



OHIO AUDITOR OF STATE  
**KEITH FABER**





**COSHOCTON COUNTY CAREER CENTER  
 COSHOCTON COUNTY  
 JUNE 30, 2022 AND 2021**

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# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT AUDITOR'S REPORT

Coshocton County Career Center  
Coshocton County  
23640 Airport Road  
Coshocton, Ohio 43812

To the Board of Education:

### Report on the Audit of the Financial Statements

#### **Opinions**

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Coshocton County Career Center, Coshocton County, Ohio (Career Center), as of and for the years ended June 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Career Center's basic financial statements as listed in the Table of Contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Coshocton County Career Center, Coshocton County, Ohio as of June 30, 2022 and 2021, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the years then ended in accordance with the accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Career Center, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Career Center's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Career Center's ability to continue as a going concern for a reasonable period of time.

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



**Required Supplementary Information**

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2024, on our consideration of the Career Center's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Career Center's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Career Center's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State  
Columbus, Ohio

September 25, 2024

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The discussion and analysis of the Coshocton County 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 2022 are as follows:

- Net position increased \$621,299 which represents a 111 percent increase from the previous fiscal year.
- Capital assets decreased \$47,254 during the fiscal year.
- During the fiscal year, outstanding debt decreased from principal payments.

***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 Coshocton County 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 Coshocton County Career Center, the general fund and permanent improvement fund are by far the most significant funds.

***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.

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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.

***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 and the permanent improvement fund.

***Governmental Funds*** Most 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.

***Proprietary Fund*** The Career Center maintains one type of proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Career Center's various functions. The Career Center uses an internal service fund to account for its health insurance benefits. Because this service predominately benefits governmental functions, it has been included within the governmental activities in the government-wide financial statements.

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**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 2022 compared to 2021:

**Table 1**  
**Net Position**

	Governmental Activities		
	2022	2021	Change
<b>Assets</b>			
Current & Other Assets	\$ 4,652,603	\$ 3,531,151	\$ 1,121,452
Net Pension/OPEB Asset	286,408	246,612	39,796
Capital Assets	<u>2,254,614</u>	<u>2,301,868</u>	<u>(47,254)</u>
<i>Total Assets</i>	<u>7,193,625</u>	<u>6,079,631</u>	<u>1,113,994</u>
<b>Deferred Outflows of Resources</b>			
Pension & OPEB	<u>1,001,600</u>	<u>872,118</u>	<u>129,482</u>
<i>Total Deferred Outflows of Resources</i>	<u>1,001,600</u>	<u>872,118</u>	<u>129,482</u>
<b>Liabilities</b>			
Current & Other Liabilities	642,431	507,800	134,631
Long-Term Liabilities:			
Due Within One Year	41,237	31,790	9,447
Due In More Than One Year:			
Pension & OPEB	2,652,388	4,797,322	(2,144,934)
Other Amounts	<u>314,321</u>	<u>281,606</u>	<u>32,715</u>
<i>Total Liabilities</i>	<u>3,650,377</u>	<u>5,618,518</u>	<u>(1,968,141)</u>
<b>Deferred Inflows of Resources</b>			
Property Taxes	1,994,546	1,286,492	708,054
Pension & OPEB	<u>2,491,101</u>	<u>608,837</u>	<u>1,882,264</u>
<i>Total Deferred Inflows of Resources</i>	<u>4,485,647</u>	<u>1,895,329</u>	<u>2,590,318</u>
<b>Net Position</b>			
Net Investment in Capital Assets	2,128,690	2,299,918	(171,228)
Restricted	699,303	599,874	99,429
Unrestricted	<u>(2,768,792)</u>	<u>(3,461,890)</u>	<u>693,098</u>
<i>Total Net Position</i>	<u>\$ 59,201</u>	<u>\$ (562,098)</u>	<u>\$ 621,299</u>

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The net pension liability (NPL) is the largest single liability 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. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

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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 significant change in net pension/OPEB liability/asset 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.

Current and other assets as well as deferred inflows of resources for property taxes increased during the fiscal year. Both of these increases can be attributed primarily to the Career Center's passage of an operating levy that began collecting in calendar year 2022.

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 was a deficit balance.

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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 2022 and 2021.

**Table 2**  
**Changes in Net Position**

	Governmental Activities		
	2022	2021	Change
<b>Revenues</b>			
<i>Program Revenues</i>			
Charges for Services	\$ 61,210	\$ 94,186	\$ (32,976)
Operating Grants	661,963	637,677	24,286
<i>Total Program Revenues</i>	<u>723,173</u>	<u>731,863</u>	<u>(8,690)</u>
<b>General Revenues</b>			
Property Taxes	1,874,702	1,646,717	227,985
Grants & Entitlements	2,195,955	1,823,702	372,253
Miscellaneous	55,564	47,023	8,541
<i>Total General Revenues</i>	<u>4,126,221</u>	<u>3,517,442</u>	<u>608,779</u>
<i>Total Revenues</i>	<u>4,849,394</u>	<u>4,249,305</u>	<u>600,089</u>
<b>Program Expenses</b>			
Instruction:			
Regular	493,998	562,122	(68,124)
Special	142,969	156,202	(13,233)
Vocational	1,594,180	1,666,201	(72,021)
Other	64,252	79,888	(15,636)
Support Services:			
Pupils	249,602	252,047	(2,445)
Instructional Staff	281,167	328,393	(47,226)
Board of Education	66,400	62,695	3,705
Administration	307,399	279,647	27,752
Fiscal	240,808	261,586	(20,778)
Business	35,355	34,013	1,342
Operation and Maintenance of Plant	514,883	591,258	(76,375)
Pupil Transportation	11,604	14,236	(2,632)
Central	35,152	31,303	3,849
Operation of Non-Instructional/Shared Services:			
Food Service Operations	148,069	125,312	22,757
Extracurricular Activities	37,122	36,854	268
Debt Service:			
Interest and Fiscal Charges	5,135	4,269	866
<i>Total Expenses</i>	<u>4,228,095</u>	<u>4,486,026</u>	<u>(257,931)</u>
<i>Change in Net Position</i>	621,299	(236,721)	858,020
<i>Net Position Beginning of Year</i>	<u>(562,098)</u>	<u>(325,377)</u>	<u>(236,721)</u>
<i>Net Position End of Year</i>	<u>\$ 59,201</u>	<u>\$ (562,098)</u>	<u>\$ 621,299</u>



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The increase in general revenues and in change in net position are primarily due to the increased property tax revenue from the passage of the operating levy previously discussed, and due to the State of Ohio changing to a direct funding model which increased grants and entitlements and decreased overall expenditures.

