APOLLO CAREER CENTER

ALLEN COUNTY, OHIO

SINGLE AUDIT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2022

Julian & Grube
Serving Ohio Local Governments

OHIO AUDITOR OF STATE
KEITH FABER

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Board of Education
Apollo Career Center
3325 Shawnee Rd
Lima, OH 45806

We have reviewed the *Independent Auditor's Report* of the Apollo Career Center, Allen County, prepared by Julian & Grube, Inc., for the audit period July 1, 2021 through June 30, 2022. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Keith Faber
Auditor of State
Columbus, Ohio

January 23, 2023

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APOLLO CAREER CENTER
ALLEN COUNTY, OHIO

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Independent Auditor's Report

Apollo Career Center
Allen County
3325 Shawnee Road
Lima, Ohio 45806

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 Apollo Career Center, Allen County, Ohio, as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Apollo 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 Apollo Career Center, as of June 30, 2022, and the respective changes in financial position thereof and the respective budgetary comparisons for the General Fund and the Adult Education 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 Apollo 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.

Emphasis of Matter

As described in Note 18 to the financial statements, the financial impact of COVID-19 and the continuing recovery measures may impact subsequent periods of the Apollo Career Center. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Apollo 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 Apollo 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 Apollo 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 postemployment benefit assets and liabilities and pension and other postemployment benefit contributions 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 Apollo 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 December 9, 2022 on our consideration of the Apollo 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 Apollo 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 Apollo Career Center's internal control over financial reporting and compliance.

Julian & Grube, Inc.

Julian & Grube, Inc.
December 9, 2022

The discussion and analysis of the Apollo Career Center's (the "Career Center") financial performance provides an overall review of the Career Center's financial activities for the fiscal year ended June 30, 2022. The intent of this discussion and analysis is to look at the Career Center's performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the Career Center's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2022 are as follows:

- Net position increased $2,578,820.

- Capital assets decreased $1,388,683 during fiscal year 2022.

Using this Annual Report

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

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

Reporting the Career Center as a Whole

Statement of Net Position and the Statement of Activities

While the basic financial statements contain 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 fiscal year 2022?" The *Statement of Net Position* and the *Statement of Activities* answer this question. These statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the 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 which restrict revenue growth, facility conditions, required educational programs, and other factors.

In the *Statement of Net Position* and the *Statement of Activities*, governmental activities include the Career Center's programs and services, including instruction, support services, extracurricular activities, and non-instructional services, i.e., food service operations and other non-instructional services.

Reporting the Career Center's Most Significant Funds

Fund Financial Statements

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, the bond retirement fund, the permanent improvement fund, and the adult education 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.

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. 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. Custodial funds are reported on the accrual basis and present a statement of fiduciary net position and statement of changes in fiduciary net position.

The Career Center as a Whole

Recall that the Statement of Net Position provides the perspective of the Career Center as a whole. Table 1 provides a summary of the Career Center's net position for fiscal year 2022 compared to fiscal year 2021:

Table 1
Net Position

	Governmental Activities		
	2022	2021	Change
Assets			
Current & Other Assets	$ 33,915,880	$ 32,641,616	$ 1,274,264
Net OPEB Asset	1,180,925	990,543	190,382
Capital Assets	49,736,500	51,125,183	(1,388,683)
Total Assets	84,833,305	84,757,342	75,963
Deferred Outflows of Resources			
Deferred Charges on Refunding	2,198,421	2,311,160	(112,739)
Pension & OPEB	4,445,565	3,784,203	661,362
Total Deferred Outflows of Resources	6,643,986	6,095,363	548,623
Liabilities			
Current & Other Liabilities	1,485,103	1,383,216	101,887
Long-Term Liabilities:			
Due Within One Year	805,252	752,500	52,752
Due In More Than One Year:			
Pension & OPEB	10,772,596	19,017,557	(8,244,961)
Other Amounts	30,969,777	31,718,994	(749,217)
Total Liabilities	44,032,728	52,872,267	(8,839,539)
Deferred Inflows of Resources			
Property Taxes	5,920,413	6,631,194	(710,781)
Pension & OPEB	9,821,939	2,225,853	7,596,086
Total Deferred Inflows of Resources	15,742,352	8,857,047	6,885,305
Net Position			
Net Investment in Capital Assets	20,829,432	21,600,572	(771,140)
Restricted	11,067,653	9,830,833	1,236,820
Unrestricted	(194,874)	(2,308,014)	2,113,140
Total Net Position	$ 31,702,211	$ 29,123,391	$ 2,578,820

Current assets increased primarily due to revenues outpacing conservative spending, and due to the revenue received for the sale of a home built by the Career Center.

The net pension liability (NPL) is one of the largest liabilities reported by the Career Center at June 30, 2022, and is reported pursuant to GASB Statement 68, Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27. In a prior period, the Career Center also adopted 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.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension/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 asset/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 assets/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. 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. For STRS, the plan's fiduciary net OPEB position was sufficient to cover the plan's total OPEB liability resulting in a net OPEB asset for fiscal year 2022 that is allocated to each school based on its proportionate share. The retirement system is responsible for the administration of the pension and OPEB plans.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability reported by the retirement boards. 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 asset/liability, respectively, not accounted for as deferred inflows/outflows.

There was a change in net pension/OPEB liability/asset and related accruals for the Career Center. These fluctuations are due to changes in the actuarial liabilities/assets and related accruals that are passed through to the Career Center's financial statements All components of pension and OPEB accruals contribute to the fluctuations in deferred outflows/inflows and NPL/NOL/NOA and are described in more detail in their respective notes.

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, represents resources that are subject to external restrictions on how they may be used. The balance of unrestricted net position is a deficit balance.

In order to further understand what makes up the changes in net position for the current year, the following table gives readers further details regarding the results of activities for fiscal year 2022 and fiscal year 2021.

Table 2
Changes in Net Position

	Governmental Activities		
	2022	2021	Change
Revenues			
Program Revenues			
Charges for Services	$ 3,373,090	$ 4,436,318	$ (1,063,228)
Operating Grants	4,598,838	4,319,553	279,285
Capital Grants	28	562	(534)
Total Program Revenues	7,971,956	8,756,433	(784,477)
General Revenues			
Property Taxes	7,274,469	6,313,157	961,312
Grants & Entitlements Not Restricted	8,078,757	6,435,611	1,643,146
Gain on Sale of Assets Held for Resale	68,128	-	68,128
Other	(206,144)	226,054	(432,198)
Total General Revenues	15,215,210	12,974,822	2,240,388
Total Revenues	23,187,166	21,731,255	1,455,911
Program Expenses			
Instruction:			
Regular	377,067	412,168	(35,101)
Special	242,996	276,396	(33,400)
Vocational	6,719,279	7,636,055	(916,776)
Adult/Continuing	3,654,373	3,626,368	28,005
Support Services:			
Pupils	777,881	774,146	3,735
Instructional Staff	1,533,155	1,753,866	(220,711)
Board of Education	63,545	52,818	10,727
Administration	738,102	724,345	13,757
Fiscal	571,348	579,782	(8,434)
Business	5,146	4,847	299
Operation and Maintenance of Plant	1,830,258	1,751,315	78,943
Pupil Transportation	77,942	83,938	(5,996)
Central	684,329	394,438	289,891
Operation of Non-Instructional/Shared Services:			
Food Service Operations	551,883	479,864	72,019
Other Non-Instructional Services	1,482,732	222,084	1,260,648
Extracurricular Activities	67,847	28,783	39,064
Debt Service:			
Interest and Fiscal Charges	1,230,463	1,292,442	(61,979)
Total Expenses	20,608,346	20,093,655	514,691
Increase (Decrease) in Net Position	2,578,820	1,637,600	941,220
Net Position Beginning of Year	29,123,391	27,485,791	1,637,600
Net Position End of Year	$ 31,702,211	$ 29,123,391	$ 2,578,820

The decrease in operating grant revenue was primarily caused by a decrease in federal COVID relief funding for adult and continuing education programs. The increase in property taxes is due to increased property valuation and the timing of property tax revenue. The significant changes in charges for services, grants and entitlements not restricted, and vocational instruction are primarily due to the state foundation funding changing to a direct funding model for open enrollment. The decrease in other general revenues is mainly due to a decrease in investment income. The increase in the community service program expense is due to the increased application of COVID relief funding to non-instructional services. The changes in program expenses are primarily associated to changes in the Career Center's proportionate share of the net pension liability, net OPEB liability/asset and related accruals. As previously indicated, these items are explained in detail within their respective notes.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. The dependence upon general revenues for governmental activities is apparent. The community, as a whole, through taxes and other general revenue, is by far the primary support for the Career Center students.

Table 3
Fund Balance

	Fund Balance 6/30/2022	Fund Balance 6/30/2021	Increase (Decrease)
General	$14,641,981	$14,060,858	$ 581,123
Bond Retirement	1,743,916	1,594,995	148,921
Permanent Improvement	3,149,204	2,533,059	616,145
Adult Education	2,791,173	2,431,009	360,164
Other Governmental	3,996,250	3,775,953	220,297
Totals	$26,322,524	$24,395,874	$1,926,650

Governmental Funds

The Career Center's major funds are accounted for using the modified accrual basis of accounting.

In the general fund there was an increase in both revenues and expenditures from the prior fiscal year; however, revenues continue to be in excess of operating costs, though at a smaller amount. An insurance recovery also contributed to the increase in the general fund balance.

The bond retirement fund's increase was primarily due to the timing of property tax revenue compared to debt service payments.

The permanent improvement fund's revenues were similar to the prior year; however, a decrease in expenditures due to the timing of projects contributed to the increased fund balance.

The adult education fund's net change in fund balance is due to charges for services, combined with state and federal funding, continuing to exceed expenditures.

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.

Original Budget Compared to Final Budget During the year the Career Center did not amend its original estimated revenues and other financing sources. The original budgeted appropriations and other financing uses were increased to meet expected needs.

Final Budget Compared to Actual Results A review of actual revenues and other financing sources and expenditures and other financing uses compared to the resources and appropriations in the final budget yields some variances. Final estimated revenues and other financing sources were lower than actual, primarily because intergovernmental revenue was higher than anticipated. Final expenditures appropriations and other financing uses were only slightly higher than actual.

Capital Assets and Debt Administration

Capital Assets

Capital assets include, land, land improvements, buildings and improvements, furniture, fixtures and equipment, vehicles, and construction in progress. These capital assets are used to provide services to 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. See note 7 for more information.

Debt

During the current fiscal year the Career Center retired in full the 2014 Ohio School Facilities Commission bonds. See note 13 for additional details.

Current Issues

The General Fund has increased the June 30 fund balance each of the past nine years and the current five year forecast projects, without any new levies, a stable future. The General Fund millage has remained at 1.7 mills since 1982.

The Career Center continues to expand programs in high school and adult education to meet the high demand of skilled workers in the area. In fiscal year 2022, we had record breaking high school enrollment on campus.

Contacting the Career Center's Financial Management

This financial report is designed to provide our citizens, taxpayers, 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 any questions about this report or need additional financial information, contact Maria Rellinger, Treasurer of Apollo Career Center, 3325 Shawnee Road, Lima, Ohio 45806-1454.

