
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 the governmental funds:	
Compensated Absences	(16,030)
Vacation Benefits Payable	<u>(4,789)</u>
Total	(20,819)
Other financing sources in the governmental funds, such as inception of subscription, that increase long-term liabilities in the statement of net position are not reported as revenues in the statement of activities.	
	(16,100)
Contractually required contributions are reported as expenditures in the governmental funds; however, the statement of net position reports these amounts as deferred outflows:	
Pension	1,017,298
OPEB	<u>10,209</u>
Total	1,027,507
Except for amounts reported as deferred outflows/inflows, changes in the net pension/OPEB asset or liability are reported as pension/OPEB expense in the statement of activities:	
Pension	(927,515)
OPEB	<u>260,419</u>
Total	<u>(667,096)</u>
<i>Change in Net Position of Governmental Activities</i>	<u><u>\$1,513,669</u></u>

See accompanying notes to the basic financial statements

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

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Property Taxes	\$7,007,092	\$7,076,504	\$7,282,644	\$206,140
Payments in Lieu of Taxes	0	0	22,313	22,313
Intergovernmental	6,201,180	6,201,180	6,627,837	426,657
Interest	248,196	248,196	743,469	495,273
Tuition and Fees	0	0	800	800
Leases and Rentals	17,100	15,860	16,210	350
Contributions and Donations	25,000	25,000	0	(25,000)
Charges for Services	4,500	4,699	7,655	2,956
Miscellaneous	25,250	23,507	46,532	23,025
<i>Total Revenues</i>	13,528,318	13,594,946	14,747,460	1,152,514
Expenditures				
Current:				
Instruction:				
Regular	1,636,904	1,637,153	1,381,165	255,988
Vocational	5,980,221	5,924,215	5,424,218	499,997
Support Services:				
Pupil	1,572,705	1,578,388	1,316,508	261,880
Instructional Staff	825,251	831,728	831,728	0
Board of Education	239,687	239,687	95,731	143,956
Administration	1,017,078	1,019,403	886,256	133,147
Fiscal	926,012	926,012	819,132	106,880
Business	289,398	289,398	274,806	14,592
Operation and Maintenance of Plant	2,474,673	2,474,673	2,259,147	215,526
Pupil Transportation	23,840	23,840	13,261	10,579
Central	515,779	516,523	335,953	180,570
Operation of Non-Instructional Services	24,502	23,722	21,726	1,996
Operation of Food Services	5,000	5,000	0	5,000
Extracurricular Activities	42,685	52,213	35,188	17,025
Capital Outlay	4,972,253	4,972,253	3,076,370	1,895,883
Debt Service:				
Principal Retirement	38,720	38,720	38,720	0
Interest	6,003	6,003	6,003	0
<i>Total Expenditures</i>	20,590,711	20,558,931	16,815,912	3,743,019
<i>Excess of Revenues Under Expenditures</i>	(7,062,393)	(6,963,985)	(2,068,452)	4,895,533
Other Financing Sources (Uses)				
Sale of Capital Assets	0	0	2,265	2,265
Advances In	150,000	150,000	445,374	295,374
Advances Out	(250,000)	(281,000)	(281,000)	0
Transfers Out	(100,000)	(100,000)	(2,808)	97,192
<i>Total Other Financing Sources (Uses)</i>	(200,000)	(231,000)	163,831	394,831
<i>Net Change in Fund Balance</i>	(7,262,393)	(7,194,985)	(1,904,621)	5,290,364
<i>Fund Balance Beginning of Year</i>	27,314,026	27,314,026	27,314,026	0
Prior Year Encumbrances Appropriated	3,445,691	3,445,691	3,445,691	0
<i>Fund Balance End of Year</i>	\$23,497,324	\$23,564,732	\$28,855,096	\$5,290,364

See accompanying notes to the basic financial statements

Maplewood Career Center
Statement of Fiduciary Net Position
Custodial Fund
June 30, 2023

Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$500</u>
Net Position	
Restricted for Individuals	<u><u>\$500</u></u>

See accompanying notes to the basic financial statements

Maplewood Career Center
Statement of Changes in Fiduciary Net Position
Custodial Fund
For the Fiscal Year Ended June 30, 2023

Additions	
Amounts Received for Others	\$500
Deductions	<u>0</u>
<i>Change in Net Position</i>	500
<i>Net Position Beginning of Year</i>	<u>0</u>
<i>Net Position End of Year</i>	<u><u>\$500</u></u>

See accompanying notes to the basic financial statements

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

Note 1 – Description of the Center and Reporting Entity

The Maplewood Career 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 joint vocational center as defined by Section 3311.18 of the Ohio Revised Code. The Center operates under a Board of Education consisting of eleven members appointed for three-year terms. Each Board member is selected in their home district and then appointed to the Center’s board. The Center provides educational services as authorized by State statute and Federal guidelines to the following school districts: Crestwood Local School District, Field Local School District, James A. Garfield Local School District, Mogadore Local School District, Ravenna Schools, Rootstown Local School District, Southeast Local School District, Streetsboro City School District, Waterloo Local School District, and Windham Exempted Village School District. Each of these school districts has one board member on the Center’s Board of Education, except for Ravenna Schools which has two members. The Center employs 68 certified employees and 27 non-certified employees who provide services to 693 students and other community members.

Reporting Entity

The Center is considered to be a stand-alone government because it is a legally separate entity but does not have an elected board. The reporting entity is composed of the stand-alone government, component units, and other organizations that are included to ensure that the basic financial statements are not misleading. The stand-alone government consists of all funds, departments, boards, and agencies that are not legally separate from the Center. For the Center, this includes the agencies and departments that provide the following services: general operations, food service, and student related activities of the Center.

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 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 that are fiscally dependent on the Center in that the Center approves the budget, the issuance of debt or the levying of taxes and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. The Center has no component units.

The Center participates in a jointly governed organization and two insurance purchasing pools. These organizations are the Northeast Ohio Network for Educational Technology, the Ohio Schools Council Workers’ Compensation Group Retrospective Rating Program, and the Portage Area Schools Consortium. These organizations are presented in Notes 20 and 21 to the basic financial statements.

Note 2 – Summary of Significant Accounting Policies

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

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

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.

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, except for fiduciary funds. These statements usually distinguish between those activities of the Center that are governmental and those that are considered business-type. The Center, however, has no business-type activities.

The statement of net position presents the financial condition of the governmental activities of the Center at fiscal year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the 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, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Center, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the 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 governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

Fund Accounting

The Center uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The various funds of the Center are grouped into two categories: governmental and fiduciary.

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

General Fund The general fund is the general operating fund of the Center and is used to account for and report all financial resources except those required to be 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.

The other governmental funds of the Center account for grants and other resources whose uses are restricted, committed, or assigned to a particular purpose.

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Fiduciary Funds Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into the following four classifications: pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that has certain characteristics. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund.

The Center's only fiduciary fund is a custodial fund. The custodial fund is used to account for assets held by the Center for the benefit of individuals.

Measurement Focus

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

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

Like the government-wide statements, all fiduciary funds are accounted for on a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of fund net position. In fiduciary funds, a liability to the beneficiaries of fiduciary activity is recognized when an event has occurred that compels the government to disburse fiduciary resources. Fiduciary fund liabilities other than those to beneficiaries are recognized using the economic resources measurement focus. Fiduciary funds present a statement of changes in fiduciary net position which reports additions to and deductions from investment trust, private purpose trust funds, and custodial funds.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements and the statements presented for fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows of resources and in the presentation of expenses versus expenditures.

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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. Available means that the resources will be collected within the current fiscal year or 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.

Nonexchange transactions, in which the Center receives value without directly giving equal value in return, include property taxes, payments in lieu of taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes and payments in lieu of taxes is recognized in the fiscal year for which the taxes are levied (see Note 9). Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the 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 nonexchange transactions must also be available before it can be recognized.

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

Deferred Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the Center, deferred outflows of resources are reported on the government-wide statement of net position for pension and OPEB plans. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 13 and 14.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the Center, deferred inflows of resources include property taxes, payments in lieu of taxes, pension, OPEB plans, and unavailable revenue. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of June 30, 2023, but which were levied to finance fiscal year 2024 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables which will not be collected within the available period. For the Center, unavailable revenue includes delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the reconciliation of total governmental fund balances to net position of governmental activities found on page 19. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 13 and 14.)

