

**WAYNE COUNTY SCHOOLS  
CAREER CENTER  
WAYNE COUNTY, OHIO**

**SINGLE AUDIT**

**FOR THE FISCAL YEAR ENDED  
JUNE 30, 2023**



OHIO AUDITOR OF STATE  
KEITH FABER



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

Members of the Board of Education  
Wayne County Schools Career Center  
518 West Prospect Street  
Smithville, Ohio 44677

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

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

A handwritten signature in cursive script that reads "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio

February 12, 2024

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**WAYNE COUNTY SCHOOLS CAREER CENTER  
WAYNE COUNTY, OHIO**

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## Independent Auditor's Report

Wayne County Schools Career Center  
Wayne County  
518 West Prospect Street  
Smithville, Ohio 44677

To the Members of the Board of Education:

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Wayne County Schools Career Center, Wayne County, Ohio, as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Wayne County Schools Career Center's basic financial statements as listed in the table of contents.

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

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Wayne County Schools Career Center and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Responsibilities of Management for the Financial Statements*

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

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

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 generally accepted auditing standards 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 Wayne County Schools Career Center's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Wayne County Schools Career Center's ability to continue as a going concern for a reasonable period of time.

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

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules of net pension and other post-employment benefit assets and liabilities and pension and other post-employment benefit contribution, listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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 Wayne County Schools Career Center's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with 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 November 29, 2023 on our consideration of the Wayne County Schools Career Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Wayne County Schools Career Center's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Wayne County Schools Career Center's internal control over financial reporting and compliance.



Julian & Grube, Inc.  
November 29, 2023

**WAYNE COUNTY SCHOOLS CAREER CENTER  
WAYNE COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

**Financial Highlights**

Key financial highlights for 2023 are as follows:

- The Career Center's net position of governmental activities increased \$687,938 which represents a 2.45% increase from 2022's net position.
- General revenues accounted for \$14,003,186 in revenue or 67.12% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions, accounted for \$6,858,933 or 32.88% of total revenues of \$20,862,119.
- The Career Center had \$20,174,181 in expenses related to governmental activities; \$6,858,933 of these expenses was offset by program specific charges for services, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$14,003,186 were adequate to provide for these programs.
- The Career Center's major governmental funds are the general fund and permanent improvement fund. The general fund had \$14,768,636 in revenues and \$13,979,528 in expenditures and other financing uses. The general fund's fund balance increased \$789,108 from a balance of \$9,539,750 to \$10,328,858.
- The permanent improvement fund had \$1,692,324 in revenues and other financing sources and \$1,902,996 in expenditures. The permanent improvement fund balance decreased \$210,672 from \$2,623,285 to \$2,412,613.

**Using the Basic Financial Statements (BFS)**

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

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

**WAYNE COUNTY SCHOOLS CAREER CENTER  
WAYNE COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**Reporting the Career Center as a Whole**

***Statement of Net Position and the Statement of Activities***

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

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

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

**Reporting the Career Center's Most Significant Funds**

***Fund Financial Statements***

The analysis of the Career Center's major governmental funds begins on page 12. Fund financial reports provide detailed information about the Career Center's major funds. The Career Center uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the Career Center's most significant funds. The Career Center's major governmental funds are the general fund and permanent improvement fund.

***Governmental Funds***

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

**WAYNE COUNTY SCHOOLS CAREER CENTER  
WAYNE COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**Reporting the Career Center's Fiduciary Responsibilities**

The Career Center acts in a trustee capacity as an agent for individuals, private organizations, other governmental units and/or other funds. These activities are reported in custodial funds. All of the Career Center's fiduciary activities are reported on separate statements. These activities are excluded from the Career Center's other financial statements because the assets cannot be utilized by the Career Center to finance its operations. The Career Center does not have any fiduciary activities.

***Notes to the Basic Financial Statements***

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

***Required Supplementary Information***

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Career Center's net pension liability and net OPEB liability/asset.

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**WAYNE COUNTY SCHOOLS CAREER CENTER  
WAYNE COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**The Career Center as a Whole**

The statement of net position provides the perspective of the Career Center as a whole. The table below provides a summary of the Career Center's net position for June 30, 2023 and June 30, 2022. Certain amounts at June 30, 2022 have been restated as described in Note 3.A.

**Net Position**

	Governmental Activities 2023	Restated Governmental Activities 2022
	<u>2023</u>	<u>2022</u>
<b><u>Assets</u></b>		
Current assets	\$ 29,305,971	\$ 27,195,169
Net OPEB asset (Note 14)	1,367,774	1,141,439
Capital assets, net	<u>23,352,787</u>	<u>24,121,723</u>
Total assets	<u>54,026,532</u>	<u>52,458,331</u>
<b><u>Deferred Outflows of Resources</u></b>		
Pension (Note 13)	3,479,274	3,601,200
OPEB (Note 14)	<u>363,187</u>	<u>445,864</u>
Total deferred outflows	<u>3,842,461</u>	<u>4,047,064</u>
<b><u>Liabilities</u></b>		
Current liabilities	1,677,076	1,395,080
Long-term liabilities:		
Due within one year	107,795	76,975
Due in more than one year:		
Net pension liability (Note 13)	14,440,643	8,833,340
Net OPEB liability (Note 14)	714,536	1,013,173
Other amounts	<u>1,263,462</u>	<u>967,845</u>
Total liabilities	<u>18,203,512</u>	<u>12,286,413</u>
<b><u>Deferred inflows</u></b>		
Property taxes levied for the next fiscal year	7,340,544	7,130,830
Pension (Note 13)	1,559,225	7,118,597
OPEB (Note 14)	<u>2,042,790</u>	<u>1,934,571</u>
Total deferred inflows	<u>10,942,559</u>	<u>16,183,998</u>
<b><u>Net Position</u></b>		
Net investment in capital assets	23,156,223	24,046,602
Restricted	7,602,336	7,400,253
Unrestricted (deficit)	<u>(2,035,637)</u>	<u>(3,411,871)</u>
Total net position	<u>\$ 28,722,922</u>	<u>\$ 28,034,984</u>

**WAYNE COUNTY SCHOOLS CAREER CENTER  
WAYNE COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

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

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

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

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

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

**WAYNE COUNTY SCHOOLS CAREER CENTER  
WAYNE COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

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

*Analysis of Net Position*

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2023, the Career Center's assets and deferred outflows exceeded liabilities and deferred inflows of resources by \$28,722,922.

Current assets increased due to an increase in equity in pooled cash and investments due to current year operations and an increase in property taxes receivable due to the Career Center expecting to receive increased collections.

Deferred outflows related to pension decreased primarily due to changes in assumptions by the State Teachers Retirement System (STRS). See Note 13 for more detail.

Total assets include a net OPEB asset reported by STRS. See Note 14 for more detail.

Long-term liabilities increased primarily due to an increase in the net pension liability. This liability is outside of the control of the Career Center. The Career Center contributes its statutorily required contributions to the pension systems; however, it's the pension systems that collect, hold and distribute pensions and OPEB to the Career Center employees, not the Career Center.

At fiscal year-end, capital assets represented 43.22% of total assets. Capital assets include land, construction in progress, land improvements, buildings and improvements, furniture and equipment, vehicles, and intangible right to use assets. The Career Center's net investment in capital assets at June 30, 2023 was \$23,156,223. These capital assets are used to provide services to the students and are not available for future spending. Although the Career Center's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

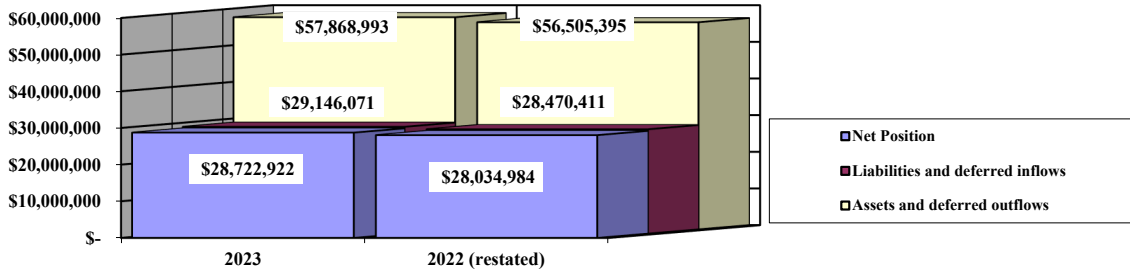
A portion of the Career Center's net position, \$7,602,336, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position was a deficit of \$2,035,637.

**WAYNE COUNTY SCHOOLS CAREER CENTER  
WAYNE COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

**Governmental - Net Position**



The table that follows shows the changes in net position for governmental activities for fiscal years 2023 and 2022.

**Change in Net Position**

	Governmental Activities 2023	Governmental Activities 2022
<b>Revenues</b>		
Program revenues:		
Charges for services and sales	\$ 2,087,073	\$ 1,898,700
Operating grants and contributions	4,671,860	4,892,621
Capital grants and contributions	100,000	-
General revenues:		
Property taxes	8,896,808	8,783,594
Grants and entitlements not restricted to specific programs	4,718,871	4,505,270
Investment earnings	472,789	127,149
FMV adjustment	(98,443)	(329,553)
Miscellaneous	13,161	76
<b>Total revenues</b>	<b>20,862,119</b>	<b>19,877,857</b>

- (Continued)



**WAYNE COUNTY SCHOOLS CAREER CENTER  
WAYNE COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Governmental Activities 2023	Governmental Activities 2022
<b><u>Expenses</u></b>		
Program expenses:		
Instruction:		
Regular	\$ 2,729,962	\$ 2,339,847
Special	43,291	20,670
Vocational	7,264,809	6,195,001
Adult education	1,782,730	1,833,913
Support services:		
Pupil	864,766	627,961
Instructional staff	2,251,330	2,018,898
Board of education	65,231	61,627
Administration	1,086,261	643,064
Fiscal	570,786	572,319
Business	-	33
Operations and maintenance	2,453,749	2,231,884
Pupil transportation	54,878	42,966
Central	72,321	75,487
Operation of non-instructional services:		
Food service operations	384,896	335,445
Other non-instructional services	396,094	368,472
Extracurricular activities	151,024	125,678
Interest and fiscal charges	2,053	1,396
Total expenses	20,174,181	17,494,661
Changes in net position	687,938	2,383,196
Net position at beginning of year	28,034,984	25,651,788
Net position at end of year	\$ 28,722,922	\$ 28,034,984

**Governmental Activities**

Net position of the Career Center's governmental activities increased \$687,938. Total governmental expenses of \$20,174,181 were offset by program revenues of \$6,858,933 and general revenues of \$14,003,186. Program revenues supported 34.00% of the total governmental expenses.

The largest source of revenue comes from property taxes and unrestricted grants and entitlements, which account for 65.27% of total governmental revenues. Real estate property is reappraised every six years. Unrestricted grants and entitlements include monies received from the Ohio Department of Education, State foundation, and property tax relief such as homestead rollbacks and exemptions. The table on the following page shows, for governmental activities, the total cost of services and the net cost of services for fiscal years 2023 and 2022. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

Governmental activities expenses increased primarily due to an increase in the Career Center's pension expense, which increased \$1,309,706 due to changes in the expected investment income received by the pension systems.