Apollo Career Center
Allen County, Ohio
Statement of Net Position
June 30, 2022

	Governmental Activities
Assets	
Equity in Pooled Cash and Investments	$ 25,452,318
Cash and Cash Equivalents in Segregated Accounts	62,541
Investments in Segregated Accounts	448,853
Accounts Receivable	302,855
Intergovernmental Receivable	147,968
Property Taxes Receivable	7,318,561
Prepaid Items	162,782
Assets Held for Resale	20,002
Net OPEB Asset	1,180,925
Nondepreciable Capital Assets	421,908
Depreciable Capital Assets (Net)	49,314,592
Total Assets	84,833,305
Deferred Outflows of Resources	
Deferred Charges on Refunding	2,198,421
Pension	3,969,687
OPEB	475,878
Total Deferred Outflows of Resources	6,643,986
Liabilities	
Accounts Payable	40,786
Accrued Wages and Benefits	1,061,819
Contracts Payable	80,700
Intergovernmental Payable	175,797
Matured Compensated Absences Payable	26,553
Accrued Interest Payable	99,448
Long-Term Liabilities:	
Due Within One Year	805,252
Due In More Than One Year:	
Net Pension Liability	9,558,893
Net OPEB Liability	1,213,703
Other Amounts Due in More Than One Year	30,969,777
Total Liabilities	44,032,728
Deferred Inflows of Resources	
Property Taxes Levied for the Next Year	5,920,413
Pension	7,641,094
OPEB	2,180,845
Total Deferred Inflows of Resources	15,742,352
Net Position	
Net Investment in Capital Assets	20,829,432
Restricted for:	
Capital Outlay	2,997,853
Debt Service	1,697,345
Other Purposes	6,372,455
Unrestricted	(194,874)
Total Net Position	$ 31,702,211

See accompanying notes to the basic financial statements

Apollo Career Center
Allen County, Ohio
Statement of Activities
For the Fiscal Year Ended June 30, 2022

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
Instruction:					
Regular	$ 377,067	$ 49,089	$ -	$ -	$ (327,978)
Special	242,996	-	719,090	-	476,094
Vocational	6,719,279	40,562	215,879	28	(6,462,810)
Adult/Continuing	3,654,373	2,605,465	907,100	-	(141,808)
Support Services:					
Pupils	777,881	35	195,331	-	(582,515)
Instructional Staff	1,533,155	514,448	528,193	-	(490,514)
Board of Education	63,545	-	-	-	(63,545)
Administration	738,102	-	22,994	-	(715,108)
Fiscal	571,348	-	-	-	(571,348)
Business	5,146	-	-	-	(5,146)
Operation and Maintenance of Plant	1,830,258	-	52,298	-	(1,777,960)
Pupil Transportation	77,942	-	-	-	(77,942)
Central	684,329	-	-	-	(684,329)
Operation of Non-Instructional/Shared Services:					
Food Service Operations	551,883	62,828	567,100	-	78,045
Other Non-Instructional Services	1,482,732	46,117	1,390,853	-	(45,762)
Extracurricular Activities	67,847	54,546	-	-	(13,301)
Debt Service:					
Interest and Fiscal Charges	1,230,463	-	-	-	(1,230,463)
Totals	$ 20,608,346	$ 3,373,090	$ 4,598,838	$ 28	(12,636,390)

General Revenues	
Property Taxes Levied for:	
General Purposes	4,229,867
Debt Service	1,846,963
Capital Outlay	793,777
Classroom Facility Maintenance	403,862
Grants and Entitlements not Restricted to Specific Programs	8,078,757
Insurance Recoveries	223,960
Gain on Sale of Capital Assets	24,787
Gain on Sale of Assets Held for Resale	68,128
Investment Earnings	(761,798)
Miscellaneous	306,907
Total General Revenues	15,215,210
Change in Net Position	2,578,820
Net Position Beginning of Year	29,123,391
Net Position End of Year	$ 31,702,211

See accompanying notes to the basic financial statements

Apollo Career Center
Allen County, Ohio
Balance Sheet
Governmental Funds
June 30, 2022

	General	Bond Retirement Fund	Permanent Improvement Fund	Adult Education Fund	Other Governmental Funds	Total Governmental Funds
Assets						
Equity in Pooled Cash and Investments	$ 14,616,054	$ 1,445,544	$ 3,104,408	$ 2,627,972	$ 3,658,340	$ 25,452,318
Cash and Cash Equivalents in Segregated Accounts	-	-	-	62,541	-	62,541
Investments in Segregated Accounts	-	-	-	-	448,853	448,853
Accounts Receivable	6,441	-	-	266,497	29,917	302,855
Interfund Receivable	106,987	-	-	-	-	106,987
Intergovernmental Receivable	140,981	-	-	-	6,987	147,968
Property Taxes Receivable	4,303,352	1,828,367	786,418	-	400,424	7,318,561
Prepaid Items	138,622	-	-	15,299	8,861	162,782
Assets Held for Resale	-	-	-	-	20,002	20,002
Total Assets	$ 19,312,437	$ 3,273,911	$ 3,890,826	$ 2,972,309	$ 4,573,384	$ 34,022,867
Liabilities						
Accounts Payable	$ 10,548	$ -	$ -	$ 9,759	$ 20,479	$ 40,786
Accrued Wages and Benefits	892,079	-	-	103,605	66,135	1,061,819
Contracts Payable	-	-	80,700	-	-	80,700
Intergovernmental Payable	136,672	-	-	17,282	21,843	175,797
Matured Compensated Absences Payable	26,553	-	-	-	-	26,553
Interfund Payable	-	-	-	-	106,987	106,987
Total Liabilities	1,065,852	-	80,700	130,646	215,444	1,492,642
Deferred Inflows of Resources						
Property Taxes Levied for the Next Year	3,480,683	1,477,118	638,629	-	323,983	5,920,413
Unavailable Revenue	123,921	52,877	22,293	50,490	37,707	287,288
Total Deferred Inflows of Resources	3,604,604	1,529,995	660,922	50,490	361,690	6,207,701
Fund Balances						
Nonspendable	138,622	-	-	15,299	8,861	162,782
Restricted	-	1,743,916	2,722,177	2,775,874	3,836,087	11,078,054
Committed	300,000	-	-	-	208,837	508,837
Assigned	97,577	-	427,027	-	-	524,604
Unassigned	14,105,782	-	-	-	(57,535)	14,048,247
Total Fund Balance	14,641,981	1,743,916	3,149,204	2,791,173	3,996,250	26,322,524
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 19,312,437	$ 3,273,911	$ 3,890,826	$ 2,972,309	$ 4,573,384	$ 34,022,867

See accompanying notes to the basic financial statements

Apollo Career Center
Allen County, Ohio
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
June 30, 2022

Total Governmental Fund Balances		$ 26,322,524
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		49,736,500
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Accounts Receivable	76,678	
Delinquent Property Taxes	210,610	287,288
Accrued interest payable is not due and payable in the current period and therefore not reported in the funds.		(99,448)
Unamortized loss on refunding represents deferred outflows, which do not use current financial resources and, therefore, are not reported in the funds.		2,198,421
The net pension liability and net OPEB liability are not due and payable in the current period, therefore, the liability and related deferred inflows/outflows are not reported in governmental funds.		
Net OPEB Asset	1,180,925	
Deferred Outflows - Pension	3,969,687	
Deferred Outflows - OPEB	475,878	
Net Pension Liability	(9,558,893)	
Net OPEB Liability	(1,213,703)	
Deferred Inflows - Pension	(7,641,094)	
Deferred Inflows - OPEB	(2,180,845)	(14,968,045)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
General Obligation Bonds	(28,175,000)	
Unamortized Bond Premium	(2,930,489)	
Compensated Absences	(669,540)	(31,775,029)
Net Position of Governmental Activities		$ 31,702,211

See accompanying notes to the basic financial statements

Apollo Career Center
Allen County, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2022

	General	Bond Retirement Fund	Permanent Improvement Fund	Adult Education Fund	Other Governmental Funds	Total Governmental Funds
Revenues						
Property and Other Local Taxes	$ 4,148,620	$ 1,813,433	$ 779,663	$ -	$ 396,595	$ 7,138,311
Intergovernmental	8,508,088	213,600	76,159	667,444	3,320,577	12,785,868
Investment Income	(761,798)		-	275	(53,583)	(815,106)
Tuition and Fees	25,543	-	-	3,212,316	-	3,237,859
Extracurricular Activities	3,291	-	-	-	54,546	57,837
Rentals	2,701	-	-	-	-	2,701
Charges for Services	58,116	-	-	4,139	62,828	125,083
Contributions and Donations	-	-	-	-	75,151	75,151
Miscellaneous	186,109	5,462	3,641	109,075	2,410	306,697
Total Revenues	12,170,670	2,032,495	859,463	3,993,249	3,858,524	22,914,401
Expenditures						
Current:						
Instruction:						
Regular	362,666	-	21,600	-	-	384,266
Special	266,632	-	7,200	-	-	273,832
Vocational	6,235,315	-	185,551	-	276,122	6,696,988
Adult Education	-	-	-	2,993,834	433,682	3,427,516
Support Services:						
Pupils	590,657	-	-	40	265,125	855,822
Instructional Staff	644,362	-	-	586,176	500,943	1,731,481
Board of Education	60,613	-	-	-	-	60,613
Administration	790,038	-	-	-	37,467	827,505
Fiscal	580,805	34,950	14,593	-	7,593	637,941
Business	554	-	-	-	-	554
Operation and Maintenance of Plant	1,560,166	-	14,374	-	219,160	1,793,700
Pupil Transportation	29,375	-	-	-	-	29,375
Central	705,238	-	-	-	-	705,238
Operation of Non-Instructional/Shared Services:						
Food Service Operations	-	-	-	-	475,688	475,688
Other Non-Instructional Services	-	-	-	53,035	1,428,324	1,481,359
Extracurricular Activities	5,596	-	-	-	62,251	67,847
Capital Outlay	6,277	-	-	-	-	6,277
Debt Service						
Principal Retirement	-	580,000	-	-	-	580,000
Interest and Fiscal Charges	-	1,268,624	-	-	-	1,268,624
Total Expenditures	11,838,294	1,883,574	243,318	3,633,085	3,706,355	21,304,626
Excess of Revenues Over (Under) Expenditures	332,376	148,921	616,145	360,164	152,169	1,609,775
Other Financing Sources (Uses)						
Proceeds from Sale of Capital Assets	24,787	-	-	-	-	24,787
Insurance Recoveries	223,960	-	-	-	-	223,960
Gain on Sale of Assets Held for Resale	-	-	-	-	68,128	68,128
Total Other Financing Sources (Uses)	248,747	-	-	-	68,128	316,875
Net Change in Fund Balances	581,123	148,921	616,145	360,164	220,297	1,926,650
Fund Balances Beginning of Year	14,060,858	1,594,995	2,533,059	2,431,009	3,775,953	24,395,874
Fund Balances End of Year	$ 14,641,981	$ 1,743,916	$ 3,149,204	$ 2,791,173	$ 3,996,250	$ 26,322,524

Apollo Career Center
Allen 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, 2022

Net Change in Fund Balances - Total Governmental Funds		$ 1,926,650
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital Asset Additions	$ 654,896	
Current Year Depreciation	(2,031,185)	(1,376,289)
Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.		(12,394)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Intergovernmental	(139,131)	
Accounts Receivable	(41,137)	
Delinquent Property Taxes	136,158	(44,110)
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
General Obligation Bonds		580,000
In the statement of activities, interest is accrued on outstanding bonds, and bond premium and the gain/loss on refunding are amortized over the term of the bonds, whereas in governmental funds, an interest expenditure is reported when bonds are issued.		
Accrued Interest Payable	618	
Amortization of Premium on Bonds	150,282	
Amortization of Refunding Loss	(112,739)	38,161
Contractually required pension/OPEB contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	1,375,292	
OPEB	28,249	1,403,541
Except for amount reported as deferred inflows/outflows, changes in the net pension/OPEB liability are reported as pension/OPEB expense in the statement of activities.		
Pension	(23,331)	
OPEB	120,409	97,078
Some expenses reported in the statement of activities, do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Compensated Absences		(33,817)
Change in Net Position of Governmental Activities		$ 2,578,820

Apollo Career Center
Allen County, Ohio
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Fiscal Year Ended June 30, 2022

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Revenues and Other Financing Sources	$ 12,254,748	$ 12,254,748	$ 13,205,697	$ 950,949
Expenditures and Other Financing Uses	11,578,067	12,078,067	11,994,003	84,064
Net Change in Fund Balance	676,681	176,681	1,211,694	1,035,013
Fund Balance Beginning of Year	13,517,722	13,517,722	13,517,722	-
Prior Year Encumbrances Appropriated	305,156	305,156	305,156	-
Fund Balance End of Year	$ 14,499,559	$ 13,999,559	$ 15,034,572	$ 1,035,013

Apollo Career Center
Allen County, Ohio
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Budget Basis)
Adult Education Fund
For the Fiscal Year Ended June 30, 2022

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Revenues and Other Financing Sources	$ 4,004,025	$ 4,075,775	$ 4,092,081	$ 16,306
Expenditures and Other Financing Uses	3,812,294	3,884,044	3,670,829	213,215
Net Change in Fund Balance	191,731	191,731	421,252	229,521
Fund Balance Beginning of Year	2,155,158	2,155,158	2,155,158	-
Prior Year Encumbrances Appropriated	31,254	31,254	31,254	-
Fund Balance End of Year	$ 2,378,143	$ 2,378,143	$ 2,607,664	$ 229,521

Note 1 - Description of the Career Center and Reporting Entity

Apollo Career Center (the "Career Center") is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from each of the participating School District's elected boards. The Board possessed its own budgeting and taxing authority. The Career Center exposes students to job training skills leading to employment upon graduation from high school.