Expenditures/Expenses On the accrual basis of accounting, expenses are recognized at the time they are incurred.

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

Budgetary Process

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Treasurer. The amounts reported as the original and final budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original and final appropriations were passed by the Board of Education.

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

Cash and Cash Equivalents

To improve cash management, cash received by the Center is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the Center's records. 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 STAR Ohio, a money market account, negotiable certificates of deposit, commercial paper, federal home loan bank notes, federal farm credit bank notes, US treasury notes, municipal bonds, and federal home loan mortgage corporation notes. Except for STAR Ohio, investments are reported at fair value.

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 its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For fiscal year 2023, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, 24 hours advance notice for deposits and withdrawals of \$100 million or more is appreciated. STAR Ohio reserves the right to limit the transaction to \$250 million per day.

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By Ohio statutes, the Board of Education has specified the funds to receive an allocation of interest earnings. Investment earnings/interest revenue credited to the general fund during fiscal year 2023 amounted to \$662,591, which includes \$7,918 assigned from other Center funds.

Investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the Center are presented on the financial statements as cash equivalents.

Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or the laws of other governments, or imposed by law through constitutional provisions. Restricted assets in the general fund represent money set aside for unclaimed monies and amounts required by State statute to be set aside to create a budget stabilization balance. See Note 19 for additional information regarding set-asides.

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 the purchase and an expenditure/expense is reported in the year in which services are consumed.

Inventory

Inventories are presented at the lower of cost or market value and donated commodities are presented at their entitlement value. Inventories are presented on a first-in, first-out basis and are expended/expensed when used. Inventories consist of materials and supplies held for consumption and donated and purchased food held for resale.

Assets Held for Resale

Assets held for resale represent land purchased by the Center which will be sold with student-built houses.

Capital Assets

All capital assets of the Center are classified as general capital assets. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported on the fund financial statements.

All capital assets (except for intangible right to use lease assets and subscription assets, which are discussed subsequently) are capitalized at cost (or estimated historical cost) and updated for additions and reductions during the year. The Center was able to estimate the historical cost for the initial reporting of assets by backtrending (i.e., estimating the current replacement cost of the asset to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year.) Donated capital assets are recorded at their acquisition values as of the date received. The Center maintains a capitalization threshold of five thousand dollars. 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 capitalized.

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

Description	Governmental Activities Estimated Lives
<i>Tangible Assets</i>	
Buildings and Improvements	40-60 years
Furniture, Fixtures and Equipment	5-25 years
Vehicles	5-15 years
<i>Intangible Right to Use</i>	
Lease Assets - Equipment	4.5 years
Subscription Assets - Software	3 years

The Center is reporting intangible right to use assets related to lease assets and subscription assets. The lease assets include equipment and represent nonfinancial assets which are being utilized for a period of time through leases from another entity. Subscription assets represent intangible right to use assets related to the use of another party's IT software. These intangible right to use assets are being amortized in a systematic and rational manner over the shorter of the lease/subscription term or the useful life of the underlying asset.

Interfund Balances

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

Unearned Revenue

Unearned revenue represents amounts under the accrual and modified accrual basis of accounting for which asset recognition criteria have been met, but for which revenue recognition criteria have not yet been met because the amounts have not yet been earned. The Center recognizes unearned revenue for grant resources transmitted before eligibility requirements are met.

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. The Center records a liability for accumulated unused vacation time when earned for all employees with more than one year of service. Since the Center's policy limits the accrual of vacation time to one year from the employee's anniversary date, the outstanding liability is recorded as "vacation benefits payable" on the statement of net position rather than as a long-term liability.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the Center has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year-end, taking into consideration any limits specified in the Center's termination policy. The Center records a liability for accumulated unused sick leave for employees after one year of service with the Center.

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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 to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "Matured Compensated Absences Payable" in the fund or funds from which the employees who have accumulated the leave are paid.

Leases/Subscription Payable

The Center serves as lessee in various noncancellable leases which are accounted for as follows. At the commencement of a lease, the Center initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset. Lease assets are reported with other capital assets, and lease liabilities are reported with long-term debt on the statement of net position.

The Center is reporting Subscription-Based Information Technology Arrangements (SBITAs) for various noncancellable IT software contracts. At the commencement of the subscription term, the Center initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of lease payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at the commencement of the subscription term, plus certain initial implementation costs. Subsequently, the subscription asset is amortized on a straight-line basis over the shorter of the subscription term or the useful life of the underlying IT asset. Subscription assets are reported with other capital assets, and subscription payables are reported with long-term debt on the statement of net position.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds; however, claims and judgments and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits. Leases and subscriptions payable are recognized as a liability on the governmental fund financial statements when due.

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 pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plans. 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.

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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 category includes amounts that cannot be spent because they are not in 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. It also includes the long-term amount of loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.

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. These amounts are assigned by the Center Board of Education. In the general fund, assigned amounts represent intended uses established by policies of the Center Board of Education or by a Center official delegated that authority by State statute. State statute authorizes the Treasurer to assign fund balances for purchases on order provided such amounts have been lawfully appropriated. The Center Board of Education also assigned fund balance for public school support and summer school and to cover a gap between estimated revenue and appropriations in the fiscal year 2024 budget.

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.

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.

Net Position

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use through either external restrictions imposed by creditors, grantors or laws, or regulations of other governments. Restricted net position for an OPEB plan represents the corresponding restricted asset amount after considering the related deferred outflows and deferred inflows.

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

Estimates

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

Note 3 – Changes in Accounting Principles

For fiscal year 2023, the Center implemented Governmental Accounting Standards Board (GASB) Statement No. 91, *Conduit Debt Obligations*, No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, and GASB Statement No. 99, *Omnibus 2022*.

GASB 91 clarifies 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 Center did not have any debt that met the definition of conduit debt.

GASB Statement 94 improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). The Center did not have any arrangements that met the GASB 94 definition of a PPP or an APA.

GASB Statement 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). These changes were incorporated in the Center's 2023 financial statements. The Center did not have any long-term contracts that met the GASB 96 definition of a SBITA at July 1, 2022.

GASB Statement 99 addresses various issues including items related to leases, PPPs, and SBITAs. The requirements related to PPPs and SBITAs were incorporated with the corresponding GASB 94 and GASB 96 changes identified previously.

Note 4 – Budgetary Basis of Accounting

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

The major differences between the budget basis and GAAP (modified accrual) basis are as follows:

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

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2. Advances In and Advances Out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).
3. Investments are reported at cost (budget basis) rather than fair value (GAAP basis).
4. Expenditures are recorded when paid in cash (budget basis) as opposed to when the fund liability is incurred (GAAP basis).
5. Budgetary revenues and expenditures of the uniform school supplies, rotary – special services, and public school support funds are reclassified to the general fund for GAAP reporting.
6. Encumbrances are treated as expenditures (budget basis) rather than as a restricted, committed, or assigned fund balance (GAAP basis).

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

Net Change in Fund Balance	
GAAP Basis	\$829,237
Net Adjustment for Revenue Accruals	(1,010,145)
Advances In	445,374
Beginning Fair Value Adjustment for Investments	(384,175)
Ending Fair Value Adjustment for Investments	525,053
Net Adjustment for Expenditure Accruals	(467,425)
Advances Out	(281,000)
Perspective Differences:	
Uniform School Supplies	4,675
Rotary – Special Services	(9,383)
Public School Support	(172)
Encumbrances	(1,556,660)
Budget Basis	<u><u>(\$1,904,621)</u></u>

Note 5 – Fund Deficits

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

	Amount
<i>Special Revenue:</i>	
Adult Education	\$152,666
Adult Basic Education	1,763

These deficits are the result of the recognition of payables in accordance with generally accepted accounting principles as well as short-term interfund loans from the general fund needed for operations until the receipt of grant monies. The general fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

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Note 6 – Deposits and Investments

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

Active monies are public monies determined to be necessary to meet current demands upon the Center treasury. Active 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 Board has identified as not required for use within the current five-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

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

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

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

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

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

Deposits

Custodial credit risk for deposits 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 possession of an outside party. At June 30, 2023, \$525 of the Center's total bank balance of \$251,402 was exposed to custodial credit risk because those deposits were uninsured and uncollateralized. The Center's financial institution participates in the Ohio Pooled Collateral System (OPCS) and was approved for a reduced collateral floor of 50 percent resulting in the uninsured and uncollateralized balance.