**WAYNE COUNTY SCHOOLS CAREER CENTER  
WAYNE COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

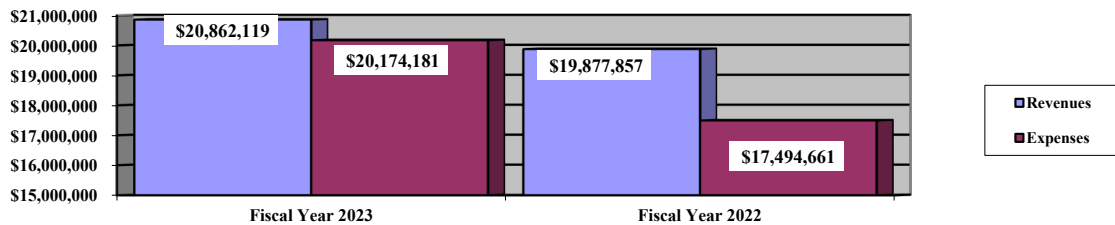
**Governmental Activities**

	Total Cost of Services 2023	Net Cost of Services 2023	Total Cost of Services 2022	Net Cost of Services 2022
Program expenses:				
Instruction:				
Regular	\$ 2,729,962	\$ 2,729,962	\$ 2,339,847	\$ 2,339,847
Special	43,291	43,291	20,670	20,670
Vocational	7,264,809	4,139,756	6,195,001	3,093,829
Adult education	1,782,730	(103,020)	1,833,913	(132,752)
Support services:				
Pupil	864,766	514,601	627,961	391,248
Instructional staff	2,251,330	1,556,473	2,018,898	1,385,695
Board of Education	65,231	65,231	61,627	61,627
Administration	1,086,261	1,079,468	643,064	630,092
Fiscal	570,786	570,786	572,319	572,319
Business	-	-	33	(1)
Operations and maintenance	2,453,749	2,452,846	2,231,884	2,225,919
Pupil transportation	54,878	54,878	42,966	42,966
Central	72,321	(11,253)	75,487	(14,114)
Operations of non-instructional services				
Food service operations	384,896	22,254	335,445	(79,152)
Other non-instructional services	396,094	209,891	368,472	178,109
Extracurricular activities	151,024	(11,969)	125,678	(14,358)
Interest and fiscal charges	2,053	2,053	1,396	1,396
<b>Total expenses</b>	<b>\$ 20,174,181</b>	<b>\$ 13,315,248</b>	<b>\$ 17,494,661</b>	<b>\$ 10,703,340</b>

During fiscal year 2023 for governmental activities, 57.61% of instruction activities were supported through taxes and other general revenues. All governmental activities general revenue support was 66.00% in 2023.

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

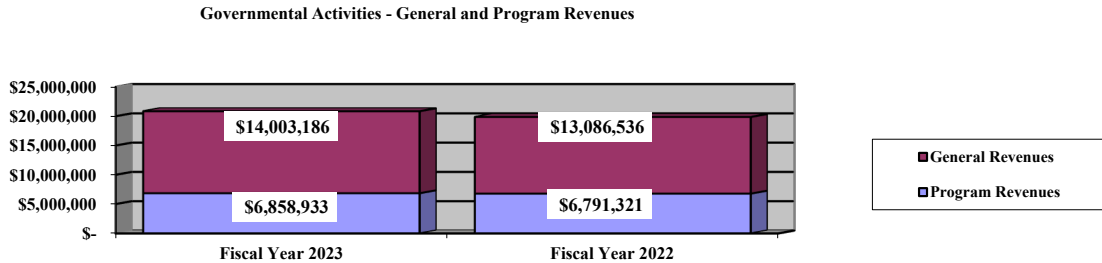
**Governmental Activities - Revenues and Expenses**



**WAYNE COUNTY SCHOOLS CAREER CENTER  
WAYNE COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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



**The Career Center's Funds**

The Career Center's governmental funds reported a combined fund balance of \$17,592,918, which is more than last year's total of \$16,857,052. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2023 and 2022.

	Fund Balance <u>June 30, 2023</u>	Fund Balance <u>June 30, 2022</u>	<u>Change</u>
General	\$ 10,328,858	\$ 9,539,750	\$ 789,108
Permanent Improvement	2,412,613	2,623,285	(210,672)
Nonmajor governmental	<u>4,851,447</u>	<u>4,694,017</u>	<u>157,430</u>
Total	<u>\$ 17,592,918</u>	<u>\$ 16,857,052</u>	<u>\$ 735,866</u>

**General Fund**

The Career Center's general fund balance increased \$789,108 during fiscal year 2023. The table that follows assists in illustrating the financial activities and fund balance of the general fund.

	<u>2023</u> <u>Amount</u>	<u>2022</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<b>Revenues</b>			
Taxes	\$ 6,540,816	\$ 6,540,224	0.01 %
Tuition	206,895	153,834	34.49 %
Interest earnings	371,902	(196,968)	288.81 %
Intergovernmental	7,292,135	7,073,337	3.09 %
Other revenues	<u>356,888</u>	<u>326,936</u>	9.16 %
Total	<u>\$ 14,768,636</u>	<u>\$ 13,897,363</u>	6.27 %

General fund revenues increased \$871,273 or 6.27% during fiscal year 2023. Tuition revenues increased \$53,061 or 34.49% due to increased open enrollment. Interest earnings increased \$568,870 due to increased interest rates on the Career Center's investments. The Career Center intends to hold investments to maturity therefore reducing risk related to fluctuations in fair value. Intergovernmental revenues increased due to increased funding from the State of Ohio in the form of foundation payments. Other revenues increased due to increased charges for services.

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

**WAYNE COUNTY SCHOOLS CAREER CENTER  
WAYNE COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>2023</u>	<u>2022</u>	<u>Percentage</u>
	<u>Amount</u>	<u>Amount</u>	<u>Change</u>
<b><u>Expenditures</u></b>			
Instruction	\$ 8,569,726	\$ 7,904,045	8.42 %
Support services	4,997,354	4,809,490	3.91 %
Operation of non-instructional services	210,538	198,727	5.94 %
Extracurricular activities	28,992	26,498	9.41 %
Facilities acquisition and construction	-	4,079	(100.00) %
Debt Service	<u>8,161</u>	<u>5,452</u>	49.69 %
Total	<u>\$ 13,814,771</u>	<u>\$ 12,948,291</u>	6.69 %

General fund expenditures increased \$866,480 or 6.69% in fiscal year 2023. Instruction expenditures increased due to an increase in vocational instruction expenditures. All other expenditures remained consistent with the prior fiscal year or changed a nominal amount.

***Permanent Improvement Fund***

The permanent improvement fund had \$1,692,324 in revenues and other financing sources and \$1,902,996 in expenditures. The permanent improvement fund balance decreased \$210,672 from \$2,623,285 to \$2,412,613.

***General Fund Budgeting Highlights***

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

For the general fund, the original and final budgeted revenues and other financing sources were \$14,637,251 and \$14,358,595, respectively. Actual revenues and other financing sources were \$14,525,673. The difference between the final budgeted revenues and other financing sources and the actual revenues and other financing sources was \$167,078.

Total actual expenditures and other financing uses on the budget basis (cash outlays plus encumbrances) were \$13,755,873. This amount was \$3,576,966 less than the final budgeted amount (appropriations plus prior year encumbrances) primarily due to an overestimation of vocational expenditures. The final budgeted expenditures and other financing uses were \$17,332,839. The original budgeted expenditures and other financing uses were \$14,260,716.

**WAYNE COUNTY SCHOOLS CAREER CENTER  
WAYNE COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**Capital Assets and Debt Administration**

***Capital Assets***

At the end of fiscal 2023, the Career Center had \$23,352,787 invested in land, construction in progress, land improvements, buildings and improvements, furniture and equipment, vehicles, and intangible right to use assets. The following table shows fiscal 2023 balances compared to 2022. The capital assets at June 30, 2022 have been restated as described in Note 3.

**Capital Assets at June 30  
(Net of Depreciation)**

	Governmental Activities	
	2023	Restated 2022
Land	\$ 611,258	\$ 611,258
Construction in progress	113,415	82,044
Land improvements	935,377	1,072,263
Building and improvements	19,272,937	19,954,089
Furniture, equipment, and Vehicles	2,301,565	2,385,653
Intangible right to use assets	118,235	16,416
Total	\$ 23,352,787	\$ 24,121,723

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

***Debt Administration***

At June 30, 2023, the Career Center had \$254,648 in long-term debt outstanding. Of this total \$58,938 is due within one year and \$195,710 is due in more than one year. The following table summarizes the long-term debt outstanding at June 30, 2023 and June 30, 2022. The outstanding debt at June 30, 2022 has been restated as described in Note 3.A.

**Outstanding Debt, at Year End**

	Governmental	Restated
	Activities 2023	Governmental Activities 2022
Financed purchase note payable	\$ 136,334	\$ -
Lease payable	114,803	17,231
SBITA payable	3,511	7,128
	\$ 254,648	\$ 24,359

See Note 10 to the basic financial statements for additional information on the Career Center's long-term debt obligations.

**WAYNE COUNTY SCHOOLS CAREER CENTER  
WAYNE COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**Current Financial Related Activity**

The Career Center continues to have a positive financial outlook and will for the next few years unless changes in state and federal laws decrease income. The State of Ohio adopted the Biennial budget in June of 2023 (HB33). HB33 applies for fiscal year 2023 and 2024.

**Contacting the Career Center's Financial Management**

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the Career Center's finances and to show the Career Center's accountability for the money it receives. If you have questions about this report or need additional financial information contact Mary Workman, Treasurer, Wayne County Career Center, 518 West Prospect Street, Smithville, Ohio 44677.

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**WAYNE COUNTY CAREER CENTER  
WAYNE COUNTY, OHIO**

STATEMENT OF NET POSITION  
JUNE 30, 2023

	<b>Governmental Activities</b>
<b>Assets:</b>	
Equity in pooled cash and investments	\$ 18,030,441
Receivables:	
Property taxes	11,035,498
Accounts	153,639
Accrued interest	23,923
Intergovernmental	53,976
Prepayments	8,494
Net OPEB asset (Note 14)	1,367,774
Capital assets:	
Nondepreciable capital assets	724,673
Depreciable capital assets, net	22,628,114
Capital assets, net	23,352,787
Total assets	54,026,532
<b>Deferred outflows of resources:</b>	
Pension (Note 13)	3,479,274
OPEB (Note 14)	363,187
Total deferred outflows of resources	3,842,461
<b>Liabilities:</b>	
Accounts payable	85,382
Contracts payable	78,250
Accrued wages and benefits payable	1,162,996
Intergovernmental payable	230,006
Accrued interest payable	1,073
Unearned revenue	9,199
Accrued vacation leave payable	110,170
Long-term liabilities:	
Due within one year	107,795
Due in more than one year:	
Net pension liability (Note 13)	14,440,643
Net OPEB liability (Note 14)	714,536
Other amounts due in more than one year	1,263,462
Total liabilities	18,203,512
<b>Deferred inflows of resources:</b>	
Property taxes levied for the next fiscal year	7,340,544
Pension (Note 13)	1,559,225
OPEB (Note 14)	2,042,790
Total deferred inflows of resources	10,942,559
<b>Net position:</b>	
Net investment in capital assets	23,156,223
Restricted for:	
Capital projects	2,790,942
Classroom facilities maintenance	2,695,682
Adult education programs	1,783,120
State funded programs	5,742
Federally funded programs	11,400
Food service operations	223,934
Student activities	79,829
Other purposes	11,687
Unrestricted (deficit)	(2,035,637)
Total net position	\$ 28,722,922

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



**WAYNE COUNTY CAREER CENTER  
WAYNE COUNTY, OHIO**

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

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position Governmental Activities
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Governmental activities:</b>					
Instruction:					
Regular	\$ 2,729,962	\$ -	\$ -	\$ -	\$ (2,729,962)
Special	43,291	-	-	-	(43,291)
Vocational	7,264,809	454,963	2,670,090	-	(4,139,756)
Adult/continuing	1,782,730	900,350	885,400	100,000	103,020
Support services:					
Pupil	864,766	-	350,165	-	(514,601)
Instructional staff	2,251,330	436,180	258,677	-	(1,556,473)
Board of education	65,231	-	-	-	(65,231)
Administration	1,086,261	-	6,793	-	(1,079,468)
Fiscal	570,786	-	-	-	(570,786)
Operations and maintenance	2,453,749	-	903	-	(2,452,846)
Pupil transportation	54,878	-	-	-	(54,878)
Central	72,321	-	83,574	-	11,253
Operation of non-instructional services:					
Food service operations	384,896	164,042	198,600	-	(22,254)
Other non-instructional services	396,094	-	186,203	-	(209,891)
Extracurricular activities	151,024	131,538	31,455	-	11,969
Interest and fiscal charges	2,053	-	-	-	(2,053)
<b>Totals</b>	<b>\$ 20,174,181</b>	<b>\$ 2,087,073</b>	<b>\$ 4,671,860</b>	<b>\$ 100,000</b>	<b>(13,315,248)</b>
<b>General revenues:</b>					
Property taxes levied for:					
General purposes					
7,399,823					
Capital outlay					
1,496,985					
Grants and entitlements not restricted to specific programs					
4,718,871					
Investment earnings					
472,789					
(Decrease) in fair value of investments					
(98,443)					
Miscellaneous					
13,161					
<b>Total general revenues</b>					
<b>14,003,186</b>					
Change in net position					
687,938					
<b>Net position at beginning of year</b>					
<b>28,034,984</b>					
<b>Net position at end of year</b>					
<b>\$ 28,722,922</b>					