The reporting entity is composed of the stand-alone government, components units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the Career Center consists of all funds, departments, boards and agencies that are not legally separate from the Career Center. For Apollo 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; the Career Center is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, 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, and there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Career Center.

Blended component units, although legally separate entities are, in substance, part of the Career Center's operations and so data from these units are combined with data of the Career Center. The Career Center's blended component unit is described below:

Apollo Educational Foundation

The Foundation is a non-profit corporation created in 1989 and is under the control of the Apollo Career Center Board of Education. The Foundation has a fifteen member Board of Trustees that includes the Superintendent and Treasurer of the Career Center. Although the Foundation is legally separate from the Career Center, it should be reported as if it were part of the primary government because its sole purpose is for the purpose of promoting, improving, enriching, and supplementing the programs and activities of vocational education beyond what is possible with public funds.

The Career Center participates in a jointly governed organization and three insurance pools.

A. Jointly Governed Organization

The Career Center is a participant in the Northwest Ohio Area Computer Services Cooperative (NOACSC), which is a computer consortium. NOACSC is an association of educational entities within the boundaries of Allen, Hancock, Mercer, Paulding, Putnam, and Van Wert Counties, and the Cities of St. Marys and Wapakoneta. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member educational entities. The governing board of NOACSC consists of two representatives from each county elected by majority vote of all charter member educational entities within each county. Financial information can be obtained from the Northwest Ohio Area Computer Services Cooperative, 4277 East Road Elida, Ohio 45807.

B. Insurance Pools

Southwestern Ohio Educational Purchasing Council The Career Center participates in the Southwestern Ohio Educational Purchasing Council (SOEPC), and insurance purchasing pool established under Section 2744.081 of the Ohio Revised Code. SOEPC is an incorporated 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. SOEPC's business and affairs are conducted by a board consisting of seven school administrators, who are elected by the membership each year. SOEPC also hires attorneys, auditors and actuaries to assist in running the day to day program. Gallagher is responsible for the insurance program administration while JWF Specialty Company is responsible for processing claims between SOEPC and its members. Financial information can be obtained from Mr. Ken Swink, SOEPC Purchasing Council Director at 303 Corporate Center Dr # 208, Vandalia, OH 45377.

Council of Allen County Schools Health Benefits Consortium The Career Center participates in the Council of Allen County Schools Health Benefits Consortium (Consortium), a public entity shared risk pool consisting of the School Districts within Allen County and the Allen County Educational Service Center. The Consortium is organized as a Voluntary Employee Benefit Association under Section 401(c)(9) of the Internal Revenue Code and provides medical and dental benefits to the employees of the participants. Each participant's superintendent is appointed to a Board of Directors which advises the Trustee, Allen County Educational Service Center, concerning aspects of the administration of the Consortium.

Each participant decides which plans offered by the Board of Directors will be extended to its employees. Participation in the Consortium is by written application subject to acceptance by the Board of Directors and payment of the monthly premiums. Financial information can be obtained from the Council of Allen County Schools Health Benefits Consortium, 1920 Slabtown Road, Lima, Ohio 45801.

Ohio Association of School Business Officials (OASBO) Workers' Compensation Group Rating Plan The Career Center participates in a group retrospective rating plan for workers' compensation as established under Section 4123-17-73 of the Ohio Administrative Code. The Ohio SchoolComp Group Retrospective Rating Plan was established through the Ohio School Boards Association (OSBA) and the Ohio Association of School Business Officials (OASBO). The Executive Directors of the OSBA and OASBO, or their designees, serve as coordinators of the group retrospective rating program. Each year, the participating school districts pay an enrollment fee to the program to cover the costs of the administering the program.

Note 2 - Summary of Significant Accounting Policies

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

A. 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 primary government, except for fiduciary funds.

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 function or program 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 recipients of the goods or services offered by the program and grants, contributions, and interest that are restricted to meeting the operational 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. Fiduciary funds are reported by type.

B. Fund Accounting

The Career Center uses funds to maintain its financial records during the fiscal year. Fund Accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Career Center Functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Career Center are divided into two categories, governmental and fiduciary.

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

> ***General Fund*** The General fund is used to account for all financial resources, except those required to be accounted for in another fund. The general fund balance is available to the Career Center for any purpose provided it is expended or transferred according to the general laws of Ohio.
>
> ***Bond Retirement Fund*** The Bond Retirement fund is used to account for property taxes restricted for the payment of principal, interest, and related costs on general obligation debt.
>
> ***Permanent Improvement Fund*** The Permanent Improvement fund is used to account transactions related to the acquiring, constructing, or improving Career Center land, buildings or other property.
>
> ***Adult Education Fund*** The Adult Education fund is used to account for tuition charges and grants restricted for adult education.

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

Fiduciary Funds Fiduciary fund reporting focuses on net position and change in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are used to account for assets held by the Career Center under a trust agreement for individuals, private organizations, or other governments and are not available to support the Career Center's own programs. The Career Center has no fiduciary funds.

C. 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 inflows of resources and all liabilities of resources and deferred outflows 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 and deferred inflows of resources and current liabilities and deferred outflows of resources are 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.

Like the government-wide statements, the custodial fund is accounted for on a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of fiduciary net position. The statement of changes in fiduciary net position presents increases (i.e., revenues/additions) and decreases (i.e., expenses/disbursements) in net position.

D. Basis of Accounting

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

Revenues: Exchange and Non-Exchange Transactions Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Measurable means the amount of the transaction can be determined, and available means 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.

Non-exchange transactions, in which the Career Center receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal 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 the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

Deferred Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources 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. For the Career Center, deferred outflows of resources are reported on the government-wide statement of net position for deferred charges on refunding, for pension and OPEB. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 11 and 12.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the Career Center, deferred inflows of resources include property taxes, pension, OPEB and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2022, but which were levied to finance fiscal year 2023 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the Career Center, unavailable revenue may include delinquent property taxes, grants and entitlements and miscellaneous revenues. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 11 and 12).

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

E. Budgetary Process

All funds, except custodial funds, are legally required to be budgeted and appropriated. The major documents prepared are the alternative tax budget (five-year forecast), the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The alternative tax budget demonstrates a need for existing or increased tax rates. The certified of estimated resources establishes a limit on the amount the Board of Education may appropriate. The appropriations resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by the Board. The legal level of control has been established by the Board at the fund level for all funds. Budgetary allocations at the function and object level within all funds are made by the Treasurer.

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

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

F. 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".

Investments reported at fair value are based on quoted market price, current share price, or amortized cost. STAR Ohio is an investment pool, management 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 the 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 costs basis that provides a NAV per share that approximates fair value.

For fiscal year 2022, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given twenty-four hours in advance of all deposits and withdrawals exceeding $100 million. STAR Ohio reserves the right to limit the transaction to $250 million requiring the excess amount to be transacted the following business days(s), but only to the $250 million limit. All accounts of the participant are combined for this purpose.

The Career Center's commercial paper is measured at amortized cost as it is a highly liquid debt instrument with a remaining maturity at the time purchase of less than one year.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General fund during fiscal year 2022 was a deficit $(761,799), which included $(259,203) 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 that were not purchased from the pool are reported as instruments.

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2022, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed.

H. 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.

I. Assets Held for Sale

Assets held for sale are valued at cost for an amount not to exceed the net realizable value. On the fund financial statements, the assets held for sale are offset by a committed fund balance in the governmental funds which indicates that the proceeds of the sale can be used only for the specific purpose determined in the formal action passed by the Board of Education. Assets held for sale by the Career Center include a house built by students in the vocational program and a parcel of land.

J. Capital Assets

Capital assets are reported in the governmental activities column on the government-wide statement of net position but are not reported on the fund financial statements.

All capital assets are capitalized at cost and updated for additions and reductions during the fiscal year. Donated capital assets are recorded at their acquisition value on the date donated. The Career Center maintains a capitalization threshold of $5,000. The Career Center does not have any infrastructure. Improvements are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

All reported capital assets, except for 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:

Description	Estimated Useful Lives
Land Improvements	20-40 Years
Buildings and Improvements	10-100 Years
Furniture, Fixtures, and Equipment	5-20 Years
Vehicles	8-15 Years

K. Interfund Assets/Liabilities

On fund financial statements, receivables and payables resulting from interfund loans are classified as "Interfund Receivables/Payables". Interfund balances are eliminated on the statement of net position.

L. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable the Career Center will compensate the employees for the benefits through paid time off or some other means. The Career Center records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the termination method. An accrual for 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. Accumulated unused sick leave is paid to employees who retire at various rates depending on department policy and length of service.

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

On governmental fund financial statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "Matured Compensated Absences Payable" in the fund from which the employees who have accumulated unpaid leave are paid.

M. Pensions and Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB asset/liability, deferred outflows of resources and deferred inflows of resources related to pension/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.

N. 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, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. Net pension/OPEB asset/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.

O. Unamortized Premiums

On government-wide financial statements, premiums are deferred and amortized over the term of the bonds using the bonds-outstanding method, which approximates the effective interest method. Bond premiums are presented as an addition to the face amount of bonds payable.

On the governmental fund financial statements, bond premiums are recognized in the period when the debt is issued.

Under Ohio law, premiums on the original issuance of debt are to be deposited in the Bond Retirement Fund. Ohio law does allow premiums on refunding debt to be used as part of the payment to a bond escrow agent.

P. Net Position

Net position represents the difference between all other elements on the statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvements of those assets. Net position is reported as restricted when there are limitations imposed on its use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes includes resources restricted for food service operations and federal and state grants. The Career Center's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Q. 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 governmental funds. The classifications are as follows:

Nonspendable The nonspendable classification includes amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact. The "not in spendable form" includes items that are not expected to be converted to cash.

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

Committed The committed classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the Board of Education. The committed amounts cannot be used for any other purpose unless the 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 classification are intended to be used by the Career Center for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds, other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. Assigned amounts represent intended uses established by the Board of Education. The Board of Education has authorized the Treasurer to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. Certain resources have also been assigned for capital improvements.

Unassigned Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

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

R. Estimates

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

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 the fiscal year.