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

Eligible securities pledged to the 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 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.

Investments

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

Measurement/Investment	Measurement Amount	Maturity	Standard & Poor's Rating	Percent of Total Investments
Net Asset Value Per Share:				
STAR Ohio	\$8,571,988	Average 38.5 days	AAAm	N/A
Fair Value - Level 1 Inputs:				
Money Market Account	33,376	Average 13 days	AAAm	N/A
Fair Value - Level 2 Inputs:				
Negotiable Certificates of Deposit	8,305,883	Less than five years	N/A	27.03 %
Commercial Paper	4,209,806	Less than one year	A-1 or A-1+	13.70
Federal Home Loan Bank Notes	3,543,750	Less than three years	AA+	11.53
Federal Farm Credit Bank Notes	1,869,809	Less than four years	AA+	6.09
US Treasury Notes	1,615,817	Less than two years	AA+	5.26
Municipal Bonds	1,422,576	Less than two years	AA or AAA	N/A
Federal Home Loan Mortgage Corporation Notes	1,153,707	Less than three years	AA+	N/A
Total Fair Value - Level 2 Inputs	<u>22,121,348</u>			
Total Investments	<u>\$30,726,712</u>			

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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 preceding chart identifies the Center's recurring fair value measurements as of June 30, 2023. The money market account is measured at fair value and is valued using quoted market prices (Level 1 inputs). The Center's remaining investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided marts, benchmark securities, bids, offers and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data (level 2 inputs).

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

Custodial Credit Risk For an investment, 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. The negotiable certificates of deposit, commercial paper, Federal Home Loan Bank Notes, Federal Farm Credit Bank Notes, US Treasury Notes, and Federal Home Loan Mortgage Corporation Notes are exposed to custodial credit risk in that they are uninsured, unregistered, and held by the counterparty. The Center has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

Credit Risk Investments of the Center carry ratings as indicated in the previous table. The negotiable certificates of deposit are not rated. The Center does not have an investment policy that addresses credit risk.

Concentration of Credit Risk The Center places no limit on the amount it may invest in any one issuer.

Note 7 – Receivables

Receivables at June 30, 2023, consisted of taxes, payments in lieu of taxes, accounts, accrued interest, 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. All receivables except for delinquent property taxes are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

A summary of the principal items of intergovernmental receivables follows:

Governmental Activities	Amounts
Aspire Instructional Grant	\$34,113
Carl D. Perkins Secondary Grant	29,116
Foundation	4,814
Bureau of Workers' Compensation Refund	136
Total	\$68,179

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Note 8 – 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 government funds. The constraints placed on fund balance for the major governmental fund and all other governmental funds are presented as follows:

Fund Balances	General	Other Governmental Funds	Total Governmental Funds
<u>Nonspendable:</u>			
Unclaimed Monies	\$1,254	\$0	\$1,254
Materials and Supplies Inventory	0	1,763	1,763
Prepays	10,471	574	11,045
Assets Held for Resale	16,800	0	16,800
<i>Total Nonspendable</i>	<u>28,525</u>	<u>2,337</u>	<u>30,862</u>
<u>Restricted for:</u>			
Food Service Operations	0	144,987	144,987
Scholarships	0	39,445	39,445
Student Activities	0	122,326	122,326
Student Wellness Services	0	106,347	106,347
<i>Total Restricted</i>	<u>0</u>	<u>413,105</u>	<u>413,105</u>
<u>Committed to:</u>			
Compensated Absences	387,811	0	387,811
Purchases on Order:			
Capital Improvements	391,527	0	391,527
<i>Total Committed</i>	<u>779,338</u>	<u>0</u>	<u>779,338</u>
<u>Assigned to:</u>			
Public School Support	5,638	0	5,638
Summer School/Student Programs	12,584	0	12,584
Purchases on Order:			
Student Instruction	148,003	0	148,003
Support Services	730,539	0	730,539
Extracurricular Activities	2,085	0	2,085
Capital Improvements	192,418	0	192,418
Fiscal Year 2024 Operations	3,658,909	0	3,658,909
<i>Total Assigned</i>	<u>4,750,176</u>	<u>0</u>	<u>4,750,176</u>
Unassigned (Deficit)	<u>25,592,077</u>	<u>(154,855)</u>	<u>25,437,222</u>
Total Fund Balances	<u><u>\$31,150,116</u></u>	<u><u>\$260,587</u></u>	<u><u>\$31,410,703</u></u>

Maplewood Career Center
Notes to the Basic Financial Statements
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Note 9 – Property Taxes

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

Property taxes include amounts levied against all real and public utility property located in the Center’s parameters. Real property tax revenue received in calendar year 2023 represents collections of calendar year 2022 taxes. Real property taxes received in calendar year 2023 were levied after April 1, 2022, on the assessed value listed as of January 1, 2022, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2023 represents collections of calendar year 2022 taxes. Public utility real and tangible personal property taxes received in calendar year 2023 became a lien December 31, 2021, were levied after April 1, 2022, and are collected in calendar year 2023 with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The Center receives property taxes from Portage and Summit Counties. The County Auditor and Fiscal Officer periodically advance to the Center its portion of the taxes collected. Second-half real property tax payments collected by the counties by June 30, 2023, are available to finance fiscal year 2023 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

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

The amount available as an advance in the general fund was \$1,739,470 at June 30, 2023, and \$783,121 at June 30, 2022. The difference was in the timing and collection by the County Auditor and Fiscal Officer.

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

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

Maplewood Career Center
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	2022 Second Half Collections		2023 First Half Collections	
	Amount	Percent	Amount	Percent
Real Property:				
Residential/Agricultural	\$2,391,081,020	79.24 %	\$2,418,343,920	78.67 %
Commercial/Industrial/Public Utility	478,248,050	15.85	498,732,980	16.23
Tangible Personal Property:				
Public Utility	148,321,090	4.91	156,849,770	5.10
Total	<u>\$3,017,650,160</u>	<u>100.00 %</u>	<u>\$3,073,926,670</u>	<u>100.00 %</u>
Tax rate per \$1,000 of assessed valuation	\$4.00		\$4.00	

Payments in Lieu of Taxes

The Center is party to a tax increment financing agreement (TIF). Municipalities, townships, and counties can enter into TIF agreements, which are economic development mechanisms to finance public infrastructure improvements and, in certain circumstances, residential rehabilitation. A TIF locks in the taxable value of real property tax the value held at the time the authorizing legislation was approved. Payments derived from the increased assessed value of any improvement to real property beyond that value are directed towards a separate fund to finance the construction of public infrastructure defined within the TIF legislation. The County is paying the Center compensation payments from the TIF fund. These payments that the Center receives are presented on the financial statements as Payments in Lieu of Taxes.

Tax Abatements

The Center's property taxes were reduced as follows under community reinvestment area and enterprise zone tax exemption agreements entered into by overlapping governments:

<u>Overlapping Government</u>	<u>Amount of Fiscal Year 2023 Taxes Abated</u>
<i>Community Reinvestment Areas:</i>	
City of Ravenna	\$2,616
City of Streetsboro	14,949
City of Tallmadge	2,525
Nelson Township	45
Suffield Township	571
Total	<u>\$20,706</u>
<i>Enterprise Zone Tax Exemptions:</i>	
City of Ravenna	\$6,404
City of Streetsboro	6,457
Rootstown Township	1,062
Total	<u>\$13,923</u>

Maplewood Career Center
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Note 10 – Capital Assets