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WAYNE COUNTY CAREER CENTER  
WAYNE COUNTY, OHIO**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2023

	General	Permanent Improvement	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets:</b>				
Equity in pooled cash and investments	\$ 10,758,775	\$ 2,331,691	\$ 4,939,975	\$ 18,030,441
Receivables:				
Property taxes	9,321,566	1,713,932	-	11,035,498
Accounts	30,616	-	123,023	153,639
Accrued interest	23,923	-	-	23,923
Interfund loans	1,000	-	-	1,000
Intergovernmental	16,763	-	37,213	53,976
Prepayments	3,878	-	4,616	8,494
Total assets	\$ 20,156,521	\$ 4,045,623	\$ 5,104,827	\$ 29,306,971
<b>Liabilities:</b>				
Accounts payable	\$ 21,737	\$ 16,002	\$ 47,643	\$ 85,382
Contracts payable	-	78,250	-	78,250
Accrued wages and benefits payable	1,046,722	-	116,274	1,162,996
Intergovernmental payable	195,642	-	34,364	230,006
Interfund loans payable	-	-	1,000	1,000
Unearned revenue	-	-	9,199	9,199
Total liabilities	1,264,101	94,252	208,480	1,566,833
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next fiscal year	6,102,832	1,237,712	-	7,340,544
Delinquent property tax revenue not available	2,395,143	301,046	-	2,696,189
Intergovernmental revenue not available	16,763	-	18,537	35,300
Accrued interest not available	18,705	-	-	18,705
Miscellaneous revenue not available	13,161	-	-	13,161
Tuition revenue not available	16,958	-	26,363	43,321
Total deferred inflows of resources	8,563,562	1,538,758	44,900	10,147,220
<b>Fund balances:</b>				
Nonspendable:				
Prepays	3,878	-	4,616	8,494
Unclaimed funds	7,219	-	-	7,219
Restricted:				
Capital improvements	-	2,412,613	-	2,412,613
Adult education	-	-	1,831,658	1,831,658
Classroom facilities maintenance	-	-	2,695,682	2,695,682
Food service operations	-	-	236,589	236,589
Federally funded programs	-	-	11,400	11,400
Extracurricular	-	-	79,829	79,829
Other purposes	-	-	4,468	4,468
Assigned:				
Student instruction	167,577	-	-	167,577
Student and staff support	313,112	-	-	313,112
Subsequent year's appropriations	3,390,083	-	-	3,390,083
School supplies	312,019	-	-	312,019
Other purposes	47,825	-	-	47,825
Unassigned (deficit)	6,087,145	-	(12,795)	6,074,350
Total fund balances	10,328,858	2,412,613	4,851,447	17,592,918
Total liabilities, deferred inflows and fund balances	\$ 20,156,521	\$ 4,045,623	\$ 5,104,827	\$ 29,306,971

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WAYNE COUNTY CAREER CENTER  
WAYNE COUNTY, OHIO**

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

<b>Total governmental fund balances</b>		\$	17,592,918
<i>Amounts reported for governmental activities on 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.			23,352,787
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.			
Property taxes receivable	\$	2,696,189	
Accounts receivable		56,482	
Accrued interest receivable		18,705	
Intergovernmental receivable		35,300	
Total		2,806,676	2,806,676
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.			(1,073)
The net pension/OPEB assets & liabilities are not due and payable in the current period; therefore, the assets, liabilities and related deferred inflows/outflows are not reported in governmental funds.			
Deferred outflows - pension		3,479,274	
Deferred inflows - pension		(1,559,225)	
Net pension liability		(14,440,643)	
Deferred outflows - OPEB		363,187	
Deferred inflows - OPEB		(2,042,790)	
Net OPEB asset		1,367,774	
Net OPEB liability		(714,536)	
Total		(13,546,959)	(13,546,959)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.			
Lease payable		(114,803)	
Compensated absences		(1,116,609)	
Accrued vacation leave		(110,170)	
Financed purchase note payable		(136,334)	
SBITA payable		(3,511)	
Total		(1,481,427)	(1,481,427)
<b>Net position of governmental activities</b>		<b>\$</b>	<b>28,722,922</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WAYNE COUNTY CAREER CENTER  
WAYNE COUNTY, OHIO**

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

	<u>General</u>	<u>Permanent Improvement</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>				
Property taxes	\$ 6,540,816	\$ 1,392,560	\$ -	\$ 7,933,376
Intergovernmental	7,292,135	24,814	2,082,402	9,399,351
Investment earnings	470,345	-	2,994	473,339
Tuition and fees	206,895	-	1,365,557	1,572,452
Extracurricular	4,959	-	126,579	131,538
Charges for services	280,167	-	175,708	455,875
Contributions and donations	70,347	-	510	70,857
Miscellaneous	1,415	-	-	1,415
(Decrease) in fair value of investments	(98,443)	-	-	(98,443)
Total revenues	<u>14,768,636</u>	<u>1,417,374</u>	<u>3,753,750</u>	<u>19,939,760</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	2,614,800	-	-	2,614,800
Vocational	5,935,928	204,159	196,936	6,337,023
Adult/continuing	18,998	-	1,650,526	1,669,524
Support services:				
Pupil	649,082	-	196,276	845,358
Instructional staff	1,591,796	257	637,769	2,229,822
Board of education	65,644	-	-	65,644
Administration	884,369	1,674	6,772	892,815
Fiscal	542,710	22,144	-	564,854
Operations and maintenance	1,214,971	-	237,728	1,452,699
Pupil transportation	48,782	-	-	48,782
Central	-	-	82,756	82,756
Operation of non-instructional services:				
Food service operations	-	-	352,254	352,254
Other non-instructional services	210,538	-	185,400	395,938
Extracurricular activities	28,992	-	122,032	151,024
Facilities acquisition and construction	-	1,348,730	89,630	1,438,360
Capital outlay	-	274,950	16,596	291,546
Debt service:				
Principal retirement	8,058	50,336	2,863	61,257
Interest and fiscal charges	103	746	135	984
Total expenditures	<u>13,814,771</u>	<u>1,902,996</u>	<u>3,777,673</u>	<u>19,495,440</u>
Excess of revenues over (under) expenditures	<u>953,865</u>	<u>(485,622)</u>	<u>(23,923)</u>	<u>444,320</u>
<b>Other financing sources (uses):</b>				
Transfers in	-	-	164,757	164,757
Transfers (out)	(164,757)	-	-	(164,757)
Financed purchase transaction	-	173,003	-	173,003
Lease transaction	-	101,947	16,596	118,543
Total other financing sources (uses)	<u>(164,757)</u>	<u>274,950</u>	<u>181,353</u>	<u>291,546</u>
Net change in fund balances	789,108	(210,672)	157,430	735,866
<b>Fund balances at beginning of year</b>	<u>9,539,750</u>	<u>2,623,285</u>	<u>4,694,017</u>	<u>16,857,052</u>
<b>Fund balances at end of year</b>	<u>\$ 10,328,858</u>	<u>\$ 2,412,613</u>	<u>\$ 4,851,447</u>	<u>\$ 17,592,918</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WAYNE COUNTY CAREER CENTER  
WAYNE COUNTY, OHIO**

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

<b>Net change in fund balances - total governmental funds</b>	\$	735,866
<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/amortization expense.		
Capital asset additions	\$ 1,655,003	
Current year depreciation/amortization	(2,078,445)	
<b>Total</b>		(423,442)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.		
		(345,494)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	963,432	
Tuition	(74,207)	
Earnings on investments	2,444	
Miscellaneous	13,161	
Intergovernmental	17,529	
<b>Total</b>		922,359
Repayment of financed purchase, lease, and SBITA principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.		
		61,257
Issuance of financed purchases and leases are recorded as other financing sources in the funds; however, in the statement of activities, they are not reported as other financing sources as they increase liabilities on the statement of net position.		
		(291,546)
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in additional interest being reported in the statement of activities:		
		(1,069)
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	1,293,647	
OPEB	30,664	
<b>Total</b>		1,324,311
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability/asset are reported as pension/OPEB expense in the statement of activities.		
Pension	(1,463,504)	
OPEB	303,412	
<b>Total</b>		(1,160,092)
Some expenses reported in the statement of activities, such as compensated absences and accrued vacation leave, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
		(134,212)
<b>Change in net position of governmental activities</b>	\$	<b>687,938</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WAYNE COUNTY CAREER CENTER  
WAYNE COUNTY, OHIO**

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Property taxes	\$ 6,551,619	\$ 6,423,000	\$ 6,499,214	\$ 76,214
Intergovernmental	7,351,014	7,303,000	7,292,214	(10,786)
Investment earnings	469,456	345,200	465,701	120,501
Tuition and fees	50,614	49,000	50,209	1,209
Charges for services	208,414	227,095	206,747	(20,348)
Contributions and donations	6,134	5,800	6,085	285
<b>Total revenues</b>	<u>14,637,251</u>	<u>14,353,095</u>	<u>14,520,170</u>	<u>167,075</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	2,295,314	2,611,366	2,614,237	(2,871)
Vocational	5,989,020	5,975,458	5,708,898	266,560
Support services:				
Pupil	648,505	665,405	649,029	16,376
Instructional staff	1,469,221	1,686,547	1,629,237	57,310
Board of education	107,664	83,479	65,492	17,987
Administration	984,192	936,765	889,180	47,585
Fiscal	719,932	608,139	547,731	60,408
Operations and maintenance	1,645,963	1,320,071	1,221,374	98,697
Pupil transportation	42,595	48,352	48,451	(99)
Operation of non-instructional services:				
Other non-instructional services	180,053	219,000	207,237	11,763
<b>Total expenditures</b>	<u>14,082,459</u>	<u>14,154,582</u>	<u>13,580,866</u>	<u>573,716</u>
Excess of expenditures over revenues	<u>554,792</u>	<u>198,513</u>	<u>939,304</u>	<u>740,791</u>
<b>Other financing sources (uses):</b>				
Refund of prior year's expenditures	-	5,500	2,903	(2,597)
Transfers (out)	(178,257)	(3,178,257)	(175,007)	3,003,250
Sale of capital assets	-	-	2,600	2,600
<b>Total other financing sources (uses)</b>	<u>(178,257)</u>	<u>(3,172,757)</u>	<u>(169,504)</u>	<u>3,003,253</u>
Net change in fund balance	376,535	(2,974,244)	769,800	3,744,044
<b>Fund balance at beginning of year</b>	9,160,387	9,160,387	9,160,387	-
<b>Prior year encumbrances appropriated</b>	245,344	245,344	245,344	-
<b>Fund balance at end of year</b>	<u>\$ 9,782,266</u>	<u>\$ 6,431,487</u>	<u>\$ 10,175,531</u>	<u>\$ 3,744,044</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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**WAYNE COUNTY SCHOOLS CAREER CENTER  
WAYNE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 1 - DESCRIPTION OF THE CAREER CENTER**

The Wayne County Schools Career Center (the “Career Center”) is a distinct political subdivision of the State of Ohio operated under the direction of a thirteen member Board of Education consisting of a representative from the participating school Career Centers’ elected Boards. The Career 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 Board possesses its own budgeting and taxing authority. The Career Center provides educational services as mandated by statute and/or federal agencies and operates one instructional/support facility. The Career Center is staffed by 52 classified employees and 88 certified teaching personnel who provide services to 824 students and other community members.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Reporting Entity**

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

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

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

*JOINTLY GOVERNED ORGANIZATION*

Midland Council of Governments (the “Midland COG”)

The Midland COG is a jointly governed organization among twenty-two boards of education. The Midland COG was formed to provide efficient and cost-effective computer and data processing services to member boards. Financial support for the Midland COG is provided by member fees levied according to the number of students within each member’s respective Career Center. The Executive Committee determines and sets the fees for all services. During the fiscal year ended June 30, 2023, the Career Center paid \$81,462 to the Midland COG for basic service charges.