The changes in program expenses are partially 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 12/31/2022	Fund Balance 12/31/2021	Increase (Decrease)
General	\$ 1,127,644	\$ 860,575	\$ 267,069
Permanent Improvement	610,015	549,405	60,610
Other Governmental	106,489	38,614	67,875
<i>Totals</i>	<u>\$ 1,844,148</u>	<u>\$ 1,448,594</u>	<u>\$ 395,554</u>

***Governmental Funds***

The general fund's net change in fund balance for the fiscal year was primarily due to the passage of the operating levy previously discussed.

The permanent improvement fund's revenue source changed from property tax revenue in the previous fiscal year to a transfer from the general fund in the current fiscal year. The increase in fund balance is due to expenditures being less than the amount transferred into the fund.

***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.

During the course of fiscal year 2022, the Career Center amended its general fund budget. The Career Center uses site-based budgeting and budgeting systems are designed to tightly control total site budgets but provide flexibility for site management.

***Original Budget Compared to Final Budget*** During the course of fiscal year 2022, the most significant changes to original estimated receipts were increases in property tax and intergovernmental receipts to adjust for the increased property tax receipts and the change to the direct funding model previously discussed. The Career Center most significantly amended its general fund budget for original appropriations due to an increase in student support services and for the transfer to the permanent improvement fund previously discussed.

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***Final Budget Compared to Actual Results*** For fiscal year 2022, there were no significant differences between actual receipts and expenditures and final budgeted receipts and expenditures.

There were no significant variances to discuss within other financing sources and uses.

***Capital Assets and Debt Administration***

**Capital Assets**

Capital assets include, land, land improvements, buildings and building 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.

The implementation of GASB Statement No. 87 required recording a leases asset. See Note 7 for additional details.

**Debt**

The implementation of GASB Statement No. 87 required recording a lease liability. See Note 12 for additional details.

***Current Issues***

The Coshocton County Career Center strives to be fiscally responsible so we can provide the necessary instruction for our students to be knowledgeable, highly skilled and able to compete in a global economy. The financial future has its challenges and the Career Center continues to closely monitor revenue and expenditures in accordance with its five-year forecast. Even though COVID-19 was still active during the fiscal year, the Career Center's enrollment was the highest it's been in the Center's history. Being a Career Center, it was paramount for our students to be able to attend face-to-face, not just for instruction, but for the overall mental health of our students and team members.

***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 Tamara Hess, Treasurer of Coshocton County Career Center, 23640 Airport Road, Coshocton OH 43812.

**Coshocton County Career Center**  
**Coshocton County, Ohio**  
*Statement of Net Position*  
*June 30, 2022*

	Governmental Activities
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$ 2,104,719
Cash and Cash Equivalents with Fiscal Agent	376,999
Intergovernmental Receivable	22,777
Taxes Receivable	2,148,108
Net OPEB Asset	286,408
Non-Depreciable Capital Assets	41,074
Depreciable Capital Assets, net	2,213,540
<i>Total Assets</i>	7,193,625
<b>Deferred Outflows of Resources</b>	
Pension	905,408
OPEB	96,192
<i>Total Deferred Outflows of Resources</i>	1,001,600
<b>Liabilities</b>	
Accounts Payable	11,148
Accrued Wages and Benefits	337,663
Accrued Vacation Leave Payable	17,047
Intergovernmental Payable	48,755
Claims Payable	168,025
Unearned Revenue	59,793
Long-Term Liabilities:	
Due Within One Year	41,237
Due In More Than One Year:	
Net Pension Liability	2,351,509
Net OPEB Liability	300,879
Other Amounts Due in More Than One Year	314,321
<i>Total Liabilities</i>	3,650,377
<b>Deferred Inflows of Resources</b>	
Property Taxes Levied for the Next Year	1,994,546
Pension	1,954,258
OPEB	536,843
<i>Total Deferred Inflows of Resources</i>	4,485,647
<b>Net Position</b>	
Net Investment in Capital Assets	2,128,690
Restricted for:	
Capital Outlay	610,015
Other Purposes	89,288
Unrestricted	(2,768,792)
<i>Total Net Position</i>	\$ 59,201

See accompanying notes to the basic financial statements

**Coshocton County Career Center**  
**Coshocton 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	Governmental Activities
<b>Governmental Activities</b>				
Instruction:				
Regular	\$ 493,998	\$ 4,455	\$ -	\$ (489,543)
Special	142,969	-	90,927	(52,042)
Vocational	1,594,180	21,246	305,456	(1,267,478)
Adult/Continuing	-	2,305	-	2,305
Other	64,252	-	-	(64,252)
Support Services:				
Pupils	249,602	-	1,842	(247,760)
Instructional Staff	281,167	-	27,794	(253,373)
Board of Education	66,400	-	-	(66,400)
Administration	307,399	-	-	(307,399)
Fiscal	240,808	31	-	(240,777)
Business	35,355	-	-	(35,355)
Operation and Maintenance of Plant	514,883	221	30,014	(484,648)
Pupil Transportation	11,604	-	-	(11,604)
Central	35,152	-	-	(35,152)
Operation of Non-Instructional/Shared Services:				
Food Service Operations	148,069	13,196	201,630	66,757
Extracurricular Activities	37,122	19,756	4,300	(13,066)
Debt Service:				
Interest and Fiscal Charges	5,135	-	-	(5,135)
<i>Total</i>	<u>\$ 4,228,095</u>	<u>\$ 61,210</u>	<u>\$ 661,963</u>	<u>(3,504,922)</u>

**General Revenues**

Property Taxes Levied for:	
General Purpose	1,853,149
Debt Service	21,553
Grants and Entitlements not Restricted to Specific Programs	2,195,955
Investment Earnings	14,147
Miscellaneous	41,417
<i>Total General Revenues</i>	<u>4,126,221</u>
<i>Change in Net Position</i>	621,299
<i>Net Position Beginning of Year</i>	<u>(562,098)</u>
<i>Net Position End of Year</i>	<u>\$ 59,201</u>

See accompanying notes to the basic financial statements

**Coshocton County Career Center**  
**Coshocton County, Ohio**  
*Balance Sheet*  
*Governmental Funds*  
*June 30, 2022*