T. Implementation of New Accounting Principles

For the fiscal year ended June 30, 2022, the Career Center has implemented Governmental Accounting Standards Board (GASB) Statement No. 87, Leases, certain provisions of GASB Statement No. 93, Replacement of Interbank Offered Rates and certain provisions of GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32.

GASB Statement No. 87 requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. These changes were incorporated in the Career Center's financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 93 addresses accounting and financial reporting effects that result from the replacement of interbank offered rates (IBORs) with other reference rates in order to preserve the reliability, relevance, consistency, and comparability of reported information. The implementation of paragraphs 13 and 14 of GASB Statement No. 93 did not have an effect on the financial statements of the Career Center.

GASB Statement No. 97 requirements that are related to a) the accounting and financial reporting for Section 457 plans and b) determining whether a primary government is financially accountable for a potential component unit were implemented for fiscal year 2022. The implementation of GASB Statement No. 97 did not have an effect on the financial statements of the Career Center.

Note 3 – Budgetary Basis of Accounting

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

The Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP basis) and actual for the General Fund and the Adult Education Fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures/expenses are recorded when paid in cash (budget) rather than when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditure (budget) rather than as a component of restricted, committed or assigned fund balance (GAAP).
4. Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

The adjustments necessary to reconcile the GAAP and budgetary basis statements are as follows:

	General	Adult Education
GAAP Basis	$ 581,123	$ 360,164
Net Adjustment for Revenue Accruals	823,102	98,832
Net Adjustment for Expenditure Accruals	(265,215)	(120,141)
Funds Budgeted Elsewhere **	(10,975)	-
Adjustment for Encumbrances	83,659	82,397
Budget Basis	$ 1,211,694	$ 421,252

**As part of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions,* certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes the health and flower trust funds, rotary/consumer supplies fund and the termination benefits fund.

Note 4 – Deposits and Investments

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

Active monies are public monies determined to be necessary to meet current demands upon the Career Center treasury. Active monies must be maintained either as cash in the Career Center treasury, in 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 and 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 to be deposited or invested in the following securities:

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

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

3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and 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. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;

6. The State Treasurer's investment pool (STAR Ohio);

7. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;

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

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

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Except for those 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 qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Deposits - At year-end, $63,667 of the Career Center’s bank balance of $1,721,395 was exposed to custodial credit risk. Although the securities were held by the pledging financial institutions’ trust department in the Career Center’s name and all statutory requirements for the investment of money had been followed, noncompliance with Federal requirements could potentially subject the Career Center to a successful claim by the FDIC.

Funds Held in Segregated Accounts

The funds for the Apollo Educational Foundation fund are maintained separately from the Career Center’s deposits. The carrying amount of the deposits is reported as “Investments in Segregated Accounts.” These investments are included in the Investments Table below.

Cash and Cash Equivalents Held in Segregated Accounts

The funds for the daily operations of the adult education fund are maintained separately from the Career Center’s deposits. The carrying amount of the deposits is reported as “Cash and Cash Equivalents in Segregated Accounts.”

Investments

As of June 30, 2022, the Career Center had the following investments:

			Investment Maturities			
Rating	Investment	Measurement Amount	12 Months or Less	13 to 36 Months	More Than 36 Months	Percent of Total
	Net Asset Value (NAV):					
AAAm	STAR Ohio	$ 5,972,263	$ 5,972,263	$ -	$ -	24.25%
	Amortized Cost:					
AAAm	Mutual Funds	1,209,517	1,209,517	-	-	4.91%
A-1	Commercial Paper	1,139,423	1,139,423	-	-	4.63%
A-1+	Commercial Paper	649,433	649,433	-	-	2.64%
	Fair Value (FV):					
AA+	Federal Farm Credit Bank	1,428,687	-	1,428,687	-	5.80%
AA+/AAA	Federal Home Loan Bank	6,246,431	-	1,741,073	4,505,358	25.37%
AA+	Federal Home Loan Mortgage Corporation	1,255,822	-	1,054,116	201,706	5.10%
AA+	Federal National Mortgage Association	878,171	-	-	878,171	3.57%
N/A	Negotiable Certificate of Deposit	5,205,791	1,437,401	2,400,625	1,367,765	21.14%
AA+	U.S. Treasury Notes	637,338	-	437,440	199,898	2.59%
	Total	$ 24,622,876	$ 10,408,037	$7,061,941	$ 7,152,898	100.00%

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. The above table identifies the Career Center's recurring fair value measurements as of June 30, 2022. The Career Center's investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, and reference data including market research publications. Market indicators and industry and economic events are also monitored which could require the need to acquire further market data (Level 2 inputs).

Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The investment policy restricts the Treasurer from investing in any securities other than those identified in the Ohio Revised Code and that all investments must mature within five years from the date of investment unless matched to a specific obligation or debt of the Career Center. The Treasurer is also restricted from purchasing investments that cannot be held until the maturity date.

Credit Risk The Career Center places no limit on the amount it may invest in any one issuer or investment type. STAR Ohio is an investment pool operated by the Ohio State Treasurer. It is unclassified since it is not evidenced by securities that exist in physical or book entry form. Ohio law requires STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The weighted average of maturity of the portfolio held by STAR Ohio as of June 30, 2022, is 35 days.

Custodial Credit Risk Custodial credit risk for deposits is the risk that in the event of a bank failure, the Career Center will not be able to recover deposits or collateral securities that are in possession of an outside party.

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

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

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

Note 5 – Receivables

Receivables at June 30, 2022 consisted of interfund, accounts, intergovernmental, and property taxes. All receivables are considered collectible in full due to the ability to foreclose for nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds. 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.

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 and public utility property located in the Career Center. Real property tax revenue received in calendar year 2022 represents collections of calendar year 2021 taxes. Real property taxes received in calendar year 2022 were levied after April 1, 2021, on the assessed value listed as of January 1, 2021, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid 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 revenue received in calendar year 2022 represents collections of calendar year 2021 taxes. Public utility real and tangible personal property taxes received in calendar year 2022 became a lien December 31, 2020, were levied after April 1, 2021 and are collected in 2022 with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The Career Center receives taxes from Allen, Auglaize, Hardin, Hancock, Putnam and Van Wert Counties. The County Auditors periodically advance to the Career Center its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2022, are available to finance fiscal year 2022 operations. 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, 2022, and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows of resources.

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

The assessed values upon which the fiscal year 2022 taxes were collected are:

	2021 Second Half Collections		2022 First Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	$ 2,293,055,510	91.14%	$ 2,481,818,990	90.50%
Public Utility Personal Property	222,989,690	8.86%	260,377,440	9.50%
Total	$ 2,516,045,200	100.00%	$ 2,742,196,430	100.00%
Full Tax Rate per $1,000 of assessed valuation	$ 3.14		$ 3.14	

Note 7 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2022, was as follows:

	Balance 6/30/2021	Additions	Deletions	Balance 6/30/2022
Governmental Activities				
Capital Assets not being depreciated:				
Land	$ 341,208	$ -	$ -	$ 341,208
Construction in Progress	-	80,700	-	80,700
Total Capital Assets, not being depreciated	341,208	80,700	-	421,908
Capital Assets, being depreciated:				
Land Improvements	5,675,456	-	-	5,675,456
Building and Improvements	53,815,489	-	-	53,815,489
Furniture, Fixtures, and Equipment	8,352,166	552,944	(147,462)	8,757,648
Vehicles	1,238,145	21,252	-	1,259,397
Total Capital Assets, being depreciated	69,081,256	574,196	(147,462)	69,507,990
Less Accumulated Depreciation:				
Land Improvements	(1,780,970)	(270,416)	-	(2,051,386)
Building and Improvements	(11,539,723)	(1,055,903)	-	(12,595,626)
Furniture, Fixtures, and Equipment	(4,182,133)	(615,497)	135,068	(4,662,562)
Vehicles	(794,455)	(89,369)	-	(883,824)
Total Accumulated Depreciation	(18,297,281)	(2,031,185)	135,068	(20,193,398)
Total Capital Assets being depreciated, net	50,783,975	(1,456,989)	(12,394)	49,314,592
Governmental Activities Capital Assets, net	$ 51,125,183	$ (1,376,289)	$ (12,394)	$ 49,736,500

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	$ 33,097
Vocational	946,902
Adult/Continuing Education	606,986
Support Services:	
Instructional Staff	26,185
Board of Education	2,932
Administration	13,697
Fiscal	2,443
Business	4,592
Operation and Maintenance of Plant	175,236
Pupil Transportation	57,068
Central	58,473
Food Service Operations	102,201
Other Non-Instructional Services	1,373
Total Depreciation Expense	$ 2,031,185

Note 8 – Interfund Receivable/Payable

At June 30, 2022, the general fund had an interfund receivable, in the amount of $106,987, from providing cash flow resources to the house project fund and the Aspire grant fund. The primary purpose of the interfund balance is to cover costs in the funds where revenues were not received by June 30. This interfund balance will be repaid once the anticipated revenues are received. These advances are expected to be repaid within one year. Interfund loans between governmental activities are eliminated on the statement of net position.

	Interfund Receivable	Interfund Payable
General	$ 106,987	$ -
Non-Major Governmental Funds:		
House Project	-	100,000
Aspire Grant	-	6,987
Total	$ 106,987	$ 106,987

Note 9 – Other 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 fiscal year end, the Career Center's commitments for encumbrances were as listed below:

Fund	Amount
General Fund	$ 83,659
Permanent Improvement Fund	173,410
Adult Education Fund	82,397
Oher Governmental Funds	190,351
Total Governmental Funds	$ 529,817

Note 10 – Risk Management

The Career Center is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2022, the Career Center contracted for the following insurance coverage.

A. Property and Liability

In fiscal year 2022, the Career Center participated in the Southwestern Ohio Educational Purchasing Council Liability, Fleet, and Property Program, an insurance purchasing pool. Each participant enters into an individual agreement with the Southwestern Ohio Educational Purchasing Council for insurance coverage and pays annual premiums to the Southwestern Ohio Educational Purchasing Council based on the types and limits of coverage and deductibles selected by the participant. Settled claims have not exceeded insurance coverage during the last three years, and there have been no significant reductions in insurance coverage during the fiscal year.

B. Employee Medical and Dental Benefits

The Career Center participates in the Council of Allen County Schools Health Benefits Consortium (Consortium), a public entity shared risk pool consisting of ten School Districts and the Allen County Educational Service Center. The Career Center pays monthly premiums to the Consortium for employee medical and dental benefits. The Consortium is responsible for the management and operations of the program and the payment of claims. Upon withdrawal from the Consortium, a participant is responsible for the payment of all Consortium liabilities to its employees, dependents, and designated beneficiaries accruing as a result of the withdrawal.

C. Workers Compensation

For calendar years 2019 through 2022, the Career Center participated in the Ohio SchoolComp Worker's Compensation Group Retrospective Rating Plan, a voluntary performance-based incentive program offered jointly by the Ohio Schools Boards Association (OSBA) and the Ohio Association of School Business Officials (OASBO). The intent of the program is to reward participants that are able to keep their claims costs low. Districts continue to pay their individual premium directly to the Ohio BWC. Districts will then have future premium adjustments (refunds or assessments) at the end of each of the three evaluation periods. For the 2022 program, the evaluation periods will 12/31/23, 12/31/24 and 12/31/25. Refunds or assessments will be calculated by the Ohio BWC, based on the pro-rata share of the districts individual premium compared to the overall program premium. Participation in the Group Retrospective Rating Plan is limited to school districts that can meet the programs selection criteria. The firm of CompManagement, Inc. provides administrative, cost control and actuarial services to the program.