**WAYNE COUNTY SCHOOLS CAREER CENTER  
WAYNE COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

Representation on the Midland COG consists of one member appointed by each member board of education. The representative shall be the Superintendent, Assistant Superintendent or Treasurer of the member Career Center board of education. The Midland COG is governed by the Executive Committee who is elected for two year terms except the position of Fiscal Agent Superintendent which is a permanent appointment. The Executive Committee consists of seven members. The members are two Superintendents, two Treasurers, two members-at-large and the Fiscal Agent Superintendent.

*INSURANCE POOLS*

Stark County Schools Council of Governments (the "Council)

The Career Center participates in the Council for purpose of providing employee medical/surgical benefits. The Council is a risk sharing pool created pursuant to State statute for the purpose of carrying out a cooperative program for the provision and administration of health care benefits. The Council is governed by an assembly which consists of one representative from each participating school Career Center (usually the superintendent or designee). The assembly elects officers for one year terms to serve as the Board of Directors. The assembly exercises control over the operation of the Council. All Council revenues are generated from charges for services. The Council has a Health Benefits Program which is a shared risk pool comprised of 79 entities, most of which are school districts.

Ohio School Plan (the "Plan)

The Career Center participates in the Plan, an insurance purchasing pool established under Section 2744.081 of the Ohio Revised Code. The Plan is an unincorporated nonprofit association of its members which enables the participants to provide for a formalized joint insurance purchasing program for maintaining adequate insurance protection and provides risk management programs and other administrative services. The Plan's business and affairs are conducted by a fifteen member Board consisting of superintendents, treasurers, and a member of the Harcum-Schuett Insurance Agency, Inc., and a member of the Hylant Group, Inc. The Hylant Group, Inc. is the Plan's administrator and is responsible for processing claims. Harcum-Schuett Insurance Agency serves as the sales and marketing representative which establishes agreements between the Plan and its members. Financial information can be obtained from Harcum-Schuett Insurance Agency, 246 East Sycamore Street, Columbus, Ohio 43206.

**B. Basis of Presentation**

The Career Center's basic financial statements consist of government-wide financial 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 Career Center as a whole. These statements include the financial activities of the stand-alone government. These statements usually distinguish between those activities of the Career Center that are governmental activities (primarily supported by taxes and intergovernmental revenues) and those that are considered business-type activities (primarily supported by fees and charges). However, the Career Center has no business-type activities.

**WAYNE COUNTY SCHOOLS CAREER CENTER  
WAYNE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

The statement of net position presents the financial condition of the governmental activities of the Career 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 Career Center's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Career 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 Career Center.

*Fund Financial Statements* - During the fiscal year, the Career Center segregates transactions related to certain Career 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 Career 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.

**C. Fund Accounting**

The Career Center uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary. The Career Center has no proprietary or fiduciary funds.

*GOVERNMENTAL FUNDS*

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

The following are the Career Center's major governmental funds:

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

*Permanent improvement fund* - The permanent improvement fund accounts for property taxes restricted for the acquisition, construction, or improvement of capital facilities.

Other governmental funds of the Career Center are used to account for specific revenue sources that are restricted to expenditures for specified purposes.

*FIDUCIARY FUNDS*

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that have certain characteristics. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The Career Center does not have any fiduciary funds.

**WAYNE COUNTY SCHOOLS CAREER CENTER  
WAYNE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

**D. Measurement Focus**

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

**E. Basis of Accounting**

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

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

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

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

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

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. See Notes 13 and 14 for deferred outflows of resources related to net pension liability/asset and net OPEB liability/asset, respectively.

**WAYNE COUNTY SCHOOLS CAREER CENTER  
WAYNE COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

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

See Notes 13 and 14 for deferred inflows of resources related to net pension liability/asset and net OPEB liability/asset, respectively. These deferred inflows of resources are only reported on the government-wide statement of net position.

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

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

**F. Budgetary Process**

All funds, other than 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. Although the legal level of budgetary control was established at the fund level of expenditures, the Career Center has elected to present budgetary statement comparisons at the fund and function level of expenditures for the general fund.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Career Center Treasurer. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2023.

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 year.

**WAYNE COUNTY SCHOOLS CAREER CENTER  
WAYNE COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

Lapsing of Appropriations - At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriation. Encumbered appropriations are carried forward to the succeeding fiscal year and need not be re-appropriated.

**G. Cash and Investments**

To improve cash management, cash received by the Career Center is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through Career Center records. Interest in the pool is presented as “equity in pooled cash and investments”.

During fiscal year 2023, the Career Center’s investments included negotiable certificates of deposit (negotiable CDs), a U.S. Government money market mutual fund, commercial paper, Federal National Mortgage Association (FNMA) securities, Federal Home Loan Mortgage Corporation (FHLMC) securities, Federal Home Loan Bank (FHLB) securities, U.S. Treasury notes, municipal bonds, and investments in the State Asset Treasury Reserve of Ohio (STAR Ohio). Except for investments in STAR Ohio, investments are reported at fair value which is based on quoted market prices or current share price.

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

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

The Board of Education, by resolution, allocates interest earnings at the end of each fiscal year. Interest revenue credited to the general fund during fiscal year 2023 was \$470,345, which includes \$190,087 assigned from other Career Center funds.

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

An analysis of the Career Center’s investment accounts at fiscal year-end is provided in Note 4.

**H. Prepayments**

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

On the fund financial statements, reported prepayments are equally offset by nonspendable fund balance in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets.

**WAYNE COUNTY SCHOOLS CAREER CENTER  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

**I. 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, laws of other governments, or imposed by law through constitutional provisions or enabling legislation. The Career Center had no restricted assets at June 30, 2023.

**J. Capital Assets**

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The Career Center maintains a capitalization threshold of \$5,000 for its general capital assets. The Career Center does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

<u>Description</u>	<u>Estimated Useful lives</u>
Land improvements	15 - 30 years
Buildings and improvements	30 - 50 years
Furniture and equipment	3 - 15 years
Intangible leased assets	5 years
SBITA assets	5 years
Vehicles	5 - 15 years

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

**K. Interfund Balances**

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

**L. Compensated Absences**

The Career Center reports compensated absences in accordance with the provisions of GASB No. 16, "Accounting for Compensated Absences". Vacation benefits are accrued as a liability as the benefits are earned if the employee's rights to receive compensation are attributable to services already rendered and it is probable that the Career Center will compensate the employees for the benefits through paid time off or some other means.

Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent it is probable that benefits will result in termination payments. The liability is an estimate based on the Career Center's past experience of making termination payments.

**WAYNE COUNTY SCHOOLS CAREER CENTER  
WAYNE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

For 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 “compensated absences payable” in the fund from which the employees who have accumulated leave are paid.

**M. 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 year. Leases and SBITAs are recognized as liabilities on the fund financial statements when due. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan’s fiduciary net position is not sufficient for payment of those benefits.

**N. Net Position**

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

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

**O. Fund Balance**

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

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

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

**WAYNE COUNTY SCHOOLS CAREER CENTER  
WAYNE COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

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

*Assigned* - Amounts in the assigned fund balance classification are intended to be used by the Career Center for specific purposes but do not meet the criteria to be classified as restricted nor committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the Career Center Board of Education. The Board of Education has by resolution authorized the Treasurer to assign fund balance. The Board of Education may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated 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 only used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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

**P. Interfund Activity**

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements. Transfers between governmental funds are eliminated for reporting on the government-wide statement of activities. Interfund services provided and used are not eliminated for reporting on the government-wide statement of activities. See Note 5 for details.

**Q. Estimates**

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

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

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



**WAYNE COUNTY SCHOOLS CAREER CENTER  
WAYNE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

**S. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2023.

**T. Fair Value Measurements**

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

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE**

**A. Change in Accounting Principles**

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

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

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

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

These changes were incorporated in the Career Center's fiscal year 2023 financial statements. The Career Center recognized \$7,128 in governmental activities in subscriptions payable at July 1, 2022; however, this entire amount was offset by the intangible asset, right to use subscription assets.

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**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)**

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

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

**B. Deficit Fund Balances**

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

<u>Nonmajor funds</u>	<u>Deficit</u>
Adult basic education	\$ 3,869
Vocational education	14,668

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

**NOTE 4 - DEPOSITS AND INVESTMENTS**

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

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

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

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

3. Written repurchase agreements in the securities listed above provided that the fair 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 that 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 items (1) and (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool, the State Treasury Asset Reserve of Ohio (STAR Ohio);
8. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty days and two hundred seventy days, respectively, from the purchase date in an amount not to exceed forty percent of the interim monies available for investment at any one time; and,

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

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

**A. Cash on Hand**

At fiscal year-end, the Career Center had \$350 in undeposited cash on hand which is included on the financial statements of the Career Center as part of "equity in pooled cash and investments".

**B. Deposits with Financial Institutions**

At June 30, 2023, the carrying amount of all Career Center deposits was \$1,972,499 and the bank balance of all Career Center deposits was \$2,064,638. Of the bank balance, \$525,000 was covered by the FDIC, \$769,819 was covered by the Ohio Pooled Collateral System, and \$769,819 was exposed to custodial credit risk discussed below because those deposits were uninsured and uncollateralized.

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

Custodial credit risk is the risk that, in the event of bank failure, the Career Center will not be able to recover deposits or collateral securities that are in the possession of an outside party. The Career Center has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the Career Center and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For 2023, the Career Center's financial institution was approved for a reduced collateral rate of 50 percent through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the Career Center to a successful claim by the FDIC.

**C. Investments**

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

Measurement/ <u>Investment type</u>	Measurement Value	Investment Maturity				
		6 Months or Less	7 to 12 months	13 to 18 months	19 to 24 months	Greater than 24 months
<i>Fair Value:</i>						
FNMA	\$ 996,757	\$ -	\$ -	\$ 429,502	\$ -	\$ 567,255
FHLMC	812,278	642,396	-	-	-	169,882
FHLB	1,060,427	245,222	124,678	188,296	269,948	232,283
Municipal bonds	735,217	-	245,868	-	-	489,349
U.S. Treasury notes	287,203	-	-	-	287,203	-
Negotiable CDs	4,008,117	-	827,160	1,251,641	1,456,360	472,956
Commercial Paper	2,544,593	1,724,921	819,672	-	-	-
U.S. Government Money						
Market Mutual Fund	222,708	222,708	-	-	-	-
<i>Amortized Cost:</i>						
STAR Ohio	<u>5,390,292</u>	<u>5,390,292</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 16,057,592</u>	<u>\$ 8,225,539</u>	<u>\$ 2,017,378</u>	<u>\$ 1,869,439</u>	<u>\$ 2,013,511</u>	<u>\$ 1,931,725</u>

The weighted average maturity of investments is 0.89 years.

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

*Interest Rate Risk:* The Ohio Revised Code generally limits security purchases to those that mature within five years of the settlement date. The Career Center's policy indicates that the investments must mature within five years, unless matched to a specific obligation or debt of the Career Center.

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

*Credit Risk:* The Career Center’s investments in federal agency securities and U.S. Treasury notes were rated AA+ and Aaa by Standard & Poor’s and Moody’s Investor Services, respectively. Commercial paper investments were rated A-1 and A-1+ by Standard & Poor’s and P-1 by Moody’s Investor Services. Municipal bonds were rated AAA and Aaa by Standard & Poor’s and P-1 by Moody’s Investor Services. The U.S. government money market mutual fund and STAR Ohio were rated AAAM by Standard & Poor’s. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The negotiable CDs were not rated but are fully insured by the FDIC. The Career Center has no investment policy that would further limit its investment choices.