	General	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 1,382,811	\$ 610,015	\$ 111,893	\$ 2,104,719
Intergovernmental Receivable	-	-	22,777	22,777
Property Taxes Receivable	2,126,555	-	21,553	2,148,108
<i>Total Assets</i>	<u>\$ 3,509,366</u>	<u>\$ 610,015</u>	<u>\$ 156,223</u>	<u>\$ 4,275,604</u>
<b>Liabilities</b>				
Accounts Payable	\$ 11,148	\$ -	\$ -	\$ 11,148
Accrued Wages and Benefits	314,917	-	22,746	337,663
Intergovernmental Payable	45,716	-	3,039	48,755
<i>Total Liabilities</i>	<u>371,781</u>	<u>-</u>	<u>25,785</u>	<u>397,566</u>
<b>Deferred Inflows of Resources</b>				
Property Taxes Levied for the Next Year	1,972,993	-	21,553	1,994,546
Unavailable Revenue	36,948	-	2,396	39,344
<i>Total Deferred Inflows of Resources</i>	<u>2,009,941</u>	<u>-</u>	<u>23,949</u>	<u>2,033,890</u>
<b>Fund Balances</b>				
Nonspendable	66	-	-	66
Restricted	-	610,015	93,151	703,166
Committed	10,379	-	13,338	23,717
Assigned	33,363	-	-	33,363
Unassigned	1,083,836	-	-	1,083,836
<i>Total Fund Balance</i>	<u>1,127,644</u>	<u>610,015</u>	<u>106,489</u>	<u>1,844,148</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 3,509,366</u>	<u>\$ 610,015</u>	<u>\$ 156,223</u>	<u>\$ 4,275,604</u>

See accompanying notes to the basic financial statements

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

<b>Total Governmental Fund Balances</b>		\$ 1,844,148
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		2,254,614
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Intergovernmental	\$ 2,396	
Delinquent Property Taxes	<u>36,948</u>	39,344
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		149,181
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	286,408	
Deferred Outflows - Pension	905,408	
Deferred Outflows - OPEB	96,192	
Net Pension Liability	(2,351,509)	
Net OPEB Liability	(300,879)	
Deferred Inflows - Pension	(1,954,258)	
Deferred Inflows - OPEB	<u>(536,843)</u>	(3,855,481)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
House Bill 264 Loan	(73,388)	
Lease	(52,536)	
Accrued Vacation Leave Payable	(17,047)	
Compensated Absences	<u>(229,634)</u>	(372,605)
<i>Net Position of Governmental Activities</i>		<u>\$ 59,201</u>

See accompanying notes to the basic financial statements

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

	General	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Property and Other Local Taxes	\$ 1,876,907	\$ -	\$ 21,553	\$ 1,898,460
Intergovernmental	2,462,023	-	413,511	2,875,534
Investment Income	12,290	-	-	12,290
Tuition and Fees	16,656	-	-	16,656
Extracurricular Activities	-	-	21,775	21,775
Charges for Services	4,621	-	11,398	16,019
Rent	6,760	-	-	6,760
Contributions and Donations	-	-	6,142	6,142
Miscellaneous	41,417	-	-	41,417
<i>Total Revenues</i>	<u>4,420,674</u>	<u>-</u>	<u>474,379</u>	<u>4,895,053</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	559,967	-	-	559,967
Special	60,038	-	103,363	163,401
Vocational	1,586,358	32,045	51,597	1,670,000
Other	74,023	-	-	74,023
Support Services:				
Pupils	269,373	-	2,950	272,323
Instructional Staff	247,197	13,674	27,837	288,708
Board of Education	66,904	-	-	66,904
Administration	308,307	4,259	-	312,566
Fiscal	254,656	1,200	-	255,856
Business	38,071	-	-	38,071
Operation and Maintenance of Plant	416,768	88,212	29,194	534,174
Pupil Transportation	5,628	-	-	5,628
Central	35,152	-	-	35,152
Operation of Non-Instructional/Shared Services:				
Food Service Operations	-	-	152,591	152,591
Extracurricular Activities	17,069	-	23,441	40,510
Capital Outlay	58,680	-	-	58,680
Debt Service				
Principal Retirement	6,144	-	18,346	24,490
Interest and Fiscal Charges	1,570	-	3,565	5,135
<i>Total Expenditures</i>	<u>4,005,905</u>	<u>139,390</u>	<u>412,884</u>	<u>4,558,179</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>414,769</u>	<u>(139,390)</u>	<u>61,495</u>	<u>336,874</u>
<b>Other Financing Sources (Uses)</b>				
Inception of Lease	58,680	-	-	58,680
Transfers In	-	200,000	6,380	206,380
Transfers Out	(206,380)	-	-	(206,380)
<i>Total Other Financing Sources (Uses)</i>	<u>(147,700)</u>	<u>200,000</u>	<u>6,380</u>	<u>58,680</u>
<i>Net Change in Fund Balances</i>	267,069	60,610	67,875	395,554
<i>Fund Balances Beginning of Year</i>	<u>860,575</u>	<u>549,405</u>	<u>38,614</u>	<u>1,448,594</u>
<i>Fund Balances End of Year</i>	<u>\$ 1,127,644</u>	<u>\$ 610,015</u>	<u>\$ 106,489</u>	<u>\$ 1,844,148</u>

See accompanying notes to the basic financial statements

**Coshocton County Career Center**  
**Coshocton 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*

<b>Net Change in Fund Balances - Total Governmental Funds</b>	\$	395,554
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital Asset Additions	\$ 179,355	
Current Year Depreciation/Amortization	<u>(226,609)</u>	(47,254)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Intergovernmental	(23,758)	
Delinquent Property Taxes	<u>(23,758)</u>	(47,516)
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
House Bill 264 Loan	18,346	
Lease	<u>6,144</u>	24,490
Inception of lease in the governmental funds that increase long-term liabilities in the statement of net position are not reported as revenues.		
		(58,680)
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	318,358	
OPEB	<u>3,396</u>	321,754
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	73,938	
OPEB	<u>36,256</u>	110,194
The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the statement of activities. Governmental expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.		
		(66,328)
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.		
Accrued Vacation Leave Payable	(2,943)	
Compensated Absences	<u>(7,972)</u>	(10,915)
<i>Change in Net Position of Governmental Activities</i>	<u>\$</u>	<u>621,299</u>