Note 11 – Defined Benefit Pension Plans

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

Net Pension Liability/Net OPEB Liability (Asset)

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

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

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 all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities (assets) within 30 years. If the amortization period exceeds 30 years, each pension plan'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 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 bases of accounting.

The remainder of this note includes the required pension disclosures. See Note 12 for the required OPEB disclosures.

Plan Description - School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

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

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

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

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost of living adjustment (COLA) on the first anniversary date of the benefit. New benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. The COLA is indexed to the percentage increase in the CPIW, not to exceed 2.5 percent and with a floor of 0 percent. A three-year COLA suspension was in effect for all benefit recipients for calendar years 2018, 2019, and 2020. SERS approved a 0.5 percent COLA for calendar year 2021.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the Career Center is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2022, the allocation to pension, death benefits, and Medicare B was 14.0 percent. SERS did not allocate employer contributions to the Health Care Fund for fiscal year 2022.

The Career Center's contractually required contribution to SERS was $338,093 for fiscal year 2022. Of this amount, $8,968 is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

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

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

The DB Plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. Effective August 1, 2017 – July 1, 2019, any member could retire with reduced benefits who had (1) five years of service credit and age 60; (2) 27 years of service credit and age 55; or (3) 30 years of service credit regardless of age. Effective August 1, 2019 – July 1, 2021, any member may retire with reduced benefits who has (1) five years of service credit and age 60; (2) 28 years of service credit and age 55; or (3) 30 years of service credit regardless of age. Eligibility changes will continue to be phased in until August 1, 2026, 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 actuarially reduced benefits will be phased in until August 1, 2026, when retirement eligibility will be five years of qualifying service credit and age 60, or 30 years of service credit at any age.

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

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

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 must have at least ten years of qualifying service credit to apply for disability benefits. Members in the DC plan who become disabled are entitled only to their account balance. Eligible survivors of members who die before service retirement may qualify for monthly benefits. If a member of the DC plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The statutory employer rate is 14 percent and the statutory member rate is 14 percent of covered payroll. The Career Center was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The 2022 contribution rates were equal to the statutory maximum rates.

The Career Center's contractually required contribution to STRS was $1,037,199 for fiscal year 2022. Of this amount, $106,242 is reported as an intergovernmental payable.

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

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an independent actuarial valuation as of that date. The Career Center's proportion of the net pension liability was based on the employer's share of employer contributions in the pension plan relative to the total employer contributions of all participating employers. Following is information related to the proportionate share and pension expense:

	SERS	STRS	Total
Proportion of the Net Pension Liability:			
Current Measurement Date	0.06497810%	0.05601006%	
Prior Measurement Date	0.06134870%	0.05636146%	
Change in Proportionate Share	0.00362940%	-0.00035140%	
Proportionate Share of the Net Pension Liability	$ 2,397,503	$ 7,161,390	$ 9,558,893
Pension Expense	$ (25,827)	$ 49,158	$ 23,331

Other than contributions made subsequent to the measurement date and differences between projected and actual earnings on investments; deferred inflows/outflows of resources are recognized in pension expense beginning in the current period, using a straight line method over a closed period equal to the average of the expected remaining services lives of all employees that are provided with pensions, determined as of the beginning of the measurement period. Net deferred inflows/outflows of resources pertaining to the differences between projected and actual investment earnings are similarly recognized over a closed five year period.

At June 30, 2022, the Career Center reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between Expected and Actual Experience	$ 232	$ 221,252	$ 221,484
Changes of Assumptions	50,485	1,986,698	2,037,183
Changes in Proportion and Differences between Career Center Contributions and Proportionate Share of Contributions	132,994	202,734	335,728
Career Center Contributions Subsequent to the Measurement Date	338,093	1,037,199	1,375,292
Total Deferred Outflows of Resources	$ 521,804	$ 3,447,883	$ 3,969,687
Deferred Inflows of Resources			
Differences between Expected and Actual Experience	$ 62,177	$ 44,888	$ 107,065
Net Difference between Projected and Actual Earnings on Pension Plan Investments	1,234,787	6,171,747	7,406,534
Changes in Proportion and Differences between Career Center Contributions and Proportionate Share of Contributions	15,862	111,633	127,495
Total Deferred Inflows of Resources	$ 1,312,826	$ 6,328,268	$ 7,641,094

$1,375,292 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2023	$ (236,249)	$ (888,309)	$ (1,124,558)
2024	(220,275)	(831,989)	(1,052,264)
2025	(293,588)	(955,046)	(1,248,634)
2026	(379,003)	(1,242,240)	(1,621,243)
Total	$ (1,129,115)	$ (3,917,584)	$ (5,046,699)

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 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. Future benefits for all current plan members were projected through 2132.

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

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

Actuarial Cost Method	Entry Age Normal (Level Percentage of Payroll, Closed)
Inflation	2.40 percent
Future Salary Increases, including inflation	3.25 percent to 13.58 percent
Investment Rate of Return	7.00 percent, net of investment expense, including inflation
COLA or Ad Hoc COLA	2.00 percent, on and after April 1, 2018, COLA's for future retirees will be delayed for three years following commencement

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 percent for males and set forward two years and adjusted 81.35 percent for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward five years and adjusted 103.3 percent for males and set forward three years and adjusted 106.8 percent for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

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

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

The target asset 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 %	(0.33) %
US Equity	24.75	5.72
Non-US Equity Developed	13.50	6.55
Non-US Equity Emerging	6.75	8.54
Fixed Income/Global Bonds	19.00	1.14
Private Equity	11.00	10.03
Real Estate/Real Assets	16.00	5.41
Multi-Asset Strategies	4.00	3.47
Private Debt/Private Credit	3.00	5.28
Total	100.00 %	

Discount Rate Total pension liability was calculated using the discount rate of 7.00 percent. The discount rate determination does not use a municipal bond rate. The projection of cash flows used to determine the discount rate assumed that employers would contribute the actuarially determined contribution rate of projected compensation over the remaining 23-year amortization period of the unfunded actuarial accrued liability. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.00 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefits to determine the total pension liability. The annual money-weighted rate of return, calculated as the internal rate of return on pension plan investments was 28.18 percent.

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 Career Center's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the Career Center's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent), or one percentage point higher (8.00 percent) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
Career Center's Proportionate Share of the Net Pension Liability	$ 3,988,857	$ 2,397,503	$ 1,055,446

Actuarial Assumptions - STRS

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

Inflation	2.50 percent
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Projected Salary Increases	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation
Payroll Increases	3.00 percent
Cost-of-Living Adjustments	0.00 percent

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

The actuarial assumptions used in the June 30, 2021 valuation, were based on the results of the latest available actuarial experience study, which is for the period July 1, 2011, through June 30, 2016. An actuarial experience study is done on a quinquennial basis.

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

Asset Class	Target Allocation	Long-Term Expected Rate of Return*
Domestic Equity	28.00 %	7.35 %
International Equity	23.00	7.55
Alternatives	17.00	7.09
Fixed Income	21.00	3.00
Real Estate	10.00	6.00
Liquidity Reserves	1.00	2.25
Total	100.00 %	

*Ten year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent and does not include investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Discount Rate. The discount rate used to measure the total pension liability was 7.00 percent as of June 30, 2021. The projection of cash flows used to determine the discount rate assumes that employer and member contributions will be made at statutory contribution rates of 14 percent each. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2021. Therefore, the long-term expected rate of return on investments of 7.00 percent was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2021.

Sensitivity of the Career Center's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table represents the Career Center's proportionate share of the net pension liability measured as of June 30, 2021, calculated using the current period discount rate assumption of 7.00 percent, as well as what the Career Center's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current assumption:

	1% Decrease	Current Discount Rate	1% Increase
Career Center's Proportionate Share of the Net Pension Liability	$ 13,410,603	$ 7,161,390	$ 1,880,818

Assumption and Benefit Changes since the Prior Measurement Date The discount rate was adjusted to 7.00 percent from 7.45 percent for the June 30, 2021 valuation.

Note 12 – Defined Benefit OPEB Plans

See Note 11 for a description of the net OPEB liability (asset).

Plan Description - School Employees Retirement System (SERS)

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

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For the fiscal year ended June 30, 2022, SERS did not allocate any employer contributions to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2022, this amount was $25,000. Statutes provide that no employer shall pay a health care surcharge greater than 2.0 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2022, the Career Center's surcharge obligation was $28,249, which is reported as an 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. Medicare Part B partial premium reimbursements will be continued indefinitely. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. 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 percent of covered payroll. For the fiscal year ended June 30, 2022, STRS did not allocate any employer contributions to post-employment health care.

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

The net OPEB liability (asset) was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of that date. The Career Center's proportion of the net OPEB liability (asset) was based on the Career Center's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	SERS	STRS	Total
Proportion of the Net OPEB Liability (Asset):			
Current Measurement Date	0.06413000%	0.05601000%	
Prior Measurement Date	0.06084500%	0.05636100%	
Change in Proportionate Share	0.00328500%	-0.00035100%	
Proportionate Share of the Net OPEB Liability (Asset)	$ 1,213,703	$ (1,180,925)	
OPEB Expense	$ (48,823)	$ (71,586)	$ (120,409)

At June 30, 2022, the Career Center reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between Expected and Actual Experience	$ 12,938	$ 42,049	$ 54,987
Changes of Assumptions	190,403	75,432	265,835
Changes in Proportion and Differences between Career Center Contributions and Proportionate Share of Contributions	75,559	51,248	126,807
Career Center Contributions Subsequent to the Measurement Date	28,249	-	28,249
Total Deferred Outflows of Resources	$ 307,149	$ 168,729	$ 475,878
Deferred Inflows of Resources			
Differences between Expected and Actual Experience	$ 604,484	$ 216,365	$ 820,849
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	26,369	327,331	353,700
Changes of Assumptions	166,207	704,510	870,717
Changes in Proportion and Differences between Career Center Contributions and Proportionate Share of Contributions	112,646	22,933	135,579
Total Deferred Inflows of Resources	$ 909,706	$ 1,271,139	$ 2,180,845

$28,249 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/increase to the net OPEB liability/(asset) in the fiscal year ending June 30, 2023. 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:			
2023	$ (160,210)	$ (311,661)	$ (471,871)
2024	(160,393)	(303,470)	(463,863)
2025	(146,326)	(298,716)	(445,042)
2026	(108,834)	(143,030)	(251,864)
2027	(45,066)	(46,585)	(91,651)
Thereafter	(9,977)	1,052	(8,925)
Total	$ (630,806)	$ (1,102,410)	$ (1,733,216)

Actuarial Assumptions - SERS

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

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

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

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

Inflation	2.40 percent
Salary Increases, including inflation	3.25 percent to 13.58 percent
Investment Rate of Return	7.00 percent net of investment expense, including inflation
Municipal Bond Index Rate	
Measurement Date	1.92 percent
Prior Measurement Date	2.45 percent
Single Equivalent Interest Rate	
Measurement Date	2.27 percent, net of plan investment expense, including price inflation
Prior Measurement Date	2.63 percent, net of plan investment expense, including price inflation
Health Care Cost Trend Rate	
Pre-Medicare	6.750 percent - 4.40 percent
Medicare	5.125 percent - 4.40 percent

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 percent for males and set forward two years and adjusted 81.35 percent for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward five years and adjusted 103.3 percent for males and set forward three years and adjusted 106.8 percent for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

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

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2016 through 2020, and was adopted by the Board on April 15, 2021. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.00 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer time frame. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class, as used in the June 30, 2020 five-year experience study, are summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00 %	(0.33) %
US Equity	24.75	5.72
Non-US Equity Developed	13.50	6.55
Non-US Equity Emerging	6.75	8.54
Fixed Income/Global Bonds	19.00	1.14
Private Equity	11.00	10.03
Real Estate/Real Assets	16.00	5.41
Multi-Asset Strategies	4.00	3.47
Private Debt/Private Credit	3.00	5.28
Total	100.00 %	

Discount Rate The discount rate used to measure the total OPEB liability at June 30, 2021, was 2.27 percent. The discount rate used to measure total OPEB liability prior to June 30, 2021 was 2.63 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the plan at the contribution rate of 1.50 percent of projected covered payroll each year, which includes a 1.50 percent payroll surcharge and no contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make all projected future benefit payments of current System members by SERS actuaries.