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

*Concentration of Credit Risk:* The Career Center places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the Career Center at June 30, 2023:

<u>Measurement/ Investment type</u>	<u>Measurement value</u>	<u>% to total</u>
<i>Fair Value:</i>		
FNMA	\$ 996,757	6.21
FHLMC	812,278	5.06
FHLB	1,060,427	6.60
Municipal bonds	735,217	4.58
U.S. Treasury notes	287,203	1.79
Negotiable CDs	4,008,117	24.96
Commercial Paper	2,544,593	15.85
U.S. Government Money Market Mutual Fund	222,708	1.39
<i>Amortized Cost:</i>		
STAR Ohio	<u>5,390,292</u>	<u>33.56</u>
Total	<u>\$ 16,057,592</u>	<u>100.00</u>

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

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

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

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 1,972,499
Investments	16,057,592
Cash on hand	<u>350</u>
Total	<u>\$ 18,030,441</u>
 <u>Cash and investments per statement of net position</u>	
Governmental activities	<u>\$ 18,030,441</u>

**NOTE 5 - INTERFUND TRANSACTIONS**

A. Transfers for the fiscal year ended June 30, 2023 consisted of the following:

	Transfer In	Transfer Out
General fund	\$ -	\$ 164,757
Nonmajor governmental funds	<u>164,757</u>	<u>-</u>
Total	<u>\$ 164,757</u>	<u>\$ 164,757</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the fund collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

During fiscal year 2023, the Career Center transferred \$164,757 from the general fund to the classroom facilities maintenance fund (a nonmajor governmental fund) to provide for future facilities maintenance expenditures.

Interfund transfers between governmental funds are eliminated on the government-wide financial statements; therefore, no transfers are reported on the statement of activities.

B. Interfund balances at June 30, 2023 as reported on the fund financial statements, consist of the following individual interfund loans receivable and payable:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General fund	Nonmajor governmental funds	<u>\$ 1,000</u>

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

Interfund balances between governmental funds are eliminated on the government-wide financial statements; therefore, no internal balances at June 30, 2023 are reported on the statement of net position.

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 6 - PROPERTY TAXES**

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

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

The Career Center receives property taxes from Wayne, Medina, Holmes, Stark and Ashland Counties. The County Auditors periodically advance to the Career Center their portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2023, are available to finance fiscal year 2023 operations. The amount available as an advance at June 30, 2023 was \$823,591 in the general fund and \$175,174 in the permanent improvement fund. This amount is recorded as revenue. The amount available for advance at June 30, 2022 was \$781,989 in the general fund and \$167,480 in the permanent improvement fund. The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

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

On the accrual basis of accounting, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis of accounting the revenue has been reported as a deferred inflow. The assessed values upon which the fiscal year 2023 taxes were collected are:

	2022 Second Half Collections		2023 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 2,802,342,950	85.64	\$ 2,898,609,180	85.90
Public utility personal	<u>469,750,470</u>	<u>14.36</u>	<u>475,604,740</u>	<u>14.10</u>
Total	<u>\$ 3,272,093,420</u>	<u>100.00</u>	<u>\$ 3,374,213,920</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation	\$ 4.60		\$ 4.60	

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 7 - BUDGETARY BASIS OF ACCOUNTING**

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

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

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis);
- (d) Certain funds are included in the general fund (GAAP basis), but have separate legally adopted budget (budget basis).

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

**Net Change in Fund Balance**

	General Fund
Budget basis	\$ 769,800
Net adjustment for revenue accruals	(53,729)
Net adjustment for expenditure accruals	(175,844)
Net adjustment for other sources/uses	4,747
Funds budgeted elsewhere **	17,636
Adjustment for encumbrances	226,498
GAAP basis	\$ 789,108

\*\* Certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. These include the uniform school supplies fund, the public school support fund, unclaimed monies fund, and the customer services fund.



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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 8 - RECEIVABLES**

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

**Governmental activities**

Property taxes	\$ 11,035,498
Accounts	153,639
Intergovernmental	53,976
Accrued interest	<u>23,923</u>
Total governmental activities	<u>\$ 11,267,036</u>

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 9 - CAPITAL ASSETS**

Due to the implementation of GASB Statement No. 96 (see Note 3.A for detail), the Career Center has reclassified capital assets for the right to use SBITA assets which are reflected in the schedule below. Capital asset activity for the fiscal year ended June 30, 2023, was as follows:

	Restated Balance <u>06/30/22</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>06/30/23</u>
<b>Governmental activities:</b>				
<i>Capital assets, not being depreciated/amortized:</i>				
Land	\$ 611,258	\$ -	\$ -	\$ 611,258
Construction in progress	<u>82,044</u>	<u>829,813</u>	<u>(798,442)</u>	<u>113,415</u>
Total capital assets, not being depreciated/amortized	<u>693,302</u>	<u>829,813</u>	<u>(798,442)</u>	<u>724,673</u>
<i>Capital assets, being depreciated/amortized:</i>				
Land improvements	2,737,702	-	-	2,737,702
Buildings and improvements	41,123,135	829,365	-	41,952,500
Furniture and equipment and vehicles	5,586,519	673,561	(352,494)	5,907,586
Intangible right to use:				
Leased equipment	92,862	120,706	(92,862)	120,706
SBITAs	<u>7,128</u>	<u>-</u>	<u>-</u>	<u>7,128</u>
Total capital assets, being depreciated/amortized	<u>49,547,346</u>	<u>1,623,632</u>	<u>(445,356)</u>	<u>50,725,622</u>
<i>Less: accumulated depreciation/amortization:</i>				
Land improvements	(1,665,439)	(136,886)	-	(1,802,325)
Buildings and improvements	(21,169,046)	(1,510,517)	-	(22,679,563)
Furniture and equipment and vehicles	(3,200,866)	(412,155)	7,000	(3,606,021)
Intangible right to use:				
Leased equipment	(83,574)	(15,323)	92,862	(6,035)
SBITAs	<u>-</u>	<u>(3,564)</u>	<u>-</u>	<u>(3,564)</u>
Total accumulated depreciation/amortization	<u>(26,118,925)</u>	<u>(2,078,445)</u>	<u>99,862</u>	<u>(28,097,508)</u>
Depreciable capital assets, net	<u>23,428,421</u>	<u>(454,813)</u>	<u>(345,494)</u>	<u>22,628,114</u>
Governmental activities capital assets, net	<u>\$ 24,121,723</u>	<u>\$ 375,000</u>	<u>\$(1,143,936)</u>	<u>\$ 23,352,787</u>

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 9 - CAPITAL ASSETS - (Continued)**

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

Instruction:

Regular	\$ 144,497
Special	20,651
Vocational	871,482
Adult/continuing	58,993

Support services:

Pupil	10,522
Instructional staff	28,107
Administration	27,048
Fiscal	8,499
Operations and maintenance	868,256
Pupil transportation	6,807

Operation of non-instructional services:

Food service	33,583
Total depreciation/amortization expense	<u>\$ 2,078,445</u>

**NOTE 10 - LONG-TERM OBLIGATIONS**

Due to the implementation of GASB Statement No. 96 (see Note 3.A for detail), the Career Center has reported obligations for SBITAs payable which are reflected in the schedule below. The Career Center's long-term obligations during the year 2023 were as follows.

	Restated Balance <u>06/30/22</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>06/30/23</u>	Amounts due in <u>one year</u>
<b>Governmental activities:</b>					
Finances purchase note payable	\$ -	\$ 173,003	\$ (36,669)	\$ 136,334	\$ 32,592
Lease payable	17,231	118,543	(20,971)	114,803	22,835
SBITA payable	7,128	-	(3,617)	3,511	3,511
Compensated absences payable	1,020,461	110,850	(14,702)	1,116,609	48,857
Net pension liability	8,833,340	5,607,303	-	14,440,643	-
Net OPEB liability	<u>1,013,173</u>	<u>-</u>	<u>(298,637)</u>	<u>714,536</u>	<u>-</u>
Total governmental activities long-term obligations	<u>\$ 10,891,333</u>	<u>\$ 6,009,699</u>	<u>\$ (374,596)</u>	<u>\$ 16,526,436</u>	<u>\$ 107,795</u>

Financed purchase note payable - During fiscal year 2023, the Career Center entered into financed purchase note payable agreements with Apple, Inc. to finance the purchase of technology equipment. Lease payments made under the financed purchase note payable agreement have been reclassified and are reflected as debt service expenditures in the financial statements for the governmental funds. These expenditures are reported as function expenditures on the budgetary statements. The total amount of the financed purchase note payable is \$173,003. The financed purchase note payable agreement bears an interest rate of 2.99%. The items purchased under the financed purchase note payable are under the Career Center's capitalization threshold and are not capitalized.

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WAYNE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)**

The following is a schedule of future debt service payments under the financed purchase note payable agreements:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 32,592	\$ 4,077	\$ 36,669
2025	33,567	3,102	36,669
2026	34,571	2,098	36,669
2027	<u>35,604</u>	<u>1,065</u>	<u>36,669</u>
Total	<u>\$ 136,334</u>	<u>\$ 10,342</u>	<u>\$ 146,676</u>

Net pension liability - The Career Center pays obligations related to employee compensation from the fund benefitting from their service. See Note 13 for details.

Net OPEB liability - The Career Center pays obligations related to employee compensation from the fund benefitting from their service. See Note 14 for details.

Compensated absences - Compensated absences will be paid from the general fund, the adult education fund (a nonmajor governmental fund) and the food service fund (a nonmajor governmental fund).

Leases Payable - The Career Center has entered into a lease agreement for the use of right to use equipment. Due to the implementation of GASB Statement No. 87, the Career Center will report an intangible capital asset and corresponding liability for the future scheduled payments under the lease. The lease payments will be paid from the adult education fund (a nonmajor governmental fund) and the permanent improvement fund.

The Career Center has entered into a lease agreement for copier equipment as follows:

<u>Purpose</u>	<u>Lease Commencement Date (fiscal year)</u>	<u>Years</u>	<u>Lease End Date (fiscal year)</u>	<u>Payment Method</u>
Copiers	2023	5	2028	Monthly

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 22,835	\$ 3,121	\$ 25,956
2025	23,527	2,429	25,956
2026	24,240	1,716	25,956
2027	24,975	981	25,956
2028	<u>19,226</u>	<u>240</u>	<u>19,466</u>
Total	<u>\$ 114,803</u>	<u>\$ 8,487</u>	<u>\$ 123,290</u>

**WAYNE COUNTY SCHOOLS CAREER CENTER  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)**

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

The Career Center has entered into an agreement for a subscription with the following terms:

<u>SBITA</u>	<u>Commencement Date</u>	<u>Years</u>	<u>End Date</u>	<u>Payment Method</u>
Fraud prevention software	2021	3	2024	Annual

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	<u>\$ 3,511</u>	<u>\$ 106</u>	<u>\$ 3,617</u>

**NOTE 11 - OTHER EMPLOYEE BENEFITS - COMPENSATED ABSENCES**

The criteria for determining vested vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per year depending upon length of service. Vacation days are credited to classified employees on the anniversary of their employment and must be used within the next twelve months. Teachers and administrators do not earn vacation time. All employees of the Board of Education earn sick leave at the rate of one and one-fourth days per month. Upon retirement and with 10 years of service or more at the Career Center, non-classified employees shall receive severance payments equal to 25% of accumulated unused sick leave and classified employees shall receive severance payments equal to 30% of accumulated unused sick leave.

The Superintendent earns 25 days of vacation per year and is allowed to cash in up to 15 unused vacation days per year. The Treasurer earns 25 days of vacation per year and is allowed to carry over up to 20 unused vacation days per year and cash in up to 15 unused vacation days per year. The Director of Operations and Principal earn 20 days of vacation per year and are allowed to carry over up to 20 unused vacation days per year. Administrators and teachers do not earn vacation.