See accompanying notes to the basic financial statements



**Coshocton County Career Center**  
**Coshocton 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			Variance with Final Budget
	Original	Final	Actual	
<b>Revenues</b>				
Property and Other Local Taxes	\$ 1,519,500	\$ 1,856,399	\$ 1,856,399	\$ -
Intergovernmental	2,035,000	2,462,655	2,462,023	(632)
Investment Income	9,000	10,000	12,290	2,290
Tuition and Fees	48,000	-	-	-
Rent	6,000	6,760	6,760	-
Miscellaneous	32,000	28,266	28,013	(253)
<i>Total Revenues</i>	<u>3,649,500</u>	<u>4,364,080</u>	<u>4,365,485</u>	<u>1,405</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	557,267	547,512	558,032	(10,520)
Special	65,403	59,536	59,697	(161)
Vocational	1,491,437	1,551,132	1,577,395	(26,263)
Other	66,815	75,902	73,547	2,355
Support Services:				
Pupils	148,864	267,546	255,112	12,434
Instructional Staff	279,764	300,039	271,324	28,715
Board of Education	55,066	69,072	69,165	(93)
Administration	281,719	313,897	308,549	5,348
Fiscal	272,424	251,863	252,081	(218)
Business	35,237	42,061	37,947	4,114
Operation and Maintenance of Plant	409,704	414,161	429,229	(15,068)
Pupil Transportation	6,510	9,816	7,010	2,806
Central	36,997	41,665	35,152	6,513
Extracurricular Activities	18,078	17,173	17,069	104
Debt Service				
Principal Retirement	6,144	6,144	6,144	-
Interest and Fiscal Charges	1,570	1,570	1,570	-
<i>Total Expenditures</i>	<u>3,732,999</u>	<u>3,969,089</u>	<u>3,959,023</u>	<u>10,066</u>
<i>Excess of Receipts Over (Under) Expenditures</i>	<u>(83,499)</u>	<u>394,991</u>	<u>406,462</u>	<u>11,471</u>
<b>Other Financing Sources (Uses)</b>				
Refund of Prior Year Expenditures	500	9,199	9,199	-
Other Financing Uses	(73,318)	-	-	-
Transfers Out	(27,003)	(206,380)	(206,380)	-
<i>Total Other Financing Sources (Uses)</i>	<u>(99,821)</u>	<u>(197,181)</u>	<u>(197,181)</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	(183,320)	197,810	209,281	11,471
<i>Fund Balance Beginning of Year</i>	1,076,670	1,076,670	1,076,670	-
Prior Year Encumbrances Appropriated	28,228	28,228	28,228	-
<i>Fund Balance End of Year</i>	<u>\$ 921,578</u>	<u>\$ 1,302,708</u>	<u>\$ 1,314,179</u>	<u>\$ 11,471</u>

See accompanying notes to the basic financial statements

**Coshocton County Career Center**  
**Coshocton County, Ohio**  
*Statement of Fund Net Position*  
*Proprietary Fund*  
*June 30, 2022*

	Governmental Activities	
	Internal Service Fund	
<b>Assets</b>		
<i>Current Assets:</i>		
Cash and Cash Equivalents with Fiscal Agent	\$	376,999
<i>Total Current Assets</i>		376,999
 <i>Current Liabilities:</i>		
Unearned Revenue		59,793
Claims Payable		168,025
<i>Total Current Liabilities</i>		227,818
 <b>Net Position</b>		
Unrestricted		149,181
<i>Total Net Position</i>	\$	149,181

See accompanying notes to the basic financial statements

**Coshocton County Career Center**  
**Coshocton County, Ohio**  
*Statement of Revenues, Expenses and Changes in Fund Net Position*  
*Proprietary Fund*  
*For the Fiscal Year Ended June 30, 2022*

	Governmental Activities
	Internal Service Fund
<b>Operating Revenues</b>	
Charges for Services	\$ 714,562
Other	29,888
<i>Total Operating Revenues</i>	<i>744,450</i>
<b>Operating Expenses</b>	
Purchased Services	224,174
Claims	588,461
<i>Total Operating Expenses</i>	<i>812,635</i>
<i>Operating (Loss)</i>	<i>(68,185)</i>
<b>Non-Operating Revenues</b>	
Interest	1,857
<i>Total Non-Operating Revenues</i>	<i>1,857</i>
<i>Change in Net Position</i>	<i>(66,328)</i>
<i>Net Position Beginning of Year</i>	<i>215,509</i>
<i>Net Position End of Year</i>	<i>\$ 149,181</i>

See accompanying notes to the basic financial statements

**Coshocton County Career Center**  
**Coshocton County, Ohio**  
*Statement of Cash Flows*  
*Proprietary Fund*  
For the Fiscal Year Ended June 30, 2022

	Governmental Activities
	Internal Service Fund
<b>Cash Flows from Operating Activities</b>	
Cash Received from Interfund Services Provided	716,292
Cash Received from Other Operating Receipts	29,888
Cash Payments to Suppliers for Goods and Services	(224,174)
Cash Payments for Claims	(435,847)
<i>Net Cash Provided by Operating Activities</i>	<i>86,159</i>
<b>Cash Flows from Investing Activities</b>	
Interest	1,857
<i>Net Cash Provided by Investing Activities</i>	<i>1,857</i>
<i>Net Increase in Cash and Cash Equivalents</i>	88,016
<i>Cash and Cash Equivalents Beginning of Year</i>	288,983
<i>Cash and Cash Equivalents End of Year</i>	\$ 376,999
<b>Reconciliation of Operating (Loss) to Net Cash Provided by Operating Activities</b>	
Operating (Loss)	\$ (68,185)
Adjustments:	
Increase in Liabilities and Deferred Inflows:	
Claims Payable	152,614
Unearned Revenue	1,730
<i>Net Cash Provided by Operating Activities</i>	<i>\$ 86,159</i>

See accompanying notes to the basic financial statements

**Coshocton County Career Center**  
**Coshocton County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2022*

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**NOTE 1: DESCRIPTION OF THE CAREER CENTER AND REPORTING ENTITY**

The Coshocton County Career Center (Career Center) was established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Career Center is a school district as defined by Section 3311.18 of the Ohio Revised Code. The Career Center operates under a Board of Education, consisting of five members appointed by participating school districts.

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the basic financial statements of the Career Center are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the Career Center. For the Coshocton County 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 provides financial support to, the organization; or the Career Center is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Career Center in that the Career Center approves the budget, the issuance of debt or the levying of taxes. The Career Center has no component units.

***A. Jointly Governed Organization***

The Career Center is involved with the Ohio Mid-Eastern Regional Educational Services Association (OME-RESA), which is defined as a jointly governed organization.