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

	Balance 6/30/22	Additions	Reductions	Balance 6/30/23
Governmental Activities:				
<i>Nondepreciable Capital Assets</i>				
Land	\$140,600	\$0	\$0	\$140,600
Construction in Progress	618,961	1,526,330	(2,093,579)	51,712
<i>Total Nondepreciable Capital Assets</i>	<u>759,561</u>	<u>1,526,330</u>	<u>(2,093,579)</u>	<u>192,312</u>
<i>Depreciable Capital Assets</i>				
<i>Tangible Assets</i>				
Buildings and Improvements	28,252,182	2,261,235	0	30,513,417
Furniture, Fixtures and Equipment	4,349,294	942,214	(162,724)	5,128,784
Vehicles	695,280	0	(8,000)	687,280
<i>Total Tangible Assets</i>	<u>33,296,756</u>	<u>3,203,449</u>	<u>(170,724)</u>	<u>36,329,481</u>
<i>Intangible Right to Use Assets</i>				
<i>Lease Assets</i>				
Intangible Right to Use - Equipment	107,006	0	0	107,006
<i>Subscription Assets</i>				
Intangible Right to Use - Software	0	16,100	0	16,100
<i>Total Intangible Right to Use Assets</i>	<u>107,006</u>	<u>16,100</u>	<u>0</u>	<u>123,106</u>
<i>Total Depreciable Capital Assets</i>	<u>33,403,762</u>	<u>3,219,549</u>	<u>(170,724)</u>	<u>36,452,587</u>
<i>Less Accumulated Depreciation/Amortization</i>				
<i>Depreciation</i>				
Buildings and Improvements	(19,459,453)	(1,647,406)	0	(21,106,859)
Furniture, Fixtures and Equipment	(3,271,683)	(465,360)	146,185	(3,590,858)
Vehicles	(512,647)	(48,469)	7,856	(553,260)
<i>Total Depreciation</i>	<u>(23,243,783)</u>	<u>(2,161,235)</u>	<u>154,041</u>	<u>(25,250,977)</u>
<i>Amortization</i>				
<i>Intangible Right to Use Assets</i>				
<i>Lease Assets</i>				
Intangible Right to Use - Equipment	(23,779)	(23,779)	0	(47,558)
<i>Subscription Assets</i>				
Intangible Right to Use - Software	0	(4,919)	0	(4,919)
<i>Total Amortization</i>	<u>(23,779)</u>	<u>(28,698)</u>	<u>0</u>	<u>(52,477)</u>
<i>Total Accumulated Depreciation/Amortization</i>	<u>(23,267,562)</u>	<u>(2,189,933)</u> *	<u>154,041</u>	<u>(25,303,454)</u>
<i>Total Depreciable Capital Assets, Net</i>	<u>10,136,200</u>	<u>1,029,616</u>	<u>(16,683)</u>	<u>11,149,133</u>
<i>Governmental Activities Capital Assets, Net</i>	<u>\$10,895,761</u>	<u>\$2,555,946</u>	<u>(\$2,110,262)</u>	<u>\$11,341,445</u>

Maplewood Career Center
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* Depreciation/amortization expense was charged to governmental activities as follows:

	<u>Depreciation</u>	<u>Amortization</u>	<u>Total</u>
Instruction:			
Regular	\$78,946	\$5,745	\$84,691
Vocational	1,852,541	7,417	1,859,958
Adult/Continuing	14,706	0	14,706
Support Services:			
Pupil	22,903	4,546	27,449
Instructional Staff	46,984	4,132	51,116
Board of Education	2,981	0	2,981
Administration	16,576	6,071	22,647
Fiscal	6,141	0	6,141
Operation and Maintenance of Plant	46,449	0	46,449
Pupil Transportation	30,083	0	30,083
Central	0	787	787
Operation of Non-Instructional Services	38,714	0	38,714
Operation of Food Services	4,211	0	4,211
Total	<u>\$2,161,235</u>	<u>\$28,698</u>	<u>\$2,189,933</u>

Note 11 – Assets Held for Resale

Assets held for resale represents home lots purchased by and donated to the Center, which will be sold with student-built houses. At June 30, 2023, the Center had two lots held for resale with a value of \$16,800.

Note 12 – Risk Management

Property and Liability Insurance

The Center maintains comprehensive insurance coverage with a private carrier, Hylant Administrative Services, LLC. Hylant Administrative Services is the insurer for the Ohio School Plan, an insurance pool of approximately 307 members. Real property, building contents and vehicles are also maintained with Hylant Administrative Services and the Ohio School Plan. Payments for coverages are made directly to Hylant Administrative Services. Settled claims have not exceeded commercial coverage in any of the past three years and there have been no significant reductions in insurance coverage from last year.

Workers' Compensation

For fiscal year 2023, the Center participated in the Ohio Schools Council Workers' Compensation Group Retrospective Rating Program (GRP) through Sheakley Uniservice, an insurance purchasing pool (see Note 21). The intent of the program is to achieve the benefit of a reduced premium for the Center by virtue of its grouping and representation with other participants in the program. The participating schools districts pay experience or rate-based premiums to the Bureau of Workers' Compensation (BWC). The total premium for the entire group is the standard premium of the group. The BWC recalculates the group retrospective premium twelve months after the end of the policy year, based on developed incurred claim losses. If the new calculated premium is lower than the standard premium, the BWC will distribute a refund to the school districts in the group. Participation in the program is limited to school districts that can meet the Ohio Schools Council's selection criteria. The firm of Sheakley provides administrative, cost control, and actuarial services for the program.

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Employee Medical Benefits

The Center is a member of the Portage Area School Consortium Health and Welfare Insurance Pool (the Consortium), a shared risk pool (see Note 21), through which a cooperative Health Benefit Program was created for the benefit of its members. The Health Benefit Program (the Program) is an employee health benefit plan which covers the participating members' employees. The Consortium acts as a fiscal agent for the cash funds paid into the program by the participating school districts. These funds are pooled together for the purposes of paying health benefit claims of employees and their covered dependents, administrative expenses of the program and premiums for stop-loss insurance coverage. A reserve exists which is to cover any unpaid claims if the Center were to withdraw from the pool. If the reserve would not cover such claims, the Center would be liable for any costs above the reserve.

Note 13 – Defined Benefit Pension Plans

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

Net Pension Liability/Net OPEB Liability (Asset)

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

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

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

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

Maplewood Career Center
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The proportionate share of each plan’s unfunded benefits is presented as a *net OPEB asset* or long-term *net pension/OPEB liability* on the accrual basis of accounting. Any liability for the contractually-required pension/OPEB contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting. The remainder of this note includes the required pension disclosures. See Note 14 for the required OPEB disclosures.

School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire on or after August 1, 2017
Full Benefits	Age 65 with 5 years of service credit; or 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 30 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. The Retirement Board approved a 2.5 percent COLA for calendar year 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, the allocation to pension, death benefits, and Medicare B was 14.0 percent. For fiscal year 2023, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

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The Center's contractually required contribution to SERS was \$224,003 for fiscal year 2023. Of this amount \$4,757 is reported as an intergovernmental payable.

State Teachers Retirement System (STRS)

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

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

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent upon a determination by its actuary that it was necessary to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost of living increases are not affected by this change. Effective July 1, 2022, an ad-hoc COLA of 3 percent of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2023 as long as they retired prior to July 1, 2018. Eligibility changes will be phased in until August 1, 2023, when retirement eligibility for unreduced benefits will be 5 years of service credit and age 65, or 35 years of service credit and at least age 60.

Eligibility changes for DB Plan members who retire with actuarially reduced benefits will be phased in until August 1, 2023, when retirement eligibility will be 5 years of qualifying service credit and age 60, or 30 years of service credit regardless of age.

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

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

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

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

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The 2023 employer and employee contribution rate of 14 percent was equal to the statutory maximum rates. For 2023, the full employer contribution was allocated to pension.

The Center’s contractually required contribution to STRS was \$793,295 for fiscal year 2023. Of this amount \$96,204 is reported as an intergovernmental payable.

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

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Center’s proportion of the net pension liability was based on the Center’s share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	SERS	STRS	Total
Proportion of the Net Pension Liability:			
Current Measurement Date	0.04252140%	0.03918773%	
Prior Measurement Date	0.04618930%	0.04146024%	
Change in Proportionate Share	-0.00366790%	-0.00227251%	
Proportionate Share of the Net Pension Liability	\$2,299,888	\$8,711,482	\$11,011,370
Pension Expense	\$92,024	\$835,491	\$927,515

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For the Fiscal Year Ended June 30, 2023

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

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	\$93,147	\$111,518	\$204,665
Changes of assumptions	22,693	1,042,503	1,065,196
Net difference between projected and actual earnings on pension plan investments	0	303,141	303,141
Changes in proportionate share and difference between Center contributions and proportionate share of contributions	44,671	173,829	218,500
Center contributions subsequent to the measurement date	224,003	793,295	1,017,298
Total Deferred Outflows of Resources	\$384,514	\$2,424,286	\$2,808,800
Deferred Inflows of Resources			
Differences between expected and actual experience	\$15,098	\$33,324	\$48,422
Changes of assumptions	0	784,705	784,705
Net difference between projected and actual earnings on pension plan investments	80,256	0	80,256
Changes in proportionate share and difference between Center contributions and proportionate share of contributions	136,882	435,781	572,663
Total Deferred Inflows of Resources	\$232,236	\$1,253,810	\$1,486,046

\$1,017,298 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 fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2024	(\$15,303)	(\$98,003)	(\$113,306)
2025	(75,147)	(98,880)	(174,027)
2026	(114,646)	(309,422)	(424,068)
2027	133,371	883,486	1,016,857
Total	(\$71,725)	\$377,181	\$305,456

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.