**NOTE 12 - RISK MANAGEMENT**

**A. General Insurance**

The Career Center is a member of the Ohio School Plan, an Ohio joint self-insurance program with over 300 members and surplus of over \$8,100,000. The Career Center is exposed to various risks of loss related to torts; theft; damage to or destruction of assets, school board errors & omissions; employee injuries; and natural disasters, coverage for all of which can be found in the Ohio School Plan policy. The Career Center has blanket property, as well as boiler/machinery & equipment breakdown coverage with a deductible of \$1,000 per loss. The Career Center's vehicle liability insurance limit is \$3,000,000 each accident with a collision deductible of \$1,000 and comprehensive deductible of \$1,000 for buses and a collision deductible of \$500 and comprehensive deductible of \$250 for all other vehicles. All administrators and employees are covered under a school board and employees errors & omissions liability coverage form, crime coverage for money & securities and employee theft, as well as commercial general liability protection for grounds and operations. The limits of these coverages (both E&O and CGL) are \$3,000,000 per occurrence and \$5,000,000 in aggregate. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years, nor has insurance coverage been significantly reduced from the prior fiscal year.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 12 - RISK MANAGEMENT – (Continued)**

As a member of the Ohio School Plan, the Career Center receives broad, diverse risk management services and insurance coverages that protect it for loss to Building, Boiler/Machinery & Equipment Breakdown, Grounds & Operations Liability, Crime and Vehicle Insurance. The Ohio School Plan is a member-controlled, school centric program established in 2002 and endorsed by OASBO, the Ohio School Boards Association and BASA.

**B. Fidelity Bond**

The Treasurer is covered under a surety bond in the amount of \$20,000. The Career Center purchases excess crime coverage from Travelers, a policy with a \$1,000,000 limit, to protect itself for claims above the School Plan's \$100,000 limit.

**C. Workers' Compensation**

The Career Center pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries.

**D. Employee Health Insurance**

The Career Center is contracted with Stark County Schools Council of Governments (the "Council") to provide employee medical/surgical benefits. The Council is a risk sharing pool created pursuant to State statute for the purpose of carrying out a cooperative program for the provision and administration of health care benefits. The Assembly is the legislative decision-making body of the Council. The Assembly is comprised of the superintendents or executive officers of the members, who have been appointed by the respective governing body of each member.

The intent of the insurance pool is to achieve a reduced, stable and competitive rate for the Career Center by grouping with other members of the Health Benefits Program. The experience of all participating Career Centers is calculated as one, and a common premium rate is applied to all member Career Centers. Rates are set through an annual calculation process. The Career Center pays a monthly contribution which is placed in a common fund from which claim payments are made for all participating Career Centers. The employees share the cost of the monthly premium with the Board.

Claims are paid for all participants regardless of claims flow. Upon termination, all Career Center claims would be paid without regard to the Career Center's account balance. The Stark County Schools Council of Government Board of Directors has the right to return monies to a leaving school Career Center subsequent to the settlement of all expenses and claims.

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**WAYNE COUNTY SCHOOLS CAREER CENTER  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**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 represents a liability or asset to employees for pensions and OPEB, respectively.

Pensions and OPEB are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions/OPEB are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

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

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

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

The remainder of this note includes the required pension disclosures. See Note 14 for the required OPEB disclosures.

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

**WAYNE COUNTY SCHOOLS CAREER CENTER  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

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

Age and service requirements for retirement are as follows:

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

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

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

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost-of-living adjustment (COLA) on the first anniversary date of the benefit. Beginning April 1, 2018, new benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. A three-year COLA suspension was in effect for all benefit recipients for the years 2018, 2019, and 2020. Upon resumption of the COLA, it will be indexed to the percentage increase in the CPI-W, not to exceed 2.5% and with a floor of 0%. In 2022, the Board of Trustees approved a 2.5% cost-of-living adjustment (COLA) for eligible retirees and beneficiaries in 2023.

Funding Policy - Plan members are required to contribute 10.00% of their annual covered salary and the Career Center is required to contribute 14.00% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS’ Retirement Board up to statutory maximum amounts of 10.00% for plan members and 14.00% for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System’s funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2023, the allocation to pension, death benefits, and Medicare B was 14.00%. For fiscal year 2023, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The Career Center’s contractually required contribution to SERS was \$277,559 for fiscal year 2023. Of this amount, \$20,209 is reported as intergovernmental payable.



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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

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

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

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.20% of final average salary for the five highest years of earnings multiplied by all years of service. Eligibility changes will be phased in until August 1, 2023, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

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

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

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

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

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

**WAYNE COUNTY SCHOOLS CAREER CENTER  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

The Career Center's contractually required contribution to STRS was \$1,016,088 for fiscal year 2023. Of this amount, \$141,796 is reported as 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 Career Center's proportion of the net pension liability was based on the Career Center's share of contributions to the pension plan relative to the contributions of all participating entities.

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net pension liability prior measurement date	0.051803800%	0.054137217%	
Proportion of the net pension liability current measurement date	<u>0.049880600%</u>	<u>0.052823410%</u>	
Change in proportionate share	<u>-0.001923200%</u>	<u>-0.001313807%</u>	
Proportionate share of the net pension liability	\$ 2,697,931	\$ 11,742,712	\$ 14,440,643
Pension expense	\$ 193,677	\$ 1,269,827	\$ 1,463,504

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred outflows of resources</b>			
Differences between expected and actual experience	\$ 109,269	\$ 150,325	\$ 259,594
Net difference between projected and actual earnings on pension plan investments	-	408,622	408,622
Changes of assumptions	26,621	1,405,249	1,431,870
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	46,631	38,910	85,541
Contributions subsequent to the measurement date	<u>277,559</u>	<u>1,016,088</u>	<u>1,293,647</u>
Total deferred outflows of resources	<u>\$ 460,080</u>	<u>\$ 3,019,194</u>	<u>\$ 3,479,274</u>

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)**

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred inflows of resources</b>			
Differences between expected and actual experience	\$ 17,711	\$ 44,920	\$ 62,631
Net difference between projected and actual earnings on pension plan investments	94,145	-	94,145
Changes of assumptions	-	1,057,749	1,057,749
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	<u>69,495</u>	<u>275,205</u>	<u>344,700</u>
Total deferred inflows of resources	<u>\$ 181,351</u>	<u>\$ 1,377,874</u>	<u>\$ 1,559,225</u>

\$1,293,647 reported as deferred outflows of resources related to pension resulting from Career Center contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2024.

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2024	\$ 22,509	\$ (71,283)	\$ (48,774)
2025	(43,308)	(102,605)	(145,913)
2026	(134,487)	(391,777)	(526,264)
2027	<u>156,456</u>	<u>1,190,897</u>	<u>1,347,353</u>
Total	<u>\$ 1,170</u>	<u>\$ 625,232</u>	<u>\$ 626,402</u>

***Actuarial Assumptions - SERS***

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

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

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

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

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

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

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

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

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

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

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

	1% Decrease	Current Discount Rate	1% Increase
Career Center's proportionate share of the net pension liability	\$ 3,971,225	\$ 2,697,931	\$ 1,625,197

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)**

***Actuarial Assumptions - STRS***

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

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

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

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

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

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

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

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

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

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

	1% Decrease	Current Discount Rate	1% Increase
Career Center 's proportionate share of the net pension liability	\$ 17,738,961	\$ 11,742,712	\$ 6,671,739

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 14 - DEFINED BENEFIT OPEB PLANS**

***Net OPEB Liability/Asset***

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

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

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

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14% of covered payroll to the Health Care Fund in accordance with the funding policy. For the fiscal year ended June 30, 2023, SERS did not allocate any employer contributions to post-employment health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2023, this amount was \$25,000. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2023, the Career Center's surcharge obligation was \$30,664.

The surcharge added to the allocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The Career Center's contractually required contribution to SERS was \$30,664 for fiscal year 2023. Of this amount, \$30,664 is reported as intergovernmental payable.

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

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



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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

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

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

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net OPEB liability/asset prior measurement date	0.053533900%	0.054137217%	
Proportion of the net OPEB liability/asset current measurement date	<u>0.050892500%</u>	<u>0.052823410%</u>	
Change in proportionate share	<u>-0.002641400%</u>	<u>-0.001313807%</u>	
Proportionate share of the net OPEB liability	\$ 714,536	\$ -	\$ 714,536
Proportionate share of the net OPEB asset	\$ -	\$ 1,367,774	\$ 1,367,774
OPEB expense	\$ (50,067)	\$ (253,345)	\$ (303,412)

At June 30, 2023, the Career 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>
<b>Deferred outflows of resources</b>			
Differences between expected and actual experience	\$ 6,007	\$ 19,827	\$ 25,834
Net difference between projected and actual earnings on OPEB plan investments	3,715	23,812	27,527
Changes of assumptions	113,657	58,263	171,920
Difference between employer contributions and proportionate share of contributions/change in proportionate share	104,748	2,494	107,242
Contributions subsequent to the measurement date	<u>30,664</u>	<u>-</u>	<u>30,664</u>
Total deferred outflows of resources	<u>\$ 258,791</u>	<u>\$ 104,396</u>	<u>\$ 363,187</u>

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)**

	SERS	STRS	Total
<b>Deferred inflows of resources</b>			
Differences between expected and actual experience	\$ 457,069	\$ 205,414	\$ 662,483
Changes of assumptions	293,320	969,882	1,263,202
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	108,635	8,470	117,105
Total deferred inflows of resources	\$ 859,024	\$ 1,183,766	\$ 2,042,790

\$30,664 reported as deferred outflows of resources related to OPEB resulting from Career Center contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability/asset in the fiscal year ending June 30, 2024.

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

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2024	\$ (144,967)	\$ (320,567)	\$ (465,534)
2025	(138,950)	(309,428)	(448,378)
2026	(118,001)	(147,194)	(265,195)
2027	(70,692)	(60,824)	(131,516)
2028	(52,104)	(79,757)	(131,861)
Thereafter	(106,183)	(161,600)	(267,783)
Total	\$ (630,897)	\$ (1,079,370)	\$ (1,710,267)

***Actuarial Assumptions - SERS***

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

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

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

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

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

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

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)**

The long-term expected rate of return on plan assets is reviewed as part of the actuarial 5-year experience study. The most recent study covers fiscal years 2016 through 2020, and was adopted by the Board in 2021. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a long-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.00%, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized as follows:

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

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

	1% Decrease	Current Discount Rate	1% Increase
Career Center's proportionate share of the net OPEB liability	\$ 887,464	\$ 714,536	\$ 574,936
		Current Trend Rate	
	1% Decrease	Current Trend Rate	1% Increase
Career Center's proportionate share of the net OPEB liability	\$ 551,035	\$ 714,536	\$ 928,094

***Actuarial Assumptions - STRS***

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

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

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

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

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

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

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

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

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

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

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

**Discount Rate** - The discount rate used to measure the total OPEB liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed STRS Ohio continues to allocate no employer contributions to the health care fund. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2022. Therefore, the long-term expected rate of return on health care fund investments of 7.00% was applied to all periods of projected health care costs to determine the total OPEB liability as of June 30, 2022.

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

	1% Decrease	Current Discount Rate	1% Increase
Career Center's proportionate share of the net OPEB asset	\$ 1,266,584	\$ 1,367,774	\$ 1,456,262
	1% Decrease	Current Trend Rate	1% Increase
Career Center's proportionate share of the net OPEB asset	\$ 1,418,714	\$ 1,367,774	\$ 1,303,474

**NOTE 15 - CONTINGENCIES**

**A. Grants**

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

**B. Litigation**

The Career Center is the defendant in an ongoing legal case that may or may not have a material effect of the Career Center's financial position. As of June 30, 2023, the Career Center and its lawyers are unable to determine if the Career Center will be liable for payment and what the payment may be. Therefore, no liability can be reasonably estimated at this time and no liability will be disclosed at June 30, 2023.

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 16 - SET-ASIDES**

The Career Center is required by State law to annually set-aside certain general fund revenue amounts, as defined by statutory formula, for the acquisition and construction of capital improvements. Amounts not spent by the end of the fiscal year or offset by similarly restricted resources received during the year must be held in cash at fiscal year-end. This amount must be carried forward to be used for the same purpose in future years. Expenditures exceeding the set-aside requirement may not be carried forward to the next fiscal year. The following cash-basis information describes the change in the fiscal year-end set-aside amount for capital improvements. Disclosure of this information is required by State statute.