The Municipal Bond Index Rate is used in the determination of the SEIR for both the June 30, 2020 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 1.92 percent at June 30, 2021 and 2.45 percent at June 30, 2020.

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 and what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.27 percent) and higher (3.27 percent) than the current discount rate (2.27 percent). Also shown is what the net OPEB liability would be based on health care cost trend rates that are one percentage point lower (6.00 percent decreasing to 3.75 percent) and higher (8.00 percent decreasing to 5.75 percent) than the current rate (7.00 percent decreasing to 4.40 percent).

	1% Decrease	Current Discount Rate	1% Increase
Career Center's Proportionate Share of the Net OPEB Liability	$ 1,503,937	$ 1,213,703	$ 981,861

	1% Decrease	Current Trend Rate	1% Increase
Career Center's Proportionate Share of the Net OPEB Liability	$ 934,459	$ 1,213,703	$ 1,586,710

Actuarial Assumptions – STRS

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

Inflation	2.50 percent	
Projected Salary Increases	12.50 percent at age 20 to 2.50 percent at age 65	
Payroll Increases	3.00 percent	
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation	
Discount Rate of Return	7.00 percent	
Health Care Cost Trend Rates		
Medical	Initial	Ultimate
Pre-Medicare	5.00 percent	4.00 percent
Medicare	-16.18 percent	4.00 percent
Prescription Drug		
Pre-Medicare	6.50 percent	4.00 percent
Medicare	29.98 percent	4.00 percent

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

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

The actuarial assumptions used in the June 30, 2021 valuation were adopted by the board from the results of an actuarial experience study for July 1, 2011, through June 30, 2016.

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

Asset Class	Target Allocation	Long-Term Expected Rate of Return*
Domestic Equity	28.00 %	7.35 %
International Equity	23.00	7.55
Alternatives	17.00	7.09
Fixed Income	21.00	3.00
Real Estate	10.00	6.00
Liquidity Reserves	1.00	2.25
Total	100.00 %	

*Ten year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent and does not include investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Discount Rate The discount rate used to measure the total OPEB liability was 7.00 percent as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed STRS continues to allocate no employer contributions to the health care fund. Based on 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. Therefore, the long-term expected rate of return on health care plan investments of 7.00 percent was applied to all periods of projected benefit payments to determine the total OPEB liability as of June 30, 2021.

Sensitivity of the Career Center's Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate and Health Care Cost Trend Rate The following table represents the net OPEB asset as of June 30, 2021, calculated using the current period discount rate assumption of 7.00 percent, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current assumption. Also shown is the net OPEB asset as of June 30, 2021, calculated using health care cost trend rates that are one percentage point lower and 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 Liability (Asset)	$ (996,518)	$ (1,180,925)	$ (1,334,969)

	1% Decrease	Current Trend Rate	1% Increase
Career Center's Proportionate Share of the Net OPEB Liability (Asset)	$ (1,328,727)	$ (1,180,925)	$ (998,154)

Assumption Changes Since the Prior Measurement Date The discount rate was adjusted to 7.00 percent from 7.45 percent for the June 30, 2021 valuation.

Benefit Term Changes Since the Prior Measurement Date The non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055 percent to 2.100 percent. 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 current year 2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

Note 13 – Long-Term Obligations

The changes in the Career Center's long-term obligations during fiscal year 2022 were as follows:

	Outstanding Balance 6/30/2021	Additions	Deductions	Outstanding Balance 6/30/2022	Amount Due Within One Year
Governmental Activities:					
General Obligations Bonds:					
Various Purpose School Improvement Refunding Bonds, Series 2017					
Serial Bonds	$ 18,690,000	$ -	$ (195,000)	$ 18,495,000	$ 650,000
Term Bonds	9,680,000	-	-	9,680,000	-
Premium	3,080,771	-	(150,282)	2,930,489	-
2014 Ohio School Facilities Commission Bonds					
Serial Bonds	385,000	-	(385,000)	-	-
Total General Obligation Bonds	31,835,771	-	(730,282)	31,105,489	650,000
Other Long-Term Obligations:					
Net Pension Liability	17,695,200	-	(8,136,307)	9,558,893	-
Net OPEB Liability	1,322,357	-	(108,654)	1,213,703	-
Compensated Absences	635,723	173,446	(139,629)	669,540	155,252
Total General Long-Term Obligations	$ 51,489,051	$ 173,446	$(9,114,872)	$ 42,547,625	$ 805,252

Compensated absences will be paid from the General Fund, the Food Service Fund (a nonmajor governmental fund), and the Adult Education Fund. There is no repayment schedule for the net pension liability and net OPEB liability; however, employer pension and OPEB contributions are primarily made from the general fund and adult education fund. For additional information related to the net pension liability and net OPEB liability see Notes 11 and 12.

2014 Ohio Schools Facilities Commission General Obligation Bonds

In fiscal year 2014, the Career Center issued general obligation bonds, in the original amount of $30,000,000, for constructing and improving new facilities. The bond issue consisted of serial, term, and capital appreciation bonds, in the original amount of $10,380,000, $19,435,000, and $185,000, respectively. The bonds were issued for a thirty year period, with final maturing in fiscal year 2044. These bonds were partially refunded during fiscal year 2018. The remaining bonds were being retired from the Bond Retirement debt service fund with property tax revenues and matured in fiscal year 2022.

Various Purpose School Improvement Refunding Bonds, Series 2017

On December 27, 2017, the Career Center issued $29,000,000 in refunding bonds. The proceeds of the bonds were used to refund $29,105,000 of the Career Center's outstanding 2014 Ohio Schools Facilities Commission General Obligation Bonds. This refunding bond was issued with a premium of $3,606,758, which is reported as an increase to bonds payable. The amounts are being amortized as interest expenses over the life of the bonds using the straight-line method. The refunding resulted in a difference between the net carrying amount of the debt and the acquisition price of $2,705,747. The amounts are being amortized as interest expense over the life of the bonds using the straight-line method. The issuance resulted in a difference (savings) between the cash flows required to service the old debt and the cash flows required to service the new debt of $3,521,485. The issuance resulted in an economic gain of $3,682,998.

The serial bonds totaling $29,000,000 were issued with varying interest rates of 3.00 percent to 5.00 percent and will mature December 1, 2041. The term bonds were issued with interest rates of 4.00 percent to 5.00 percent.

The serial bonds maturing on or after December 1, 2036, are subject to optional redemption prior to maturity on any date on or after December 1, 2027. The term bonds maturing December 1, 2039 and December 1, 2041 are subject to mandatory sinking fund redemption at a price of 100 percent of the principal amount to be redeemed plus accrued interest to the date of redemption on December 1 of the years shown in the following schedules:

The following is a summary of the Career Center's future annual debt service requirements for governmental long-term obligations:

Fiscal Year	General Obligation Bonds	
Ending June 30,	Principal	Interest
2023	$ 650,000	$ 1,238,850
2024	710,000	1,204,850
2025	780,000	1,167,600
2026	850,000	1,126,850
2027	925,000	1,082,475
2028-2032	5,980,000	4,597,500
2033-2037	8,600,000	2,960,825
2038-2042	9,680,000	987,350
	$ 28,175,000	$ 14,366,300

Note 14 – Other Employee Benefits

A. Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees earn 5 to 20 days of vacation per year, depending upon length of service. The Superintendent and Treasurer are entitled up to 30 days of vacation per year. Accumulated unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers do not earn vacation time.

Teachers, administrators, and classified employees earn sick leave at a rate of one and one-fourth days per month. Teachers may accumulate sick leave up to a maximum of 245 days. Upon retirement, payment is made for one-fourth of accrued but unused sick leave credit to a maximum of 60 days. Administrators and classified employees may accumulate sick leave up to a maximum of 245 days and upon retirement, payment is made for one-fourth of accrued but unused sick leave credit to a maximum of 60 days.

B. Health Care Benefits

The Career Center offers employee medical and dental benefits through the Council of Allen County Schools Health Benefits Consortium. The employee pays 15 percent of the cost of the monthly premium. The premium varies with each employee depending on the terms of the union contract. The Career Center provides life insurance and accidental death and dismemberment insurance to all contract employees through Dearborn National Life Insurance Company.

Note 15 – Fund Balance

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

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	General	Bond Retirement	Permanent Improvement	Adult Education	Other Governmental Funds	Total
Nonspendable for:						
Prepaid Items	$ 138,622	$ -	$ -	$ 15,299	$ 8,861	$ 162,782
Total Nonspendable	138,622	-	-	15,299	8,861	162,782
Restricted for:						
Debt Service	-	1,743,916	-	-	-	1,743,916
Capital Projects	-	-	2,722,177	-	253,383	2,975,560
Adult Education	-	-	-	2,775,874	-	2,775,874
Classroom Facilities Maintenance	-	-	-	-	2,661,050	2,661,050
Other Purposes	-	-	-	-	921,654	921,654
Total Restricted	-	1,743,916	2,722,177	2,775,874	3,836,087	11,078,054
Committed for:						
Termination Benefits	300,000	-	-	-	-	300,000
Student Activities	-	-	-	-	208,837	208,837
Total Committed	300,000	-	-	-	208,837	508,837
Assigned for:						
Instruction	47,616	-	-	-	-	47,616
Support Services	31,973	-	-	-	-	31,973
Other Purposes	17,988	-	-	-	-	17,988
Capital Projects	-	-	427,027	-	-	427,027
Total Assigned	97,577	-	427,027	-	-	524,604
Unassigned	14,105,782	-	-	-	(57,535)	14,048,247
Total Fund Balance	$ 14,641,981	$ 1,743,916	$ 3,149,204	$ 2,791,173	$ 3,996,250	$ 26,322,524

The following funds had a deficit balance at the end of the fiscal year: The General Fund is liable for any deficits in the non-major governmental funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances resulted from adjustments for accrued liabilities. The deficits in the non-major governmental funds will be eliminated by future intergovernmental revenues not recognized under GAAP at June 30.

	Deficit Fund Balance
Nonmajor Governmental Funds:	
Adult Basic Education	$ 8
Governor's Emergency Education Relief	19,788
Vocational Education: Carl D. Perkins	37,739
Total	$ 57,535

Note 16 – Set-Asides

The Career Center is required by State statute to annually set-aside, in the General Fund, an amount based on a statutory formula for the acquisition and construction of capital improvements. Amounts not spent by the end of the fiscal year or offset by similarly restricted resources received during the fiscal year must be held in cash at fiscal year-end. This amount must be carried forward and used for the same purpose in future years.

The following cash basis information identifies the change in the fund balance reserve for capital improvements during fiscal year 2022.

	Capital Improvement Reserve
Set-aside Reserve Balance as of June 30, 2021	$ -
Current Year Set Aside Requirement	174,274
Current Year Offsets	(1,497,187)
Total	$ (1,322,913)
Balance Carried Forward to Fiscal Year 2023	$ -
Set Aside Reserve Balance as of June 30, 2022	$ -

Note 17 – Contingencies

A. Grants

The Career Center received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Career Center at June 30, 2022.

B. Litigation

There are currently no matters in litigation with the Career Center as defendant.