***Ohio Mid-Eastern Regional Education Service Agency (OME-RESA)*** OME-RESA is a jointly governed organization comprised of 43 schools, created as a regional council of governments pursuant to state statute. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions for members. Each of the members support OME-RESA based on a per pupil charge dependent upon the software package utilized. The OME-RESA assembly consists of a superintendent or designated representative from each participating members and a representative from the fiscal agent. OME-RESA is governed by a board of directors chosen from the general membership of the OME-RESA assembly. The board of directors consists of a representative from the fiscal agent, the chairman of each operating committee, and at least an assembly member from each county from which participating members are located. Financial information can be obtained by contacting the Treasurer at OME-RESA, which serves as fiscal agent, located in Steubenville, Ohio.

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

The financial statements of the Career Center have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applied to 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.

**Coshocton County Career Center**  
**Coshocton County, Ohio**  
*Notes to the Basic Financial Statements (Continued)*  
*For the Fiscal Year Ended June 30, 2022*

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***A. Basis of Presentation***

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

***Government-wide Financial Statements*** The statement of net position and the statement of activities display information about the Career Center as a whole. These statements include the financial activities of the primary government. The activity of the internal service fund is also eliminated to avoid "doubling up" revenues and expenses.

The statement of net position presents the financial condition of the governmental activities of the Career Center at fiscal year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Career Center's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Career Center, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the Career Center.

***Fund Financial Statements*** During the 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. The internal service fund is presented in a single column on the face of the proprietary fund statements.

***B. Fund Accounting***

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

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

***General Fund*** – The general fund accounts 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.

**Coshocton County Career Center**  
**Coshocton County, Ohio**  
*Notes to the Basic Financial Statements (Continued)*  
*For the Fiscal Year Ended June 30, 2022*

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***Permanent Improvement Fund*** – The permanent improvement fund receives property taxes for acquisition, construction or improvement of capital facilities.

The other governmental funds of the Career Center account for grants and other resources to which the Career Center is bound to observe constraints imposed upon the use of the resources.

***Proprietary Funds*** Proprietary funds focus on the determination of changes in net position, financial position and cash flows and are classified as either enterprise or internal service. The Career Center’s only proprietary fund is an internal service fund.

***Internal Service Fund*** – The internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the Career Center on a cost reimbursement basis. The Career Center’s internal service fund accounts for the operation of the Career Center’s self-insurance program for employee medical benefits.

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

***C. Measurement Focus***

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

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

Like the government-wide statements, the internal service 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 fund net position. The statement of revenues, expenses and changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net position. The statement of cash flows provides information about how the Career Center finances and meets the cash flow needs of its internal service fund activity.

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**Coshocton County, Ohio**  
*Notes to the Basic Financial Statements (Continued)*  
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***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 and the statements for the proprietary fund are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows/outflows 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 a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the Career Center, available means expected to be received within sixty days of the 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 (See Note 5). 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 a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

***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 pension and OPEB. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 10 and 11.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized 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.



**Coshocton County Career Center**  
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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 10 and 11).

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

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

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

***F. Cash and Cash Equivalents***

To improve cash management, all 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 cash equivalents." The Career Center participates in the Jefferson Health Plan. The Jefferson Health Plan is an insurance consortium for self-insurance. These monies are held separate from the Career Center's central bank account and are reflected in the financial statement as "cash and cash equivalents with fiscal agent."

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts, such as nonnegotiable certificates of deposit and repurchase agreements, are reported at cost.

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

For the 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 24 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 day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

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 amounted to \$12,290 which includes \$4,479 assigned from other Career Center funds.

Investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the Career Center are reported as cash equivalents. Investments with an original maturity of more than three months that are not made from the pool are reported as investments.

***G. Capital Assets***

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The Career Center has a capitalization threshold of \$2,500. The Career Center does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the assets or materially extend an asset’s life are not.

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

Description	Estimated Lives
Land Improvements	10-30 Years
Buildings and Improvements	10-50 Years
Furniture and Equipment	5-15 Years
Vehicles	5-10 Years

**Coshocton County Career Center**  
**Coshocton County, Ohio**  
*Notes to the Basic Financial Statements (Continued)*  
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***H. Compensated Absences***

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

Sick leave benefits are accrued as a liability using the termination method. An accrual for earned sick leave is made to the extent that 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.

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

On the governmental fund statements, compensated absences are recognized as a liability and expenditure to the extent that 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 funds from which the employee will be paid.

***I. 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.

***J. Accrued Liabilities and Long-Term Obligations***

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities, and long-term obligations payable from proprietary funds are reported on the proprietary fund 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 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.

***K. Net Position***

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position.

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**Coshocton County, Ohio**  
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Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Career Center or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. At June 30, 2022, there was no net position restricted by enabling legislation. The Career Center applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

***L. Fund Balance***

In accordance with Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the Career Center classifies its fund balance based on the purpose for which the resources were received and the level of constraint placed on the resources. The classifications are as follows:

*Nonspendable* – The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed or assigned.

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

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

*Assigned* – Amounts in the assigned fund balance classification are intended to be used by the Career Center for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the Career Center Board of Education. The Board of Education has by resolution authorized the Treasurer to assign fund balance. The Board of Education may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget.

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

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

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***M. Interfund Activity***

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

***N. Operating Revenues and Expenses***

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the Career Center, these revenues are charges for services for self-insurance programs. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund. All revenues and expenses not meeting these definitions are reported as non-operating.

***O. Extraordinary and Special Items***

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2022.

***P. 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.

***Q. Implementation of New Accounting Principles***

For the fiscal year ended June 30, 2022, the Career Center implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, GASB Statement No. 92, *Omnibus 2020*, 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*, and certain provisions in GASB Statement No. 99, *Omnibus 2022*.

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. 92 enhances comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The implementation of GASB Statement No. 92 did not have an effect on the financial statements of the Career Center.

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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.

GASB Statement No. 99 enhances comparability in the application of accounting and financial reporting requirements and will improve consistency of authoritative literature. The implementation of certain provisions of GASB Statement No. 99 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 and Actual (Budget Basis), is presented for the general fund on the budgetary basis to provide meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are:

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 following table summarizes the adjustments necessary to reconcile GAAP basis statement to the budgetary basis statement on a fund type basis for the general fund:

	General
GAAP Basis**	\$ 267,069
Net Adjustment for Revenue Accruals	(20,508)
Net Adjustment for Expenditure Accruals	(637)
Funds Budgeted Elsewhere	(792)
Adjustment for Encumbrances	(35,851)
Budget Basis	\$ 209,281

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*Notes to the Basic Financial Statements (Continued)*  
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\*\*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 uniform school supplies, unclaimed monies, rotary/consumer supplies and administrative services funds.