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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, are presented as follows:

	June 30, 2022
Inflation	2.4 percent
Future Salary Increases, including inflation	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
Investment Rate of Return	7.00 percent net of System expenses
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)

Mortality rates were based on the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 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.

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

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

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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	<u>100.00 %</u>	

Discount Rate The total pension liability for 2022 was calculated using the discount rate of 7.00 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.

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 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.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Center's proportionate share of the net pension liability	\$3,385,325	\$2,299,888	\$1,385,422

Actuarial Assumptions – STRS

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

	June 30, 2022
Inflation	2.50 percent
Salary Increases	From 2.5 percent to 12.5 percent based on age
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation
Discount Rate of Return	7.00 percent
Payroll Increases	3.00 percent
Cost of Living Adjustments (COLA)	0.0 percent, effective July 1, 2017

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For 2022, post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110 percent 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 percent for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

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

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

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

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

* Target allocation percentage is effective 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 percent, and are net of investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Discount Rate The discount rate used to measure the total pension liability was 7.00 percent 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' fiduciary net position was

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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 percent was applied to all periods of projected benefit payment 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:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Center's proportionate share of the net pension liability	\$13,159,878	\$8,711,482	\$4,949,516

Note 14 – Defined Benefit OPEB Plans

See Note 13 for a description of the net OPEB liability (asset).

School Employees Retirement System (SERS)

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 health care benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. The following types of credit purchased after January 29, 1981, do not count toward health care coverage eligibility: military, federal, out-of-state, municipal, private school, exempted, and early retirement incentive credit. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Annual Comprehensive Financial Report, which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

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

Funding Policy – State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund

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in accordance with the funding policy. For fiscal year 2023, no allocation was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2023, this amount was \$25,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 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 \$10,209.

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The Center’s contractually required contribution to SERS was \$10,209 for fiscal year 2023, which is reported as an intergovernmental payable.

State Teachers Retirement System (STRS)

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

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. All benefit recipients pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for postemployment 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 postemployment health care.

OPEB Liability (Asset), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

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

	SERS	STRS	Total
Proportion of the Net OPEB Liability/Asset:			
Current Measurement Date	0.04093920%	0.03918773%	
Prior Measurement Date	0.04375250%	0.04146024%	
Change in Proportionate Share	-0.00281330%	-0.00227251%	
Proportionate Share of the:			
Net OPEB Liability	\$574,791	\$0	\$574,791
Net OPEB (Asset)	\$0	(\$1,014,701)	(\$1,014,701)
OPEB Expense	(\$71,953)	(\$188,466)	(\$260,419)

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$4,832	\$14,710	\$19,542
Changes of assumptions	91,428	43,223	134,651
Net difference between projected and actual earnings on OPEB plan investments	2,987	17,663	20,650
Changes in proportionate share and difference between Center contributions and proportionate share of contributions	34,433	6,507	40,940
Center contributions subsequent to the measurement date	10,209	0	10,209
Total Deferred Outflows of Resources	<u>\$143,889</u>	<u>\$82,103</u>	<u>\$225,992</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$367,678	\$152,389	\$520,067
Changes of assumptions	235,956	719,520	955,476
Changes in proportionate share and difference between Center contributions and proportionate share of contributions	166,824	20,441	187,265
Total Deferred Inflows of Resources	<u>\$770,458</u>	<u>\$892,350</u>	<u>\$1,662,808</u>

\$10,209 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 or an increase to the net OPEB asset in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2024	(\$148,292)	(\$238,339)	(\$386,631)
2025	(143,278)	(238,819)	(382,097)
2026	(122,947)	(109,656)	(232,603)
2027	(76,794)	(44,906)	(121,700)
2028	(51,796)	(58,927)	(110,723)
Thereafter	(93,671)	(119,600)	(213,271)
Total	<u>(\$636,778)</u>	<u>(\$810,247)</u>	<u>(\$1,447,025)</u>

Actuarial Assumptions – SERS

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

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

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

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2022, are presented as follows:

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

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 were based on PUB-2010 General Amount Weighted Below Median Employee mortality table.

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

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The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2016 through 2020 and was adopted by the Board in 2021. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a long-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.00 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 SERS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 13.

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, 2021, 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.

Sensitivity of the 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 and what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.08 percent) and higher (5.08 percent) than the current discount rate (4.08 percent). Also shown is what the net OPEB liability would be based on health care cost trend rates that are one percentage point lower (6.00 percent decreasing to 3.40 percent) and higher (8.00 percent decreasing to 5.40 percent) than the current rate.

	1% Decrease (3.08%)	Current Discount Rate (4.08%)	1% Increase (5.08%)
Center's proportionate share of the net OPEB liability	\$713,899	\$574,791	\$462,493
	1% Decrease (6.00% decreasing to 3.40%)	Current Trend Rate (7.00% decreasing to 4.40%)	1% Increase (8.00% decreasing to 5.40%)
Center's proportionate share of the net OPEB liability	\$443,267	\$574,791	\$746,582

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Actuarial Assumptions – STRS

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

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Projected Salary Increases	Varies by service from 2.5 percent to 8.5 percent	Varies by age from 2.5 percent to 12.50 percent
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation	7.00 percent, net of investment expenses, including inflation
Payroll Increases	3 percent	3 percent
Discount Rate of Return	7.00 percent	7.00 percent
Health Care Cost Trends:		
Medical:		
Pre-Medicare	7.50 percent initial 3.94 percent ultimate	5.00 percent initial 4 percent ultimate
Medicare	-68.78 percent initial 3.94 percent ultimate	-16.18 percent initial 4 percent ultimate
Prescription Drug:		
Pre-Medicare	9.00 percent initial 3.94 percent ultimate	6.50 percent initial 4 percent ultimate
Medicare	-5.47 percent initial 3.94 percent ultimate	29.98 percent initial 4 percent ultimate

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

For 2022, healthy retirees post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110 percent 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 percent for females, projected forward generationally using mortality improvement scale MP-2020. For disabled retirees, mortality rates are based on the Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

For 2021, healthy retirees the mortality rates are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. For disabled retirees, mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the June 30, 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.

The STRS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 13.

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Discount Rate The discount rate used to measure the total OPEB liability was 7.00 percent as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed STRS continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan’s fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2022. Therefore, the long-term expected rate of return on health care plan investments of 7.00 percent 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 to Changes in the Discount and Health Care Cost Trend Rate The following table represents the net OPEB asset as of June 30, 2022, calculated using the current period discount rate assumption of 7.00 percent, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Center's proportionate share of the net OPEB (asset)	(\$938,064)	(\$1,014,701)	(\$1,080,347)
	1% Decrease	Current Trend Rate	1% Increase
Center's proportionate share of the net OPEB (asset)	\$1,052,492	(\$1,014,701)	(\$966,999)

Note 15 – Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees and administrators earn ten to twenty-five days of vacation per fiscal year, depending upon length of service. Classified employees’ vacation that is accrued in one fiscal year must be used by the end of the following fiscal year. Administrators may accrue a maximum of ten days of vacation time from one year to the next. Administrators, other than the Superintendent and Treasurer, may be paid annually for up to five days of unused vacation time in excess of the ten days maximum accrual. The Superintendent and Treasurer may be paid annually for up to ten days of unused vacation time in excess of the ten days maximum accrual. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers do not earn vacation time.

All employees are entitled to a sick leave credit equal to one and one-quarter days for each month of service. This sick leave will either be absorbed by time off due to illness or injury or, within certain limitations, be paid to the employee upon retirement. The amount paid to certified and classified employees upon retirement is limited to fifty percent of accumulated sick days not to exceed 170 days. The total maximum payment is for 85 days.