Note 18 – COVID-19 Pandemic

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 continues. During fiscal year 2022, the Career Center received COVID-19 funding. The financial impact of COVID-19 and the continuing recovery measures may impact subsequent periods of the Career Center. The impact on the Career Center’s future operating costs, revenues, and additional recovery from funding, either federal or state, cannot be estimated.

The Career Center’s investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined.

Apollo Career Center
Allen County, Ohio
Required Supplementary Information
Schedule of the Career Center's Proportionate Share of the Net Pension Liability
Last Nine Years (1)

	2022	2021	2020	2019
School Employees Retirement System (SERS)				
Career Center's Proportion of the Net Pension Liability	0.06497810%	0.06134870%	0.06252090%	0.06482440%
Career Center's Proportionate Share of the Net Pension Liability	$ 2,397,503	$ 4,057,732	$ 3,740,735	$ 3,712,613
Career Center's Covered Payroll	$ 2,192,250	$ 2,152,871	$ 2,165,874	$ 2,188,148
Career Center's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	109.36%	188.48%	172.71%	169.67%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.86%	68.55%	70.85%	71.36%
State Teachers Retirement System (STRS)				
Career Center's Proportion of the Net Pension Liability	0.05601006%	0.05636146%	0.05661187%	0.05531905%
Career Center's Proportionate Share of the Net Pension Liability	$ 7,161,390	$ 13,637,468	$ 12,519,375	$ 12,163,417
Career Center's Covered Payroll	$ 6,848,386	$ 6,806,871	$ 6,709,643	$ 6,257,436
Career Center's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	104.57%	200.35%	186.59%	194.38%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	87.80%	75.50%	77.40%	77.31%

(1) Information prior to 2014 is not available.

Note: The amounts presented for each fiscal year were determined as of the measurement date, which is the prior fiscal year.

2018	2017	2016	2015	2014
0.07045510%	0.06974040%	0.06877640%	0.06712200%	0.06712200%
$ 4,209,537	$ 5,104,353	$ 3,924,448	$ 3,397,006	$ 3,991,530
$ 2,247,607	$ 2,157,293	$ 2,027,700	$ 1,860,527	$ 1,810,860
187.29%	236.61%	193.54%	182.58%	220.42%
69.50%	62.98%	69.16%	71.70%	65.52%
0.05247787%	0.05243724%	0.05733057%	0.05795130%	0.05795130%
$ 12,466,231	$ 17,552,325	$ 15,844,493	$ 14,095,762	$ 16,790,779
$ 5,828,686	$ 5,696,779	$ 5,916,821	$ 5,907,100	$ 5,819,631
213.88%	308.11%	267.79%	238.62%	288.52%
75.30%	66.80%	72.10%	74.70%	69.30%

See accompanying notes to the required supplementary information

Apollo Career Center
Allen County, Ohio
Required Supplementary Information
Schedule of the Career Center's Contributions - Pension
Last Ten Fiscal Years

	2022	2021	2020	2019	2018
School Employees Retirement System (SERS)					
Contractually Required Contribution	$ 338,093	$ 306,915	$ 301,402	$ 292,393	$ 295,400
Contributions in Relation to the Contractually Required Contribution	(338,093)	(306,915)	(301,402)	(292,393)	(295,400)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Career Center's Covered Payroll	$ 2,414,950	$ 2,192,250	$ 2,152,871	$ 2,165,874	$ 2,188,148
Pension Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	13.50%	13.50%
State Teachers Retirement System (STRS)					
Contractually Required Contribution	$ 1,037,199	$ 958,774	$ 952,962	$ 939,350	$ 876,041
Contributions in Relation to the Contractually Required Contribution	(1,037,199)	(958,774)	(952,962)	(939,350)	(876,041)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Career Center's Covered Payroll	$ 7,408,564	$ 6,848,386	$ 6,806,871	$ 6,709,643	$ 6,257,436
Pension Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%	14.00%

See accompanying notes to the required supplementary information

2017	2016	2015	2014	2013
$ 314,665	$ 302,021	$ 267,251	$ 257,869	$ 250,623
(314,665)	(302,021)	(267,251)	(257,869)	(250,623)
$ -	$ -	$ -	$ -	$ -
$ 2,247,607	$ 2,157,293	$ 2,027,700	$ 1,860,527	$ 1,810,860
14.00%	14.00%	13.18%	13.86%	13.84%
$ 816,016	$ 797,549	$ 828,355	$ 767,923	$ 756,552
(816,016)	(797,549)	(828,355)	(767,923)	(756,552)
$ -	$ -	$ -	$ -	$ -
$ 5,828,686	$ 5,696,779	$ 5,916,821	$ 5,907,100	$ 5,819,631
14.00%	14.00%	14.00%	13.00%	13.00%

Apollo Career Center
Allen County, Ohio
Required Supplementary Information
Schedule of the Career Center's Proportionate Share of the Net OPEB Liability (Asset)
Last Six Years (1)

	2022	2021	2020
School Employees Retirement System (SERS)			
Career Center's Proportion of the Net OPEB Liability	0.064130%	0.060845%	0.060644%
Career Center's Proportionate Share of the Net OPEB Liability	$ 1,213,703	$ 1,322,357	$ 1,525,067
Career Center's Covered Payroll	$ 2,192,250	$ 2,152,871	$ 2,165,874
Career Center's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	55.36%	61.42%	70.41%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	24.08%	18.17%	15.57%
State Teachers Retirement System (STRS)			
Career Center's Proportion of the Net OPEB Liability/(Asset)	0.056010%	0.056361%	0.056612%
Career Center's Proportionate Share of the Net OPEB Liability/(Asset)	$ (1,180,925)	$ (990,543)	$ (937,631)
Career Center's Covered Payroll	$ 6,848,386	$ 6,806,871	$ 6,709,643
Career Center's Proportionate Share of the Net OPEB Liability/(Asset) as a Percentage of its Covered Payroll	-17.24%	-14.55%	-13.97%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability/(Asset)	174.73%	182.10%	174.70%

(1) Information prior to 2017 is not available.

Note: The amounts presented for each fiscal year were determined as of the measurement date, which is the prior fiscal year.

2019		2018		2017	
	0.06318800%		0.06759730%		0.06680609%
$	1,753,006	$	1,814,134	$	1,904,221
$	2,188,148	$	2,247,607	$	2,157,293
	80.11%		80.71%		88.27%
	13.57%		12.46%		11.49%
	0.05531905%		0.05247787%		0.05243724%
$	(888,921)	$	2,047,493	$	2,804,357
$	6,257,436	$	5,828,686	$	5,696,779
	-14.21%		35.13%		49.23%
	176.00%		47.10%		37.30%

See accompanying notes to the required supplementary information

Apollo Career Center
Allen County, Ohio
Required Supplementary Information
Schedule of the Career Center's Contributions - OPEB
Last Ten Fiscal Years

	2022	2021	2020	2019	2018
School Employees Retirement System (SERS)					
Contractually Required Contribution (1)	$ 28,249	$ 27,939	$ 25,766	$ 33,524	$ 33,636
Contributions in Relation to the Contractually Required Contribution	(28,249)	(27,939)	(25,766)	(33,524)	(33,636)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Career Center's Covered Payroll	$ 2,414,950	$ 2,192,250	$ 2,152,871	$ 2,165,874	$ 2,188,148
OPEB Contributions as a Percentage of Covered Payroll (1)	1.17%	0.78%	1.27%	1.55%	1.54%
State Teachers Retirement System (STRS)					
Contractually Required Contribution	$ -	$ -	$ -	$ -	$ -
Contributions in Relation to the Contractually Required Contribution	-	-	-	-	-
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Career Center's Covered Payroll	$ 7,408,564	$ 6,848,386	$ 6,806,871	$ 6,709,643	$ 6,257,436
OPEB Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%

(1) Includes surcharge

See accompanying notes to the required supplementary information

2017	2016	2015	2014	2013
$ 18,801	$ 17,208	$ 30,897	$ 36,995	$ 36,822
(18,801)	(17,208)	(30,897)	(36,995)	(36,822)
$ -	$ -	$ -	$ -	$ -
$ 2,247,607	$ 2,157,293	$ 2,027,700	$ 1,860,527	$ 1,810,860
0.84%	0.80%	1.52%	1.99%	2.03%
$ -	$ -	$ -	$ 59,071	$ 58,196
-	-	-	(59,071)	(58,196)
$ -	$ -	$ -	$ -	$ -
$ 5,828,686	$ 5,696,779	$ 5,916,821	$ 5,907,100	$ 5,819,631
0.00%	0.00%	0.00%	1.00%	1.00%

NOTE 1 - NET PENSION LIABILITY

There were no changes in assumptions or benefit terms for the fiscal years reported unless otherwise stated below:

Changes in Assumptions - SERS

For fiscal year 2022, the SERS Board adopted the following assumption changes:

- Assumed rate of inflation was reduced from 3.00 percent to 2.40 percent
- Payroll growth assumption was reduced from 3.50 percent to 1.75 percent
- Assumed real wage growth was reduced from 0.50 percent to 0.85 percent
- Discount rate was reduced from 7.50 percent to 7.00 percent
- Rates of withdrawal, retirement and disability were updated to reflect recent experience.
- Mortality among active members, service retirees and beneficiaries, and disabled members were updated.

For fiscal year 2017, the SERS Board adopted the following assumption changes:

- Assumed rate of inflation was reduced from 3.25 percent to 3.00 percent
- Payroll Growth Assumption was reduced from 4.00 percent to 3.50 percent
- Assumed real wage growth was reduced from 0.75 percent to 0.50 percent
- Rates of withdrawal, retirement and disability were updated to reflect recent experience.
- 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.
- Mortality among service retired members, and beneficiaries was updated to RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120 percent of male rates, and 110 percent of female rates.
- Mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90 percent for male rates and 100 percent for female rates, set back five years is used for the period after disability retirement.

Changes in Benefit Terms - SERS

For fiscal year 2021, cost-of-living adjustments was reduced from 2.50 percent to 2.00 percent.

For fiscal year 2018, the cost-of-living adjustment was changed from a fixed 3.00 percent to a cost-of-living adjustment that is indexed to CPI-W not greater than 2.50 percent with a floor of zero percent beginning January 1, 2018. In addition, with the authority granted the Board under HB 49, the Board has enacted a three-year COLA suspension for benefit recipients in calendar years 2018, 2019 and 2020.

Changes in Assumptions – STRS

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

For fiscal year 2018, the Retirement Board approved several changes to the actuarial assumptions in 2017. The long term expected rate of return was reduced from 7.75 percent to 7.45 percent, the inflation assumption was lowered from 2.75 percent to 2.50 percent, the payroll growth assumption was lowered to

3.00 percent, and total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25 percent due to lower inflation. The healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016. Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

Changes in Benefit Terms - STRS

For fiscal year 2018, the cost-of-living adjustment (COLA) was reduced to zero.

NOTE 2 - NET OPEB LIABILITY (ASSET)

Changes in Assumptions – SERS

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

Municipal Bond Index Rate:

Fiscal year 2022	1.92 percent
Fiscal year 2021	2.45 percent
Fiscal year 2020	3.13 percent
Fiscal year 2019	3.62 percent
Fiscal year 2018	3.56 percent
Fiscal year 2017	2.92 percent

Single Equivalent Interest Rate, net of plan investment expense, including price inflation:

Fiscal year 2022	2.27 percent
Fiscal year 2021	2.63 percent
Fiscal year 2020	3.22 percent
Fiscal year 2019	3.70 percent
Fiscal year 2018	3.63 percent
Fiscal year 2017	2.98 percent

Pre-Medicare Trend Assumption

Fiscal year 2022	6.75 percent initially, decreasing to 4.40 percent
Fiscal year 2021	7.00 percent initially, decreasing to 4.75 percent
Fiscal year 2020	7.00 percent initially, decreasing to 4.75 percent
Fiscal year 2019	7.25 percent initially, decreasing to 4.75 percent
Fiscal year 2018	7.50 percent initially, decreasing to 4.00 percent

Medicare Trend Assumption

Fiscal year 2022	5.125 percent initially, decreasing to 4.40 percent
Fiscal year 2021	5.25 percent initially, decreasing to 4.75 percent
Fiscal year 2020	5.25 percent initially, decreasing to 4.75 percent
Fiscal year 2019	5.375 percent initially, decreasing to 4.75 percent
Fiscal year 2018	5.50 percent initially, decreasing to 5.00 percent

Changes in Benefit Terms – SERS

There have been no changes to the benefit provisions.