**NOTE 4: DEPOSITS AND INVESTMENTS**

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

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

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

Interim deposits are deposits of interim monies. Interim monies are those 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 or by savings or deposit accounts including passbook accounts.

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.

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 or 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, Government National Mortgage Association, and Student Loan Marketing 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 any other obligations of the State of Ohio that mature within ten years of the date of settlement;
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;

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6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers acceptances and commercial paper notes for a period not to exceed one hundred and eighty days and two hundred and seventy days, respectively, from the purchase date in any amount not to exceed forty percent of the interim monies available for investment at any one time, and be limited to the aggregate of five percent of interim monies available at time of purchase when issued by a single issuer.

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

**Cash on Hand** - At June 30, 2022 the Career Center had \$400 in undeposited cash on hand, which is included as part of "Equity in Pooled Cash and Cash Equivalents."

**Deposits** - At year-end, the carrying amount of all the Career Center's deposits was \$629,349 and the bank balance of all Career Center's deposits was \$647,152. Protection of the County's deposits is provided by the Federal Deposit Insurance Corporation (FDIC) or by the financial institutions' participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

**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.

**Funds Held by Fiscal Agent**

The Career Center participates in the Jefferson Health Plan for employee benefits. The Career Center has \$376,999 representing internal service fund cash and cash equivalents with fiscal agent. All benefit deposits are made to the Consortium's depository account. Collateral is held by a qualified third-party trustee in the name of the Consortium.



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**Investments**

As of June 30, 2022, the Career Center had the following investment and maturity:

S&P Global Ratings	Investment Type	Measurement Amount	Maturity in Months 0-12	Percent of Total
Net Asset Value (NAV):				
Aam	STAR Ohio	\$ 1,474,976	\$ 1,474,976	100.00%

**Credit Risk** 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.

**Concentration of Credit Risk.** Except as stated previously for certain bankers acceptances and commercial paper notes, the Career Center places no limit on the amount that may be invested in any one issuer.

**NOTE 5: 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 property taxes from Coshocton, Guernsey, Licking, Muskingum and Tuscarawas 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.

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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	\$ 669,252,750	87%	\$ 723,049,830	88%
Public Utility Personal Property	96,095,460	13%	96,824,270	12%
<b>Total</b>	<b>\$ 765,348,210</b>	<b>100%</b>	<b>\$ 819,874,100</b>	<b>100%</b>
Full Tax Rate per \$1,000 of assessed valuation	<u>2.50</u>		<u>3.50</u>	

**NOTE 6: RECEIVABLES**

Receivables at June 30, 2022 consisted of taxes and intergovernmental grants. Taxes and intergovernmental receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes and the current fiscal year guarantee of state and federal funds.

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**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
<b>Governmental Activities</b>				
<b>Capital Assets not being depreciated/amortized:</b>				
Land	\$ 28,429	\$ -	\$ -	\$ 28,429
Construction in Progress	150,782	44,125	(182,262)	12,645
<i>Total Capital Assets, not being depreciated/amortized</i>	<u>179,211</u>	<u>44,125</u>	<u>(182,262)</u>	<u>41,074</u>
<b>Capital Assets, being depreciated/amortized:</b>				
Land Improvements	287,653	-	-	287,653
Building and Improvements	4,361,591	216,985	-	4,578,576
Furniture and Equipment	1,075,254	41,827	(37,076)	1,080,005
Intangible Right to Use, Furniture and Equipment	-	58,680	-	58,680
Vehicles	108,211	-	-	108,211
<i>Total Capital Assets, being depreciated/amortized</i>	<u>5,832,709</u>	<u>317,492</u>	<u>(37,076)</u>	<u>6,113,125</u>
<b>Less Accumulated Depreciation/Amortization:</b>				
Land Improvements	(34,645)	(16,463)	-	(51,108)
Building and Improvements	(2,951,643)	(124,235)	-	(3,075,878)
Furniture and Equipment	(650,181)	(69,033)	37,076	(682,138)
Intangible Right to Use, Furniture and Equipment	-	(6,846)	-	(6,846)
Vehicles	(73,583)	(10,032)	-	(83,615)
<i>Total Accumulated Depreciation/Amortization</i>	<u>(3,710,052)</u>	<u>(226,609) *</u>	<u>37,076</u>	<u>(3,899,585)</u>
<i>Total Capital Assets being depreciated/amortized</i>	<u>2,122,657</u>	<u>90,883</u>	<u>-</u>	<u>2,213,540</u>
<i>Governmental Activities Capital Assets, net</i>	<u>\$ 2,301,868</u>	<u>\$ 135,008</u>	<u>\$ (182,262)</u>	<u>\$ 2,254,614</u>

\* Depreciation/Amortization expense was charged to governmental functions as follows:

Instruction:	
Vocational	\$ 115,012
Support Services:	
Pupils	1,711
Instructional Staff	12,676
Board	427
Administration	1,712
Fiscal	1,041
Operation and Maintenance of Plant	87,123
Pupil Transportation	6,907
Total Depreciation/Amortization Expense	<u>\$ 226,609</u>

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**NOTE 8: RISK MANAGEMENT**

***A. General Insurance***

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. The Career Center has a comprehensive property and casualty policy with a deductible of \$1,000 per incident on property and equipment. The Career Center’s comprehensive property and casualty policy aggregate limit is approximately \$3,000,000 (subject to scheduled limits). There is a separate policy covering boiler and machinery with a limit of \$20,333,230 and a \$1,000 deductible. The Career Center’s vehicle insurance policy limit is \$1,000,000 with a \$500 auto collision deductible. All board members, administrators, and employees are covered under a Career Center liability policy. Additionally, the Career Center carries a \$3,000,000 excess liability policy. Settlement claims have not exceeded this commercial coverage in any of the past three years. There have been no significant reductions in insurance coverage from last year.

***B. Workers’ Compensation***

The Career Center pays the State Workers’ Compensation System, an insurance purchasing pool, a premium based on a rate per \$100 of salaries. The Career Center is a member of CompManagement. This rate is calculated based on accident history and administrative costs.

***C. Employee Health Insurance***

The Career Center is self-insured for its medical, prescription, vision and dental insurance programs. Premiums are paid into the self-insurance fund and are available to pay claims and administrative costs. The Career Center is a member of the Jefferson Health Plan, a claims servicing pool, in which monthly premiums are paid to the fiscal agent who in turn pays the claims on the Career Center’s behalf. A stop-loss insurance contract with a private insurance carrier covers specific liability claims in excess of \$35,000. Claims above a \$35,000 deductible are internally pooled. Claims above \$500,000 are covered by stop loss. Under generally accepted accounting principles, the Career Center has recorded a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be accrued at the estimated ultimate cost of settling the claims. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

Changes in the fund’s claim liability for 2021 and 2022 are listed below.