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Note 16 – Long-Term Obligations

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

	Amount Outstanding 06/30/22	Additions	Reductions	Amount Outstanding 06/30/23	Amount Due in One Year
Governmental Activities					
Net Pension Liability:					
SERS	\$1,704,251	\$595,637	\$0	\$2,299,888	\$0
STRS	5,301,064	3,410,418	0	8,711,482	0
Total Net Pension Liability	7,005,315	4,006,055	0	11,011,370	0
Net OPEB Liability - SERS	828,052	0	(253,261)	574,791	0
Lease Payable	88,087	0	(24,136)	63,951	22,043
Subscription Payable	0	16,100	(16,100)	0	0
Compensated Absences	1,276,232	156,803	(140,773)	1,292,262	74,507
<i>Total Governmental Activities</i>					
<i>Long-Term Liabilities</i>	\$9,197,686	\$4,178,958	(\$434,270)	\$12,942,374	\$96,550

There is no repayment schedule for the net pension liability and the net OPEB liability; however, employer pension and OPEB contributions are made from the following funds: the general fund and the food service, adult education, and adult basic education special revenue funds. For additional information related to the net pension liability and the net OPEB liability, see Notes 13 and 14. Compensated absences will be paid from the general fund and the food service special revenue fund.

The Center's overall legal debt margin was \$276,653,400 with an unvoted debt margin of \$3,073,927 at June 30, 2023.

The Center has an outstanding agreement to lease copiers and also has a contract to use a SBITA vendor’s IT software for firewall. The future lease/subscription payments were discounted based on the interest rate implicit in the lease/subscription or using the Center’s incremental borrowing rate. This discount is being amortized using the interest method over the life of the lease/subscription. The lease will be paid from the general fund and adult basic education special revenue fund. The subscription was paid in full from the general fund in fiscal year 2023. A summary of the principal and interest amounts for the remaining lease is as follows:

Fiscal Year	Lease	
	Principal	Interest
2024	\$22,043	\$3,799
2025	25,875	2,316
2026	16,033	412
	\$63,951	\$6,527

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

Note 17 – Contingencies

Grants

The Center received financial assistance from Federal and State agencies in the form of grants. The disbursements of funds received under these programs generally require 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, in the opinion of management, 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.

Foundation Funding

Center Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, additional ODE adjustments for fiscal year 2023 are not finalized. As a result, the impact of future FTE adjustments on the fiscal year 2023 financial statements is not determinable at this time. Management believes this may result in either an additional receivable to, or liability of the Center.

Litigation

The Center is not party to any claims or lawsuits that would, in the opinion of management, have a material negative effect on the basic financial statements.

Note 18 – Interfund Balances

Interfund balances at June 30, 2023, consisted of the following:

Interfund Payable	Interfund Receivable		
	General	Other	Total Governmental Funds
		Governmental	
		Funds	
Food Service			
General	\$0	\$739	\$739
Other Governmental Funds:			
Adult Education	187,000	0	187,000
Miscellaneous State Grants	4,000	0	4,000
Adult Basic Education	50,000	0	50,000
Vocational Education	40,000	0	40,000
Total Governmental Funds	\$281,000	\$739	\$281,739

Interfund receivables and payables are due to the timing of the receipt of grant monies and monies collected for some programs received by various funds. The general fund provides money to operate the programs until grants and other monies are received and the advances can be repaid.

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

Note 19 – Set-Asides

The Center is required by State statute to annually set aside in the general fund an amount based on a statutory formula for the acquisition and construction of capital improvements. Amounts not spent by the end of the fiscal year or offset by similarly restricted resources received during the year must be held in cash at year end. These amounts must be carried forward to be used for the same purposes in future years. In prior years, the Center was also required to set aside money for budget stabilization. At June 30, 2023, all funds placed in the budget stabilization fund since its inception in 1998 continue to be set-aside.

The following cash basis information describes the change in the fiscal year end set-aside amounts for capital acquisition and budget stabilization. Disclosure of this information is required by State statute.

	Budget Stabilization	Capital Improvements
Set-Aside Balance as of June 30, 2022	\$223,362	\$0
Current Year Set-Aside Requirement	0	145,206
Qualifying Disbursements	0	(145,206)
Total	\$223,362	\$0
Set-Aside Balance Carried Forward to Future Fiscal Years	\$223,362	\$0
Set-Aside Balance as of June 30, 2023	\$223,362	\$0

The total balance for the two set-asides at the end of the fiscal year was \$223,362.

Note 20 – Jointly Governed Organization

Northeast Ohio Network for Educational Technology

The Northeast Ohio Network for Educational Technology (NEONet) is the computer service organization or Data Acquisition Site (DAS) used by the Center. NEONet is a jointly governed organization among many school districts, three career centers, and the Summit and Medina County Educational Service Centers. The Metropolitan Regional Service Council acts as the fiscal agent for the consortium. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The Board of Directors consists of member district superintendents and treasurers. The manager/director is a permanent, non-voting member of the Board of Directors. Each school district's control is limited to its representation on the board. The Board of Directors exercise total control over the operations of the association including budgeting, appropriating, contracting, and designating management. All association revenues are generated from charges for services and State funding. The Career Center does not retain an ongoing financial interest or an ongoing financial responsibility in NEONet. During the current fiscal year, the Career Center made \$64,815 in payments to NEONet. Financial information can be obtained by writing to the Northeast Ohio Network for Educational Technology, 700 Graham Road, Cuyahoga Falls, Ohio 44221.

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

Note 21 – Insurance Purchasing Pools

Ohio Schools Council Workers’ Compensation Group Retrospective Rating Program

The Center participates in the Ohio Schools Council Workers’ Compensation Group Retrospective Rating Program, an insurance purchasing pool through Sheakley Uniservice. Each district supports the Council by paying an annual participation fee. The program was created for the purpose of reducing the cost of workers’ compensation premiums.

Portage Area Schools Consortium

The Portage Area School Consortium (the Consortium) is a regional council of governments established pursuant to Chapter 167 of the Ohio Revised Code, consisting mainly of school districts within Portage County, while also including school districts in other northeast and southeast Ohio counties. The Consortium is a stand-alone entity, composed of two stand-alone Pools, the Portage Area School Consortium Property and Casualty Pool and the Portage Area School Consortium Health and Welfare Insurance Pool. These Pools were established by the Consortium on August 5, 1988, to provide property and casualty risk management services and risk sharing to its members. The Pools were established as local government risk pools under Section 1744.081 of the Ohio Revised Code and are not subject to Federal tax filing requirements.

The Ohio Revised Code Section 167.04 requires the Consortium to adopt bylaws designating the officers of the Consortium and their method of selection, creating a governing body to act for the Consortium, appointing a fiscal officer, and providing for the conduct of the Consortium’s business. The Assembly is the legislative and managerial body of the Consortium. The Assembly is composed of representation of the member schools. The member school’s governing body appoints one representative to the Consortium (usually the superintendent or designee). In the case of a member that is a school district, that representative shall be an executive appointed by the board of education. The Assembly serves without compensation.

Note 22 – Significant Commitments

Contractual Commitments

The Center had the following contractual commitments outstanding at June 30, 2023:

Vendor	Contract Amount	Amount Paid	Remaining on Contract
Whitehouse Construction	\$268,294	\$0	\$268,294
Gardiner	174,945	0	174,945
Total	\$443,239	\$0	\$443,239

Remaining commitment amounts were encumbered at fiscal year end. Accounts payable of \$10,600, contracts payable of \$47,575, and retainage payable of \$4,137 have been capitalized.