Changes in Assumptions – STRS

For fiscal year 2021, valuation year per capita health care costs were updated. Health care cost trend rates ranged from -5.20 percent to 9.60 percent initially for fiscal year 2020 and changed for fiscal year 2021 to a range of -6.69 percent to 11.87 percent, initially.

For fiscal year 2019, the discount rate was increased from the blended rate of 4.13 percent to the long-term expected rate of return of 7.45 percent. Valuation year per capita health care costs were updated. Health care cost trend rates ranged from 6.00 percent to 11 percent initially and a 4.50 percent ultimate rate for fiscal year 2018 and changed for fiscal year 2019 to a range of -5.20 percent to 9.60 percent, initially and a 4.00 ultimate rate.

For fiscal year 2018, the blended discount rate was increased from 3.26 percent to 4.13 percent. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

Changes in Benefit Terms – STRS

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

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

For fiscal year 2019, the subsidy multiplier for non-Medicare benefit recipients was increased from 1.9 percent to 1.944 percent per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased effective January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.

For fiscal year 2018, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1 percent to 1.9 percent per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019. This was subsequently extended, see above paragraph.

SUPPLEMENTARY INFORMATION

APOLLO CAREER CENTER
ALLEN COUNTY, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

FEDERAL GRANTOR/ SUB GRANTOR/ PROGRAM TITLE	ASSISTANCE LISTING NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER / ADDITIONAL AWARD IDENTIFICATION	TOTAL EXPENDITURES OF FEDERAL AWARDS
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through the Ohio Department of Education			
Child Nutrition Cluster			
School Breakfast Program	10.553	2022	$ 50,338
COVID-19 - National School Lunch Program - CNP COVID3 EMERGENCY CST	10.555	COVID-19, 2022	19,772
COVID-19 - National School Lunch Program - CN COVID PRO MANF	10.555	COVID-19, 2022	423
National School Lunch Program	10.555	2022	369,145
National School Lunch Program - Food Donation	10.555	2022	38,409
Total National School Lunch Program			427,749
Total Child Nutrition Cluster			478,087
COVID-19 - State Pandemic Electronic Benefit Transfer (P-EBT) Administrative Costs Grant	10.649	COVID-19, 2022	614
Total U.S. Department of Agriculture			478,701
U.S. DEPARTMENT OF TREASURY			
Passed Through the Ohio Department of Education			
COVID-19 - Coronavirus Relief Fund - BroadbandOhio Connectivity	21.019	COVID-19, 2021	13
Total U.S. Department of Treasury			13
U.S. DEPARTMENT OF EDUCATION			
Passed Through the Ohio Department of Education			
Adult Education - Basic Grants to States - Aspire Instructional	84.002A	84.002A, 2021	12,287
Adult Education - Basic Grants to States - Aspire Instructional	84.002A	84.002A, 2022	226,838
Total Adult Education - Basic Grants to States			239,125
Passed Through the Ohio Department of Higher Education			
Career and Technical Education Basic Grants to States - Carl D. Perkins Secondary	84.048A	84.048A, 2022	237,565
Career and Technical Education Basic Grants to States	84.048A	84.048A, 2021	24,168
Career and Technical Education Basic Grants to States	84.048A	84.048A, 2022	306,229
Total Career and Technical Education Basic Grants to States			567,962
Direct			
Student Financial Assistance Cluster			
Federal Pell Grant Program	84.063	N/A	33,741
Federal Pell Grant Program	84.063	N/A	507,716
Total Federal Pell Grant Program			541,457
Federal Direct Student Loans (Direct Loan)	84.268	N/A	73,056
Federal Direct Student Loans (Direct Loan)	84.268	N/A	544,222
Total Federal Direct Student Loans (Direct Loan)			617,278
Total Student Financial Assistance Cluster			1,158,735
Passed Through the Ohio Department of Education			
COVID-19 - Governor's Emergency Education Relief (GEER) Fund	84.425C	COVID-19, 84.425C, 2021	37,709
COVID-19 - Governor's Emergency Education Relief (GEER) Fund	84.425C	COVID-19, 84.425C, 2022	110,239
COVID-19 - Governor's Emergency Education Relief (GEER II) Fund	84.425C	COVID-19, 84.425C, 2023	87,810
Direct			
COVID-19 - Higher Education Emergency Relief Fund (HEERF III) - Student Aid Portion	84.425E	COVID-19, 84.425E, P425E201808	441,154
COVID-19 - Higher Education Emergency Relief Fund (HEERF II) - Institutional Aid Portion	84.425F	COVID-19, 84.425F, P425F203431	54,063
COVID-19 - Higher Education Emergency Relief Fund (HEERF III) - Institutional Aid Portion	84.425F	COVID-19, 84.425F, P425F203431	173,634
Total Education Stabilization Fund (ESF)			904,609
Total U.S. Department of Education			2,870,431
Total Expenditures of Federal Awards			$ 3,349,145

The accompanying notes are an integral part of this schedule.

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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 Apollo Career Center under programs of the federal government for the fiscal year ended June 30, 2022 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 Apollo Career Center, it is not intended to and does not present the financial position, or changes in net position of the Apollo Career Center. Such expenditures are recognized following cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be limited 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 Apollo Career Center has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3 – CHILD NUTRITION CLUSTER

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

NOTE 4 – FOOD DONATION PROGRAM

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

NOTE 5 – TRANSFERS BETWEEN PROGRAM YEARS

Federal regulations require schools to obligate certain federal awards by June 30, however, with the Ohio Department of Education's consent, Career Centers can transfer unobligated amounts to the subsequent program/fiscal year or a similar program. During fiscal year 2022, the Apollo Career Center, with the Ohio Department of Education's consent, made the following transfer:

		Grant/Program Year		
Grant/Program Name	**ALN**	**Transferred From**	**Transferred To**	**Amount**
Governor's Emergency Education Relief (GEER) Fund	84.425C	2021	2022	$ 9,402

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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*

Apollo Career Center
Allen County
3325 Shawnee Road
Lima, Ohio 45806

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 Apollo Career Center, Allen County, Ohio, as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Apollo Career Center's basic financial statements, and have issued our report thereon dated December 9, 2022, wherein we noted as described in Note 18 to the financial statements, the financial impact of COVID-19 and the recovery emergency measures may impact subsequent periods.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Apollo 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 Apollo Career Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Apollo 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 Apollo 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings as item 2022-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Apollo 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*.

Apollo Career Center's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Apollo Career Center's response to the finding identified in our audit and described in the accompanying corrective action plan. The Apollo Career Center's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Apollo 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 Apollo Career Center's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Julian & Grube, Inc.

Julian & Grube, Inc.
December 9, 2022

Julian & Grube

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

Apollo Career Center
Allen County
3325 Shawnee Road
Lima, Ohio 45806

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 Apollo 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 Apollo Career Center's major federal programs for the fiscal year ended June 30, 2022. The Apollo 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 Apollo 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, 2022.

Basis for Opinion on Each Major Federal Program

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

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.

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

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.
December 9, 2022

APOLLO CAREER CENTER
ALLEN COUNTY, OHIO

SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2022

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

2. FINDINGS RELATED TO THE BASIC FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS	
Finding Number	2022-001

Material Weakness - Financial Statement Presentation

Management is responsible for preparing complete and accurate financial statements in accordance with the applicable financial reporting framework. Control and monitoring activities typically associated with the period-end financial reporting process include reviewing and approving manual journal entries, consolidating entries, and any entries that are recorded directly to the financial statements. For the Career Center, this could also include reviewing the fiscal year-end system reports to ensure activity is properly reported.

In order to properly state financial statement amounts, the following adjustments were made to the Career Center's financial statements for the fiscal year ended June 30, 2022:

- On the Statement of Net Position property taxes receivable was decreased by $818,669. Additionally, deferred inflows of resources - property taxes levied for the next year was decreased by the same amount.

2. FINDINGS RELATED TO THE BASIC FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (CONTINUED)	
Finding Number	2022-001 (Continued)

- On the Balance Sheet, in the General Fund, property taxes receivable was decreased by $484,162. Additionally, deferred inflows of resources - property taxes levied for the next year was decreased by the same amount.
- On the Balance Sheet, in the Bond Retirement Fund, property taxes receivable was decreased by $213,600. Additionally, deferred inflows of resources - property taxes levied for the next year was decreased by the same amount.
- On the Balance Sheet, in the Permanent Improvement Fund, property taxes receivable was decreased by $76,159. Additionally, deferred inflows of resources - property taxes levied for the next year was decreased by the same amount.
- On the Balance Sheet, in the Classroom Facilities Maintenance Fund (a nonmajor governmental fund), property taxes receivable was decreased by $44,748. Additionally, deferred inflows of resources - property taxes levied for the next year was decreased by the same amount.
- To property state the Federal Pell Grant and Federal Direct Student Loan related activity within governmental activities, an adjustment was made to the Statement of Activities, to increase other non-instructional services expenses by $912,128 and operating grants, contributions, and interest - other non-instructional services program revenues by the same amount.
- To properly state the Federal Pell Grant and Federal Direct Student Loan related activity within the other governmental funds, and adjustment was made to the Statement of Revenues, Expenditures and Changes in Fund Balances, to increase intergovernmental revenues by $912,128. and to increase other non-instructional services expenditures by the same amount.
- To properly state the Federal Pell Grant and Federal Direct Student Loan related activity within governmental activities the Statement of Fiduciary Net Position – Custodial Fund and the Statement of Changes in Fiduciary Net Position – Custodial Fund activities were eliminated as well as the internal activity related to these programs.

The audited financial statements and notes have been adjusted to properly report these adjustments.

In addition to the misstatement above, certain additional immaterial misstatements have been identified and brought to the Career Center's attention and have not been adjusted on the accompanying financial statements and notes.

A lack of proper policies and procedures for control and monitoring activities associated with the period-end financial reporting process could lead to financial statement and note disclosure adjustments, which if uncorrected, could lead to a misrepresentation of the Career Center's activity.

We recommend the Career Center design and implement additional procedures to facilitate more accurate and detailed financial reporting. The Career Center should consider having an outside third-party, or Board member with financial experience, review the financial report prior to filing in the Hinkle System. Further, the Career Center should reach out to its auditor throughout the year if questions arise.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

Keith Horner, Superintendent
Maria Rellinger, Treasurer/CFO
Nicholas Sammetinger, High School Principal
Tara Shepherd, Adult Education Director
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Apollo Career Center will prepare students to be next ready to have a positive impact in our community.

CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
JUNE 30, 2022

Finding Number	Planned Corrective Action	Anticipation Completion Date	Responsible Contact Person
2022-001	Talked with GAAP conversion representative about making the adjustments needed for the next fiscal year's audit.	12/30/2022	Maria Rellinger, Treasurer

OHIO AUDITOR OF STATE
KEITH FABER

APOLLO CAREER CENTER

ALLEN 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 2/2/2023

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

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