	<u>Capital Improvements</u>
Set-aside balance June 30, 2022	\$ -
Current year set-aside requirement	153,591
Current year offsets	<u>(1,409,680)</u>
Total	<u>\$ (1,256,089)</u>
Balance carried forward to fiscal year 2024	<u>\$ -</u>
Set-aside balance June 30, 2023	<u><u>\$ -</u></u>

**NOTE 17 - COMMITMENTS**

The Career Center utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at fiscal year-end may be reported as part of restricted, committed, or assigned classifications of fund balance. At year end, the Career Center's commitments for encumbrances (less amounts already included in payables) in the governmental funds were as follows:

<u>Fund</u>	<u>Year-End Encumbrances</u>
General	\$ 203,836
Permanent improvement	141,961
Nonmajor governmental	<u>92,104</u>
Total	<u>\$ 437,901</u>

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 18 - TAX ABATEMENTS ENTERED INTO BY OTHER GOVERNMENTS**

Other governments have entered into property tax abatement agreements with property owners under Enterprise Zone Agreements (“EZAs”) and the Ohio Community Reinvestment Area (“CRA”) program within taxing Career Centers of the Career Center. The EZAs and CRA program are direct incentive tax exemption programs benefiting property owners who renovate existing buildings or construct new buildings. Under these programs, the other governments have designated areas to encourage revitalization of the existing structures and the development of new structures. The Career Center has incurred a reduction in property tax receipts due to agreements entered into by other governments. During fiscal year 2023, the Career Center’s property tax receipts were reduced under agreements entered into by other governments as follows:

Government Entering Into Agreement	Tax Abatement Program		Career Center Foregone Taxes
	CRA	Ezone	
Baughman Township	\$ -	\$ 93	\$ 93
Paint Township	-	226	226
Chester Township	-	618	618
Chippewa Township	-	104	104
East Union Township	-	2,291	2,291
Franklin Township	-	98	98
Orrville City/Baughman Township	2,132	8,836	10,968
Orrville City/Green Township	1,755	13,177	14,932
Plain Township	-	505	505
Rittman City/Township	3,125	-	3,125
Sugar Creek Township/Village of Dalton	12,891	1,992	14,883
Wooster City/Killbuck Township	-	30,522	30,522
Wooster Township	-	6,552	6,552
Wayne Township/Wooster City	-	481	481
Canaan Township	-	76	76
Chippewa Township/Doylestown	1,003	-	1,003
Total	<u>\$ 20,906</u>	<u>\$ 65,571</u>	<u>\$ 86,477</u>

The Career Center is not receiving any amounts from these other governments in association with the forgone property tax receipts.

**NOTE 19 - COVID-19**

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

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REQUIRED SUPPLEMENTARY INFORMATION

**WAYNE COUNTY CAREER CENTER  
WAYNE COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Career Center's proportion of the net pension liability	0.04988060%	0.05180380%	0.04845710%	0.04761040%
Career Center's proportionate share of the net pension liability	\$ 2,697,931	\$ 1,911,410	\$ 3,205,055	\$ 2,848,614
Career Center's covered payroll	\$ 1,890,200	\$ 1,774,850	\$ 1,707,821	\$ 1,651,741
Career Center's proportionate share of the net pension liability as a percentage of its covered payroll	142.73%	107.69%	187.67%	172.46%
Plan fiduciary net position as a percentage of the total pension liability	75.82%	82.86%	68.55%	70.85%

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
0.04814100%	0.04939750%	0.05268110%	0.05334550%	0.05268100%	0.05268100%
\$ 2,757,124	\$ 2,951,392	\$ 3,855,770	\$ 3,043,946	\$ 2,666,155	\$ 3,132,770
\$ 1,572,059	\$ 1,659,407	\$ 1,637,657	\$ 1,605,979	\$ 1,530,801	\$ 1,852,290
175.38%	177.86%	235.44%	189.54%	174.17%	169.13%
71.36%	69.50%	62.98%	69.16%	71.70%	65.52%

**WAYNE COUNTY CAREER CENTER  
WAYNE COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Career Center's proportion of the net pension liability	0.05282341%	0.05413722%	0.05376233%	0.05345060%
Career Center's proportionate share of the net pension liability	\$ 11,742,712	\$ 6,921,930	\$ 13,008,571	\$ 11,820,279
Career Center's covered payroll	\$ 6,902,650	\$ 6,687,321	\$ 6,495,679	\$ 6,141,479
Career Center's proportionate share of the net pension liability as a percentage of its covered payroll	170.12%	103.51%	200.26%	192.47%
Plan fiduciary net position as a percentage of the total pension liability	78.88%	87.78%	75.48%	77.40%

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
0.05418283%	0.05409729%	0.05492982%	0.05496200%	0.05676394%	0.05676394%
\$ 11,913,588	\$ 12,850,927	\$ 18,386,667	\$ 15,189,889	\$ 13,806,955	\$ 16,446,754
\$ 6,360,179	\$ 5,973,179	\$ 5,794,286	\$ 5,754,036	\$ 5,799,708	\$ 6,341,900
187.32%	215.14%	317.32%	263.99%	238.06%	259.33%
77.31%	75.30%	66.80%	72.10%	74.70%	69.30%

**WAYNE COUNTY CAREER CENTER  
WAYNE COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 277,559	\$ 264,628	\$ 248,479	\$ 239,095
Contributions in relation to the contractually required contribution	<u>(277,559)</u>	<u>(264,628)</u>	<u>(248,479)</u>	<u>(239,095)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Career Center's covered payroll	\$ 1,982,564	\$ 1,890,200	\$ 1,774,850	\$ 1,707,821
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION



<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 222,985	\$ 212,228	\$ 232,317	\$ 229,272	\$ 211,668	\$ 212,169
<u>(222,985)</u>	<u>(212,228)</u>	<u>(232,317)</u>	<u>(229,272)</u>	<u>(211,668)</u>	<u>(212,169)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,651,741	\$ 1,572,059	\$ 1,659,407	\$ 1,637,657	\$ 1,605,979	\$ 1,530,801
13.50%	13.50%	14.00%	14.00%	13.18%	13.86%

**WAYNE COUNTY CAREER CENTER  
WAYNE COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 1,016,088	\$ 966,371	\$ 936,225	\$ 909,395
Contributions in relation to the contractually required contribution	<u>(1,016,088)</u>	<u>(966,371)</u>	<u>(936,225)</u>	<u>(909,395)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Career Center's covered payroll	\$ 7,257,771	\$ 6,902,650	\$ 6,687,321	\$ 6,495,679
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 859,807	\$ 890,425	\$ 836,245	\$ 811,200	\$ 805,565	\$ 753,962
<u>(859,807)</u>	<u>(890,425)</u>	<u>(836,245)</u>	<u>(811,200)</u>	<u>(805,565)</u>	<u>(753,962)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 6,141,479	\$ 6,360,179	\$ 5,973,179	\$ 5,794,286	\$ 5,754,036	\$ 5,799,708
14.00%	14.00%	14.00%	14.00%	14.00%	13.00%

**WAYNE COUNTY CAREER CENTER  
WAYNE COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SEVEN FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Career Center's proportion of the net OPEB liability	0.05089250%	0.05353390%	0.04819490%	0.04873150%	0.04891800%	0.05020870%	0.05348036%
Career Center's proportionate share of the net OPEB liability	\$ 714,536	\$ 1,013,173	\$ 1,047,433	\$ 1,225,495	\$ 1,357,117	\$ 1,347,470	\$ 1,524,388
Career Center's covered payroll	\$ 1,890,200	\$ 1,774,850	\$ 1,707,821	\$ 1,651,741	\$ 1,572,059	\$ 1,659,407	\$ 1,637,657
Career Center's proportionate share of the net OPEB liability as a percentage of its covered payroll	37.80%	57.08%	61.33%	74.19%	86.33%	81.20%	93.08%
Plan fiduciary net position as a percentage of the total OPEB liability	30.34%	24.08%	18.17%	15.57%	13.57%	12.46%	11.49%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**WAYNE COUNTY CAREER CENTER  
WAYNE COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SEVEN FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Career Center's proportion of the net OPEB liability/asset	0.05282341%	0.05413722%	0.05376233%	0.05345060%	0.05418283%	0.05409729%	0.05492982%
Career Center's proportionate share of the net OPEB liability/(asset)	\$ (1,367,774)	\$ (1,141,439)	\$ (944,873)	\$ (885,270)	\$ (870,663)	\$ 2,110,677	\$ 2,937,661
Career Center's covered payroll	\$ 6,902,650	\$ 6,687,321	\$ 6,495,679	\$ 6,141,479	\$ 6,360,179	\$ 5,973,179	\$ 5,794,286
Career Center's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	19.82%	17.07%	14.55%	14.41%	13.69%	35.34%	50.70%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	230.73%	174.73%	182.10%	174.70%	176.00%	47.10%	37.30%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**WAYNE COUNTY CAREER CENTER  
WAYNE COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 30,664	\$ 32,669	\$ 34,933	\$ 21,081
Contributions in relation to the contractually required contribution	<u>(30,664)</u>	<u>(32,669)</u>	<u>(34,933)</u>	<u>(21,081)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Career Center's covered payroll	\$ 1,982,564	\$ 1,890,200	\$ 1,774,850	\$ 1,707,821
Contributions as a percentage of covered payroll	1.55%	1.73%	1.97%	1.23%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 37,723	\$ 34,638	\$ 27,743	\$ 27,464	\$ 39,738	\$ 27,957
<u>(37,723)</u>	<u>(34,638)</u>	<u>(27,743)</u>	<u>(27,464)</u>	<u>(39,738)</u>	<u>(27,957)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,651,741	\$ 1,572,059	\$ 1,659,407	\$ 1,637,657	\$ 1,605,979	\$ 1,530,801
2.28%	2.20%	1.67%	1.68%	2.47%	1.83%

**WAYNE COUNTY CAREER CENTER  
WAYNE COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Career Center's covered payroll	\$ 7,257,771	\$ 6,902,650	\$ 6,687,321	\$ 6,495,679
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION



<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 59,254
-	-	-	-	-	(59,254)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 6,141,479	\$ 6,360,179	\$ 5,973,179	\$ 5,794,286	\$ 5,754,036	\$ 5,799,708
0.00%	0.00%	0.00%	0.00%	0.00%	1.00%

**WAYNE COUNTY CAREER CENTER  
WAYNE COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

PENSION

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*SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO*

*Changes in benefit terms :*

- There were no changes in benefit terms from the amounts reported for fiscal year 2014.
- There were no changes in benefit terms from the amounts reported for fiscal year 2015.
- There were no changes in benefit terms from the amounts reported for fiscal year 2016.
- There were no changes in benefit terms from the amounts reported for fiscal year 2017.
- For fiscal year 2018, SERS changed from a fixed 3% annual increase to a Cost of Living Adjustment (COLA) based on the changes in the Consumer Price Index (CPI-W), with a cap of 2.5% and a floor of 0%.
- For fiscal year 2019, with the authority granted the Board under Senate Bill 8, the Board has enacted a three year COLA delay for future benefit recipients commencing benefits on or after April 1, 2018.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2020.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2021.
- For fiscal year 2022, SERS changed from a Cost of Living Adjustment (COLA) of 2.5% to 2.0%.
- There were no changes in benefit terms from the amounts reported for fiscal year 2023.

*Changes in assumptions :*

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2014.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2015.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2016.
- For fiscal year 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females, (f) mortality among service retired members and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates and 110% of female rates, (g) mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement and (h) the discount rate was reduced from 7.75% to 7.50%.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2018.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2019.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2020.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2021.
- For fiscal year 2022, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) wage inflation decreased from 3.00% to 2.40%, (b) future salary increases changed from 3.50%-18.20% to 3.25%-13.58%, (c) investment rate of return decreased from 7.50% to 7.00%, (d) discount rate decreased from 7.50% to 7.00% and (e) mortality tables changed from the RP-2014 Blue Collar mortality table to the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2023.