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

Encumbrances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to ensure effective budgetary control and accountability and to facilitate effective cash planning and control. At fiscal year end the amount of encumbrances expected to be honored upon performance by the vendor in the next fiscal year were as follows:

General Fund	\$1,556,660
Other Governmental Funds	<u>101,739</u>
Total Governmental Funds	<u><u>\$1,658,399</u></u>

Note 23 – COVID-19

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

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

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Required Supplementary Information

Maplewood Career Center
Required Supplementary Information
Schedule of the Center's Proportionate Share of the Net Pension Liability
School Employees Retirement System of Ohio
*Last Ten Fiscal Years **

	2023	2022	2021	2020
Center's Proportion of the Net Pension Liability	0.04252140%	0.04618930%	0.04302490%	0.04541190%
Center's Proportionate Share of the Net Pension Liability	\$2,299,888	\$1,704,251	\$2,845,758	\$2,717,074
Center's Covered Payroll	\$1,587,729	\$1,599,857	\$1,510,914	\$1,559,052
Center's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	144.85%	106.53%	188.35%	174.28%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.82%	82.86%	68.55%	70.85%

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

See accompanying notes to the required supplementary information

2019	2018	2017	2016	2015	2014
0.04635450%	0.04621090%	0.04777110%	0.04478510%	0.04722100%	0.04722100%
\$2,654,808	\$2,760,999	\$3,496,404	\$2,555,481	\$2,389,827	\$2,808,081
\$1,568,800	\$1,475,507	\$1,489,814	\$1,346,671	\$1,373,643	\$1,411,725
169.23%	187.12%	234.69%	189.76%	173.98%	198.91%
71.36%	69.50%	62.98%	69.16%	71.70%	65.52%

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

	2023	2022	2021
Center's Proportion of the Net OPEB Liability	0.04093920%	0.04375250%	0.04129770%
Center's Proportionate Share of the Net OPEB Liability	\$574,791	\$828,052	\$897,534
Center's Covered Payroll	\$1,587,729	\$1,599,857	\$1,510,914
Center's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	36.20%	51.76%	59.40%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	30.34%	24.08%	18.17%

(1) Although this schedule is intended to reflect information for ten years, information prior to fiscal year 2017 is not available. An additional column will be added each year.

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

See accompanying notes to the required supplementary information

2020	2019	2018	2017
0.04363290%	0.04474200%	0.04545950%	0.04689280%
\$1,097,276	\$1,241,264	\$1,220,014	\$1,336,618
\$1,559,052	\$1,568,800	\$1,475,507	\$1,489,814
70.38%	79.12%	82.68%	89.72%
15.57%	13.57%	12.46%	11.49%

Maplewood Career Center
Required Supplementary Information
Schedule of the Center's Proportionate Share of the Net Pension Liability
State Teachers Retirement System of Ohio
*Last Ten Fiscal Years **

	2023	2022	2021	2020
Center's Proportion of the Net Pension Liability	0.03918773%	0.04146024%	0.04004931%	0.03992687%
Center's Proportionate Share of the Net Pension Liability	\$8,711,482	\$5,301,064	\$9,690,508	\$8,829,587
Center's Covered Payroll	\$4,976,686	\$5,182,993	\$4,856,886	\$4,745,864
Center's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	175.05%	102.28%	199.52%	186.05%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.90%	87.80%	75.50%	77.40%

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

See accompanying notes to the required supplementary information

2019	2018	2017	2016	2015	2014
0.04117158%	0.04259038%	0.04206433%	0.04337660%	0.04381959%	0.04381959%
\$9,052,706	\$10,117,436	\$14,080,199	\$11,988,023	\$10,658,441	\$12,696,265
\$4,609,557	\$4,700,086	\$4,504,000	\$4,471,936	\$4,500,907	\$4,767,469
196.39%	215.26%	312.62%	268.07%	236.81%	266.31%
77.30%	75.30%	66.80%	72.10%	74.70%	69.30%

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

	2023	2022	2021
Center's Proportion of the Net OPEB Asset/Liability	0.03918773%	0.04146024%	0.04004931%
Center's Proportionate Share of the:			
Net OPEB Asset	\$1,014,701	\$874,155	\$703,866
Net OPEB Liability	0	0	0
Center's Covered Payroll	\$4,976,686	\$5,182,993	\$4,856,886
Center's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	(20.39%)	(16.87%)	(14.49%)
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	230.70%	174.70%	182.10%

(1) Although this schedule is intended to reflect information for ten years, information prior to fiscal year 2017 is not available. An additional column will be added each year.

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

See accompanying notes to the required supplementary information

2020	2019	2018	2017
0.03992687%	0.04117158%	0.04259038%	0.04206433%
\$661,285 0	\$661,585 0	\$0 1,661,719	\$0 2,249,611
\$4,745,864	\$4,609,557	\$4,700,086	\$4,504,000
(13.93%)	(14.35%)	35.36%	49.95%
174.70%	176.00%	47.10%	37.30%

Maplewood Career Center
Required Supplementary Information
Schedule of the Center's Contributions
School Employees Retirement System of Ohio
Last Ten Fiscal Years

	2023	2022	2021	2020
Net Pension Liability				
Contractually Required Contribution	\$224,003	\$222,282	\$223,980	\$211,528
Contributions in Relation to the Contractually Required Contribution	(224,003)	(222,282)	(223,980)	(211,528)
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Center Covered Payroll (1)	\$1,600,021	\$1,587,729	\$1,599,857	\$1,510,914
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>
Net OPEB Liability				
Contractually Required Contribution (2)	\$10,209	\$13,748	\$10,216	\$10,690
Contributions in Relation to the Contractually Required Contribution	(10,209)	(13,748)	(10,216)	(10,690)
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
OPEB Contributions as a Percentage of Covered Payroll	<u>0.64%</u>	<u>0.87%</u>	<u>0.64%</u>	<u>0.71%</u>
Total Contributions as a Percentage of Covered Payroll (2)	<u>14.64%</u>	<u>14.87%</u>	<u>14.64%</u>	<u>14.71%</u>

(1) The Center's covered payroll is the same for Pension and OPEB.

(2) Includes surcharge

See accompanying notes to the required supplementary information

2019	2018	2017	2016	2015	2014
\$210,472	\$211,788	\$206,571	\$208,574	\$177,491	\$190,387
(210,472)	(211,788)	(206,571)	(208,574)	(177,491)	(190,387)
\$0	\$0	\$0	\$0	\$0	\$0
\$1,559,052	\$1,568,800	\$1,475,507	\$1,489,814	\$1,346,671	\$1,373,643
13.50%	13.50%	14.00%	14.00%	13.18%	13.86%
\$20,811	\$21,869	\$18,144	\$17,215	\$24,908	\$14,440
(20,811)	(21,869)	(18,144)	(17,215)	(24,908)	(14,440)
\$0	\$0	\$0	\$0	\$0	\$0
1.33%	1.39%	1.23%	1.16%	1.85%	1.05%
14.83%	14.89%	15.23%	15.16%	15.03%	14.91%

Maplewood Career Center
Required Supplementary Information
Schedule of the Center's Contributions
State Teachers Retirement System of Ohio
Last Ten Fiscal Years

	2023	2022	2021	2020
Net Pension Liability				
Contractually Required Contribution	\$793,295	\$696,736	\$725,619	\$679,964
Contributions in Relation to the Contractually Required Contribution	<u>(793,295)</u>	<u>(696,736)</u>	<u>(725,619)</u>	<u>(679,964)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Center Covered Payroll (1)	\$5,666,393	\$4,976,686	\$5,182,993	\$4,856,886
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>
Net OPEB Asset/Liability				
Contractually Required Contribution	\$0	\$0	\$0	\$0
Contributions in Relation to the Contractually Required Contribution	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
OPEB Contributions as a Percentage of Covered Payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Total Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>

(1) The Center's covered payroll is the same for Pension and OPEB.

See accompanying notes to the required supplementary information

2019	2018	2017	2016	2015	2014
\$664,421	\$645,338	\$658,012	\$630,560	\$626,071	\$585,118
<u>(664,421)</u>	<u>(645,338)</u>	<u>(658,012)</u>	<u>(630,560)</u>	<u>(626,071)</u>	<u>(585,118)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$4,745,864	\$4,609,557	\$4,700,086	\$4,504,000	\$4,471,936	\$4,500,907
<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>13.00%</u>
\$0	\$0	\$0	\$0	\$0	\$45,009
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(45,009)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>1.00%</u>
<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>

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

Net Pension Liability

Changes in Assumptions – SERS

Beginning in fiscal year 2018, on each anniversary of the initial retirement, the allowance of all retirees and survivors may be increased by the annual rate of increase in the CPI-W measured as of the June preceding the beginning of the applicable calendar year. The annual rate of increase shall not be less than 0 percent nor greater than 2.5 percent. The COLA was suspended for 2018-2020. Prior to 2018, an assumption of 3 percent was used.