	<u>Balance Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claims Payments</u>	<u>Balance End of Year</u>
2021	\$ 27,529	\$ 403,635	\$ 415,753	\$ 15,411
2022	\$ 15,411	\$ 588,461	\$ 435,847	\$ 168,025

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**NOTE 9: OTHER EMPLOYEE BENEFITS**

***A. Compensated Absences***

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and state laws. All employees earn three days of personal leave per year. Employees shall be paid a salary supplement for the non-use of personal leave. In lieu of bonus, unused personal days may be added to sick leave accumulation and subject to the limitations of the sick days. Classified employees earn ten to twenty-five days of vacation per fiscal year, depending upon length of service and position. Vacation days must be used within a year, unless Board approval is obtained. Accumulated, unused vacation time is paid to classified employees upon termination of employment. Teachers do not earn vacation time.

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated to a maximum of 240 days for all personnel. Upon completion of ten or more years of service to the Career Center, state, or other political subdivision, and retirement from the profession, payment is made for one-fourth of accrued, but unused sick leave credit up to a maximum of 60 days for certified employees and 60 days for classified employees.

***B. Life Insurance***

The Career Center provides life insurance and accidental death and dismemberment insurance to employees through the Jefferson Health Plan. Coverage is provided for all certified and classified employees depending on position, ranging from \$25,000 to \$100,000.

**NOTE 10: 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.

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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). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the 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 11 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 to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS’ fiduciary net position. That report can be obtained by visiting the SERS website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

	Eligible to Retire before August 1, 2017 *	Eligible to Retire on or after August 1, 2017
Full Benefits	Age 65 with at least 5 years of creditable service; or any age with 30 years of service credit	Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit
Actuarially Reduced Benefits	Age 60 with 5 years of service credit Age 55 with 25 years of service credit	Age 62 with 10 years of service credit; or Age 60 with 25 years of service credit

\* Members with 25 years of service credit as of August 1, 2017, 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.

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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 \$81,881 for fiscal year 2022. Of this amount, \$6,324 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](http://www.strsoh.org).

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan, and a Combined 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.

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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 \$236,477 for fiscal year 2022. Of this amount, \$34,779 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:



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	SERS	STRS	Total
Proportion of the Net Pension Liability:			
Current Measurement Date	0.01665760%	0.01358443%	
Prior Measurement Date	0.01620390%	0.01403218%	
Change in Proportionate Share	<u>0.00045370%</u>	<u>-0.00044775%</u>	
Proportionate Share of the Net			
Pension Liability	\$ 614,617	\$ 1,736,892	\$ 2,351,509
Pension Expense	\$ 1,877	\$ (75,815)	\$ (73,938)

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
<b>Deferred Outflows of Resources</b>			
Differences between Expected and			
Actual Experience	\$ 60	\$ 53,661	\$ 53,721
Changes of Assumptions	12,942	481,845	494,787
Changes in Proportion and Differences between			
Career Center Contributions and Proportionate			
Share of Contributions	21,213	17,329	38,542
Career Center Contributions Subsequent to the			
Measurement Date	81,881	236,477	318,358
<b>Total Deferred Outflows of Resources</b>	<u>\$ 116,096</u>	<u>\$ 789,312</u>	<u>\$ 905,408</u>
<b>Deferred Inflows of Resources</b>			
Differences between Expected and			
Actual Experience	\$ 15,939	\$ 10,887	\$ 26,826
Net Difference between Projected and			
Actual Earnings on Pension Plan Investments	316,543	1,496,867	1,813,410
Changes in Proportion and Differences between			
Career Center Contributions and Proportionate			
Share of Contributions	-	114,022	114,022
<b>Total Deferred Inflows of Resources</b>	<u>\$ 332,482</u>	<u>\$ 1,621,776</u>	<u>\$ 1,954,258</u>

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\$318,358 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	\$ (62,952)	\$ (281,910)	\$ (344,862)
2024	(62,891)	(232,011)	(294,902)
2025	(75,262)	(238,327)	(313,589)
2026	(97,162)	(316,693)	(413,855)
Total	\$ (298,267)	\$ (1,068,941)	\$ (1,367,208)

***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

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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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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	<u>100.00 %</u>	

**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.

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***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	\$ 1,022,572	\$ 614,617	\$ 270,571

***Actuarial Assumptions - STRS***

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 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 July 1, 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 %	

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\*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	\$ 3,252,548	\$ 1,736,892	\$ 456,165

**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 11: Defined Benefit OPEB Plans**

See Note 10 for a description of the net OPEB liability (asset).

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

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

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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 \$3,396, 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](http://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:

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	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the Net OPEB Liability (Asset):			
Current Measurement Date	0.01589800%	0.01358400%	
Prior Measurement Date	<u>0.01519700%</u>	<u>0.01403200%</u>	
Change in Proportionate Share	<u>0.00070100%</u>	<u>-0.00044800%</u>	
Proportionate Share of the Net			
OPEB Liability (Asset)	\$ 300,879	\$ (286,408)	
OPEB Expense	\$ (9,746)	\$ (26,510)	\$ (36,256)

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>			
Differences between Expected and			
Actual Experience	\$ 3,206	\$ 10,199	\$ 13,405
Changes of Assumptions	47,201	18,294	65,495
Changes in Proportion and Differences between			
Career Center Contributions and Proportionate			
Share of Contributions	13,721	175	13,896
Career Center Contributions Subsequent to the			
Measurement Date	<u>3,396</u>	<u>-</u>	<u>3,396</u>
<b>Total Deferred Outflows of Resources</b>	<u>\$ 67,524</u>	<u>\$ 28,668</u>	<u>\$ 96,192</u>
<b>Deferred Inflows of Resources</b>			
Differences between Expected and			
Actual Experience	\$ 149,854	\$ 52,474	\$ 202,328
Net Difference between Projected and			
Actual Earnings on OPEB Plan Investments	6,536	79,385	85,921
Changes of Assumptions	41,204	170,862	212,066
Changes in Proportion and Differences between			
Career Center Contributions and Proportionate			
Share of Contributions	<u>17,934</u>	<u>18,594</u>	<u>36,528</u>
<b>Total Deferred Inflows of Resources</b>	<u>\$ 215,528</u>	<u>\$ 321,315</u>	<u>\$ 536,843</u>

\$3,396 reported as deferred outflows of resources related to OPEB resulting from Career Center contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability 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:

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Fiscal Year Ending June 30:	SERS	STRS	Total
2023	\$ (37,364)	\$ (84,730)	\$ (122,094)
2024	(37,407)	(82,742)	(120,149)
2025	(34,941)	(78,852)	(113,793)
2026	(26,893)	(35,272)	(62,165)
2027	(11,833)	(11,275)	(23,108)
Thereafter	(2,962)	224	(2,738)
Total	<u>\$ (151,400)</u>	<u>\$ (292,647)</u>	<u>\$ (444,047)</u>

***Actuarial Assumptions - SERS***

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

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



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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 2015 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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	<u>100.00 %</u>	

**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.

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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 (5.75 percent decreasing to 3.40 percent) and higher (7.75 percent decreasing to 5.40 percent) than the current rate (6.75 percent decreasing to 4.40 percent).