(Continued)

**WAYNE COUNTY CAREER CENTER  
WAYNE COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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PENSION (CONTINUED)

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*STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO*

*Changes in benefit terms :*

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

*Changes in assumptions :*

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

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OTHER POSTEMPLOYMENT BENEFITS (OPEB)

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*SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO*

*Changes in benefit terms :*

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

(Continued)

**WAYNE COUNTY CAREER CENTER  
WAYNE COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

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

*Changes in assumptions :*

- For fiscal year 2017, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement, and disability were updated to reflect recent experience, (e) mortality among active members was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females, (f) mortality among service retired members and beneficiaries was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, (g) mortality among disabled members was updated to the following: RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.
- For fiscal year 2018, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement, and disability were updated to reflect recent experience, (e) mortality among active members was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females, (f) mortality among service retired members and beneficiaries was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, (g) mortality among disabled members was updated to the following: RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement, (h) the municipal bond index rate increased from 2.92% to 3.56% and (i) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 2.98% to 3.63%.
- For fiscal year 2019, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate increased from 3.63% to 3.70%, (b) the health care cost trend rates for Medicare were changed from a range of 5.50%-5.00% to a range of 5.375%-4.75% and Pre-Medicare were changed from a range of 7.50%-5.00% to a range of 7.25%-4.75%, (c) the municipal bond index rate increased from 3.56% to 3.62% and (d) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 3.63% to 3.70%.
- For fiscal year 2020, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate decreased from 3.70% to 3.22%, (b) the health care cost trend rates for Medicare were changed from a range of 5.375%-4.75% to a range of 5.25%-4.75% and Pre-Medicare were changed from a range of 7.25%-4.75% to a range of 7.00%-4.75%, (c) the municipal bond index rate decreased from 3.62% to 3.13% and (d) the single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.70% to 3.22%.
- For fiscal year 2021, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate decreased from 3.22% to 2.63% and (b) the municipal bond index rate decreased from 3.13% to 2.45%, and (c) the single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.22% to 2.63%.
- For fiscal year 2022, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) wage inflation decreased from 3.00% to 2.40%, (b) future salary increases changed from 3.50%-18.20% to 3.25%-13.58%, (c) investment rate of return decreased from 7.50% to 7.00%, (d) discount rate decreased from 7.50% to 7.00% and (e) mortality tables changed from the RP-2014 Blue Collar mortality table to the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table.
- For fiscal year 2023, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) municipal bond index rate went from 1.92% to 3.69%, (b) single equivalent interest rate when from 2.27% to 4.08% and (c) medical trend assumptions went from 5.125% to 4.40% Medicare and 6.75% to 4.40% Pre-Medicare to 7.00% to 4.40%.

(Continued)

**WAYNE COUNTY CAREER CENTER  
WAYNE COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

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*STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO*

*Changes in benefit terms :*

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

*Changes in assumptions :*

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

(Continued)

**WAYNE COUNTY CAREER CENTER  
WAYNE COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

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

*Changes in assumptions (continued):*

- For fiscal year 2021, health care cost trend rates were changed to the following: medical pre-Medicare from 5.87% initial - 4.00% ultimate down to 5.00% initial - 4.00% ultimate; medical Medicare from 4.93% initial - 4.00% ultimate down to -6.69% initial - 4.00% ultimate; prescription drug pre-Medicare from 7.73% initial - 4.00% ultimate down to 6.50% initial - 4.00% ultimate; prescription drug Medicare from 9.62% initial - 4.00% ultimate up to 11.87% initial - 4.00% ultimate.
- For fiscal year 2022, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.45% to 7.00%, (b) the discount rate of return was reduced from 7.45% to 7.00% and (c) health care cost trend rates were changed to the following: medical Medicare from -6.69% initial - 4.00% ultimate down to -16.18% initial - 4.00% ultimate; prescription drug Medicare from 11.87% initial - 4.00% ultimate up to 29.98% initial - 4.00% ultimate.
- For fiscal year 2023, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) projected salary increase went from 12.50% at age 20 to 2.50% at age 65 to varies by services from 2.50% to 8.50% and (b) health care cost trend rates were changed to the following: Pre-Medicare from 5.00% initial - 4.00% ultimate to 7.50% initial - 3.94% ultimate; medical Medicare from -16.18% initial - 4.00% ultimate to -68.78% initial - 3.94% ultimate; prescription drug Pre-Medicare from 6.50% initial - 4.00% ultimate to 9.00% initial - 3.94% ultimate; Medicare from 29.98% initial - 4.00% ultimate to -5.47% initial - 3.94% ultimate.

## **SUPPLEMENTARY INFORMATION**

**WAYNE COUNTY SCHOOLS CAREER CENTER  
WAYNE COUNTY, OHIO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM/CLUSTER TITLE	ASSISTANCE LISTING NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER / ADDITIONAL AWARD IDENTIFICATION	TOTAL FEDERAL EXPENDITURES
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
<i>Passed Through the Ohio Department of Education</i>			
<b>Child Nutrition Cluster</b>			
School Breakfast Program	10.553	2023	\$ 26,786
National School Lunch Program	10.555	2022	64,662
National School Lunch Program	10.555	2023	144,642
COVID-19 - National School Lunch Program	10.555	COVID-19, 2023	20,909
National School Lunch Program - Food Donation	10.555	2023	28,851
<b>Total National School Lunch Program</b>			<b>259,064</b>
<b>Total Child Nutrition Cluster and U.S. Department of Agriculture</b>			<b>285,850</b>
<b>U.S. DEPARTMENT OF THE TREASURY</b>			
<i>Passed Through the Ohio Office of Budget and Management</i>			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds - School Safety Round #4	21.027	COVID-19, 2023	88,600
<b>Total U.S. Department of the Treasury</b>			<b>88,600</b>
<b>U.S. DEPARTMENT OF EDUCATION</b>			
<i>Passed Through the Ohio Department of Education</i>			
Adult Education - Basic Grants to States - Aspire Instructional	84.002A	84.002A, 2022	6,250
Adult Education - Basic Grants to States - Aspire Instructional	84.002A	84.002A, 2023	124,127
Adult Education - Basic Grants to States - Aspire Instructional - Integrated English Language and Civics Education	84.002A	84.002A, 2022	540
Adult Education - Basic Grants to States - Aspire Instructional - Integrated English Language and Civics Education	84.002A	84.002A, 2023	22,483
<b>Total Adult Education Basic Grants to States</b>			<b>153,400</b>
<i>Direct</i>			
<b>Student Financial Assistance Cluster:</b>			
Federal Supplemental Educational Opportunity Grants	84.007	N/A	13,433
Federal Pell Grant Program	84.063	N/A	185,400
Federal Direct Student Loans	84.268	N/A	260,726
<b>Total Student Financial Assistance Cluster</b>			<b>459,559</b>
<i>Passed Through the Ohio Department of Education</i>			
Career and Technical Education Basic Grants to States	84.048A	84.048A, 2022	30,822
Career and Technical Education Basic Grants to States	84.048A	84.048A, 2023	248,983
Career and Technical Education Basic Grants to States - Adult	84.048A	84.048A, 2022	1,999
Career and Technical Education Basic Grants to States - Adult	84.048A	84.048A, 2023	83,066
<b>Total Career and Technical Education Basic Grants to States</b>			<b>364,870</b>
<i>Direct</i>			
COVID-19 - Higher Education Emergency Relief Fund II (HEERF III) - Student Aid Portion	84.425E	COVID-19, 84.425E, 2022, P425E204204	73,772
COVID-19 - Higher Education Emergency Relief Fund II (HEERF III) - Student Aid Portion	84.425T	COVID-19, 84.425T, 2023, P425T220097	21,315
COVID-19 - Higher Education Emergency Relief Fund II (HEERF III) - Institutional Portion	84.425F	COVID-19, 84.425F, 2022, P425F204338	146,355
COVID-19 - Higher Education Emergency Relief Fund II (HEERF III) - Institutional Portion	84.425T	COVID-19, 84.425T, 2023, P425T220097	21,316
<i>Passed Through the Ohio Department of Education</i>			
COVID-19 - Governor's Emergency Education Relief (GEER) Fund	84.425C	COVID-19, 84.425C, 2023	104,844
<b>Total Education Stabilization Fund (ESF)</b>			<b>367,602</b>
<b>Total U.S. Department of Education</b>			<b>1,345,431</b>
<b>Total Federal Expenditures</b>			<b>\$ 1,719,881</b>

The accompanying notes are an integral part of this schedule.



**WAYNE COUNTY SCHOOLS CAREER CENTER  
WAYNE COUNTY, OHIO**

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

**NOTE 1 – BASIS OF PRESENTATION & SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Wayne County Schools Career Center under programs of the federal government for the fiscal year ended June 30, 2023 and is prepared in accordance with the cash basis of accounting. 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 Wayne County Schools Career Center, it is not intended to and does not present the financial position or changes in net position of the Wayne County Schools Career Center. Such expenditures are recognized following cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be limited to as to reimbursement.

**NOTE 2 – DE MINIMIS COST RATE**

CFR Section 200.414 of the Uniform Guidance allows a non-federal entity that has never received a negotiated indirect cost rate to charge a de minimis rate of 10% of modified total direct costs to indirect costs. The Wayne County Schools Career Center has not elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE 3 - CHILD NUTRITION CLUSTER**

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

**NOTE 4 – FOOD DONATION PROGRAM**

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

**Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other  
Matters Based on an Audit of Financial Statements Performed in Accordance With  
*Government Auditing Standards***

Wayne County Schools Career Center  
Wayne County  
518 West Prospect Street  
Smithville, Ohio 44677

To the Members of 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Wayne County Schools Career Center, Wayne County, Ohio, as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Wayne County Schools Career Center’s basic financial statements, and have issued our report thereon dated November 29, 2023.

**Report on Internal Control over Financial Reporting**

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Wayne County Schools Career Center’s financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Wayne County Schools Career Center  
Wayne County

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

### **Report on Compliance and Other Matters**

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

### **Purpose of this Report**

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



Julian & Grube, Inc.  
November 29, 2023

**Independent Auditor’s Report on Compliance for Each Major Federal Program  
and on Internal Control Over Compliance Required by the Uniform Guidance**

Wayne County Schools Career Center  
Wayne County  
518 West Prospect Street  
Smithville, Ohio 44677

To the Members of the Board of Education:

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the Wayne County Schools Career Center’s compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the Wayne County Schools Career Center’s major federal programs for the fiscal year ended June 30, 2023. The Wayne County Schools Career Center’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings.

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

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 Wayne County Schools Career Center and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Wayne County Schools Career Center’s compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

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

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Wayne County Schools Career Center's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *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 Wayne County Schools Career Center's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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 Wayne County Schools Career Center's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Wayne County Schools Career Center's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Wayne County Schools Career Center's internal control over compliance. Accordingly, no such opinion is expressed.

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

### **Report on Internal Control over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the "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.

Wayne County Schools Career Center  
Wayne County  
Independent Auditor's Report on Compliance for Each Major Federal Program  
and on Internal Control Over Compliance Required by the Uniform Guidance

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

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

*Julian & Grube, Inc.*

Julian & Grube, Inc.  
November 29, 2023

**WAYNE COUNTY SCHOOLS CAREER CENTER  
WAYNE COUNTY, OHIO**

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

<b>1. SUMMARY OF AUDITOR'S RESULTS</b>		
<i>(d)(1)(i)</i>	<i>Type of Financial Statement Opinion</i>	Unmodified
<i>(d)(1)(ii)</i>	<i>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(ii)</i>	<i>Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iii)</i>	<i>Was there any reported material noncompliance at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any material internal control weaknesses reported for major federal programs?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any significant deficiencies in internal control reported for major federal programs?</i>	No
<i>(d)(1)(v)</i>	<i>Type of Major Program's Compliance Opinion</i>	Unmodified
<i>(d)(1)(vi)</i>	<i>Are there any reportable findings under 2 CFR §200.516(a)?</i>	No
<i>(d)(1)(vii)</i>	<i>Major Program (listed):</i>	COVID-19 – Education Stabilization Fund (ALN 84.425)
<i>(d)(1)(viii)</i>	<i>Dollar Threshold: Type A/B Programs</i>	Type A: > \$750,000 Type B: all others
<i>(d)(1)(ix)</i>	<i>Low Risk Auditee under 2 CFR § 200.520?</i>	Yes

<b>2. FINDING RELATED TO THE BASIC FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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None

<b>3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS</b>
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None

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# OHIO AUDITOR OF STATE KEITH FABER



**WAYNE COUNTY SCHOOLS CAREER CENTER**

**WAYNE 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 2/22/2024**

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

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