Amounts reported in 2022 incorporate changes in assumptions used by SERS in calculating the total pension liability in the latest actuarial valuation. These assumptions compared with those used in prior years are presented as follows:

	Fiscal Year 2022	Fiscal Years 2021-2017	Fiscal Year 2016 and Prior
Wage Inflation	2.4 percent	3.00 percent	3.25 percent
Future Salary Increases, including inflation	3.25 percent to 13.58 percent	3.50 percent to 18.20 percent	4.00 percent to 22.00 percent
Investment Rate of Return	7.0 percent net of system expenses	7.50 percent net of investments expense, including inflation	7.75 percent net of investments expense, including inflation

Beginning in 2022, amounts reported use mortality rates 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. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

Amounts report for 2017 through 2021 use mortality rates that are 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. Amounts reported for fiscal year 2016 and prior, use mortality assumptions that are based on the 1994 Group Annuity Mortality Table set back one year for both men and women. Special mortality tables were used for the period after disability retirement.

Changes in Assumptions – STRS

Beginning with fiscal year 2022, amounts reported incorporate changes in assumptions and changes in benefit terms used by STRS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in fiscal years 2018-2021 and fiscal year 2017 and prior are presented as follows:

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

	Fiscal Year 2022	Fiscal Years 2021-2018	Fiscal Year 2017 and Prior
Inflation	2.50 percent	2.50 percent	2.75 percent
Projected Salary Increases	From 2.5 percent to 12.5 percent based on age	12.50 percent at age 20 to 2.50 percent at age 65	12.25 percent at age 20 to 2.75 percent at age 70
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation	7.45 percent, net of investment expenses, including inflation	7.75 percent, net of investment expenses, including inflation
Payroll Increases	3 percent	3 percent	3.5 percent
Cost of Living Adjustments (COLA)	0.0 percent, effective July 1, 2017	0.0 percent, effective July 1, 2017	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, 2013, or later, 2 percent COLA commences on fifth anniversary of retirement date.

Beginning with fiscal year 2022, post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110 percent 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 percent for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

Beginning with fiscal year 2018, post-retirement mortality rates for healthy retirees were based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

For fiscal year 2017 and prior actuarial valuation, mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males' ages are set-back two years through age 89 and no set back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89, and no set back from age 90 and above.

Changes in Benefit Terms – STRS

For fiscal year 2023, the Board approved a one-time 3 percent COLA effective on the anniversary of a benefit recipient's retirement date for those eligible during fiscal year 2023 and eliminated the age 60 requirement to receive unreduced retirement that was scheduled to go into effect August 1, 2026.

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

Net OPEB Liability (Asset)

Changes in Assumptions – SERS

Beginning with fiscal year 2022, amounts reported incorporate changes in assumptions and changes in benefit terms used by SERS in calculating the total OPEB liability in the latest actuarial valuation. These new assumptions compared with those used in fiscal year 2021 and prior are presented as follows:

	2022	2021 and Prior
Inflation	2.40 percent	3.00 percent
Future Salary Increases, including inflation		
Wage Increases	3.25 percent to 13.58 percent	3.50 percent to 18.20 percent
Investment Rate of Return	7.00 percent net of investment expense, including inflation	7.50 percent net of investment expense, including inflation

Amounts reported incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented as follows:

Municipal Bond Index Rate:	
Fiscal year 2023	3.69 percent
Fiscal year 2022	1.92 percent
Fiscal year 2021	2.45 percent
Fiscal year 2020	3.13 percent
Fiscal year 2019	3.62 percent
Fiscal year 2018	3.56 percent
Fiscal year 2017	2.92 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation	
Fiscal year 2023	4.08 percent
Fiscal year 2022	2.27 percent
Fiscal year 2021	2.63 percent
Fiscal year 2020	3.22 percent
Fiscal year 2019	3.70 percent
Fiscal year 2018	3.63 percent
Fiscal year 2017	2.98 percent

Changes in Assumptions – STRS

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

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

For fiscal year 2019, the discount rate was increased from the blended rate of 4.13 percent to the long-term expected rate of return of 7.45.

For fiscal year 2022, the discount rate was decreased from 7.45 percent to the long-term expected rate of return of 7.00.

For fiscal year 2023, the projected salary increases were changed from age based (2.5 percent to 12.50 percent) to service based (2.5 percent to 8.5 percent).

Changes in Benefit Terms – STRS

For fiscal year 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 were scheduled to be discontinued beginning January 2020.

For fiscal year 2019, the subsidy multiplier for non-Medicare benefit recipients was increased from 1.9 percent to 1.944 percent 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 were scheduled to be discontinued beginning January 1, 2020.

For fiscal year 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 percent to 1.984 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021, to 2.1 percent for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.

For fiscal year 2021, there was no change to the claims costs process. Claim curves were updated to reflect the projected fiscal year ending June 30, 2021, premium based on June 30, 2020, enrollment distribution. The non-Medicare subsidy percentage was increased effective January 1, 2021, from 1.984 percent to 2.055 percent 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 percent for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

For fiscal year 2022, there was no change to the claims costs process. Claim curves were updated to reflect the projected fiscal year ending June 30, 2022, premium based on June 30, 2021, enrollment distribution. 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 calendar year 2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

For fiscal year 2023, health care trends were updated to reflect emerging claims and recoveries experience.

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**MAPLEWOOD CAREER CENTER
PORTAGE COUNTY, OHIO**

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

Federal Grantor/Pass through Grantor Program Title	Pass Through Entity Number	Federal AL Number	Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
<i>Passed Through Ohio Department of Education:</i>			
Child Nutrition Cluster:			
Cash Assistance:			
School Breakfast Program	051391-3L70-23	10.553	\$ 22,610
National School Lunch Program	051391-3L60-23	10.555	199,935
COVID Supply Chain Assistance	051391-3L60-23	10.555	16,702
Cash Assistance Subtotal			<u>239,247</u>
Non-Cash Assistance (Food Distribution):			
National School Lunch Program	N/A	10.555	43,942
Non-Cash Assistance Subtotal			<u>43,942</u>
Total Child Nutrition Cluster:			<u>283,189</u>
P-EBT Administrative Cost Reimbursement	051391-3HF0-23	10.649	628
Total U.S. Department of Agriculture			<u>283,817</u>
U.S. DEPARTMENT OF EDUCATION			
<i>Passed Through Ohio Department of Education:</i>			
Adult Education, Basic Grants to States	051391-ABS1-22	84.002A	217,056
Career and Technical Education, Basic Grants to States	051391-3L90-22	84.048	90,843
Career and Technical Education, Basic Grants to States	051391-3L90-23	84.048	206,195
Total Career and Technical Education, Basic Grants to States			<u>297,038</u>
COVID-19 Governor's Emergency Education Relief Fund	051391-3HS0-22	84.425C	202,589
Total U.S. Department of Education			<u>716,683</u>
Total Federal Financial Assistance			<u>\$ 1,000,500</u>

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

**MAPLEWOOD CAREER CENTER
PORTAGE 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 Maplewood Career 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 Center, 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 - CHILD NUTRITION CLUSTER

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

NOTE E – FOOD DONATION PROGRAM

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

NOTE F - 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 Center transferred the following amounts from 2023 to 2024 programs:

<u>Program Title</u>	<u>CFDA Number</u>	<u>Amt. Transferred</u>
ASPIRE	84.002A	\$ 36,381
National School Lunch Program	10.555	\$ 20,101

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*

Maplewood Career Center
Portage County
7075 State Route 88
Ravenna, Ohio 44266

To the Board of Education:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Maplewood Career Center, Portage County, (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 January 12, 2024 wherein we noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the Center.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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

January 12, 2024

OHIO AUDITOR OF STATE KEITH FABER



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

Maplewood Career Center
Portage County
7075 State Route 88
Ravenna, Ohio 44266

To the Board of Education:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Maplewood Career Center's, Portage County, (the 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 Maplewood Career Center's major federal program for the year ended June 30, 2023. Maplewood Career Center's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

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

Basis for Opinion on the Major Federal Program

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

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

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

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

January 12, 2024

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**MAPLEWOOD CAREER CENTER
PORTAGE COUNTY**

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

1. SUMMARY OF AUDITOR'S RESULTS

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

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

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OHIO AUDITOR OF STATE KEITH FABER



MAPLEWOOD CAREER CENTER

PORTAGE COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 2/13/2024

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This report is a matter of public record and is available online at
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