	1% Decrease	Current Discount Rate	1% Increase
Career Center's Proportionate Share of the Net OPEB Liability	\$ 372,830	\$ 300,879	\$ 243,406
	1% Decrease	Current Trend Rate	1% Increase
Career Center's Proportionate Share of the Net OPEB Liability	\$ 231,655	\$ 300,879	\$ 393,350

***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	<u>Initial</u>	<u>Ultimate</u>
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.

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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.

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	1% Decrease	Current Discount Rate	1% Increase
Career Center's Proportionate Share of the Net OPEB (Asset)	\$ (241,684)	\$ (286,408)	\$ (323,768)

  

	1% Decrease	Current Trend Rate	1% Increase
Career Center's Proportionate Share of the Net OPEB (Asset)	\$ (322,254)	\$ (286,408)	\$ (242,080)

**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 calendar year 2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

**NOTE 12: LONG-TERM OBLIGATIONS**

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

	Outstanding 6/30/2021	Additions	Deductions	Outstanding 6/30/2022	Amount Due Within One Year
<b>Governmental Activities:</b>					
<i>Direct Borrowing</i>					
H.B. 264 Loan, 3.85%, maturing 2026	\$ 91,734	\$ -	\$ (18,346)	\$ 73,388	\$ 18,346
<i>Net Pension/OPEB Liability:</i>					
Pension	4,467,048	-	(2,115,539)	2,351,509	-
OPEB	330,274	-	(29,395)	300,879	-
<i>Total Net Pension/OPEB Liability</i>	4,797,322	-	(2,144,934)	2,652,388	-
<i>Other Long-Term Obligations:</i>					
Lease Payable	-	58,680	(6,144)	52,536	10,941
Compensated Absences	221,662	29,254	(21,282)	229,634	11,950
<i>Total Long-Term Obligations</i>	\$ 5,110,718	\$ 87,934	\$(2,190,706)	\$ 3,007,946	\$ 41,237

During fiscal year 2011, the Career Center entered into a loan for a House Bill 264 project that consisted of various repairs to the school building duct work. The total amount financed for the project was \$275,194. The Career Center used \$247,672 during fiscal year 2011 and the remaining \$27,522 was disbursed during fiscal year 2012. The loan is repaid from property tax revenue in the bond retirement fund.

The Career Center has an outstanding agreement to lease copiers. Due to the implementation of GASB Statement 87, this lease has met the criteria of a lease thus requiring it to be recorded by the Career Center. The future lease payments were discounted based on the interest rate implicit in the lease. This discount is being amortized over the life of the lease.

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Compensated absences will be paid from the fund from which the employee's salaries are paid, which, for the Career Center, is primarily the general fund, food service food and Federal vocational education fund.

Principal and interest requirements to retire long-term obligations outstanding at June 30, 2022 are as follows:

Fiscal Year Ending June 30,	H.B. 264 Loan		Lease Payable		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 18,346	\$ 2,856	\$ 10,941	\$ 2,283	\$ 29,287	\$ 5,139
2024	18,346	2,155	11,478	1,746	29,824	3,901
2025	18,346	1,440	12,041	1,183	30,387	2,623
2026	18,350	768	12,632	592	30,982	1,360
2027	-	-	5,444	66	5,444	66
	<u>\$ 73,388</u>	<u>\$ 7,219</u>	<u>\$ 52,536</u>	<u>\$ 5,870</u>	<u>\$ 125,924</u>	<u>\$ 13,089</u>

**NOTE 13: 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 year must be held in cash at year-end. These amounts must be carried forward to be used for the same purposes in future years.

The following cash basis information describes the changes in the year-end set-aside amounts for capital improvements. Disclosure of this information is required by State statute.

	Capital Improvement Reserve
Set-aside Reserve Balance as of June 30, 2021	\$ -
Current Year Set Aside Requirement	43,709
Current Year Offsets	(200,000)
Total	<u>\$ (156,291)</u>
Balance Carried Forwarded to Fiscal Year 2023	<u>\$ -</u>
Set Aside Reserve Balance as of June 30, 2022	<u>\$ -</u>

Although the Career Center had qualifying expenditures and offsets during the fiscal year that reduced the set-aside amount below zero for the capital acquisition set-aside, this amount may not be used to reduce the set-aside requirement of future years.

**NOTE 14: INTERFUND TRANSFERS**

During the fiscal year the general fund transferred \$200,000 to the permanent improvement fund to provide for future improvements. It also transferred \$3,500 to the food service fund and \$2,880 to the student activities fund to provide additional resources for food service and the national technical honor society.

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**NOTE 15: FUND BALANCE**

Fund balance can be 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 governmental funds. The constraints placed on fund balance for the major funds and all other governmental funds are presented as follows:

	General	Permanent Improvement	Other Governmental Funds	Total
Nonspendable for:				
Unclaimed Funds	\$ 66	\$ -	\$ -	\$ 66
Total Nonspendable	<u>66</u>	<u>-</u>	<u>-</u>	<u>66</u>
Restricted for:				
Capital Projects	-	610,015	-	610,015
Other Purposes	-	-	93,151	93,151
Total Restricted	<u>-</u>	<u>610,015</u>	<u>93,151</u>	<u>703,166</u>
Committed for:				
Debt Service	-	-	13,338	13,338
Other Purposes	10,379	-	-	10,379
Total Committed	<u>10,379</u>	<u>-</u>	<u>13,338</u>	<u>23,717</u>
Assigned for:				
Encumbrances:				
Instruction	3,382	-	-	3,382
Support Services	29,981	-	-	29,981
Total Assigned	<u>33,363</u>	<u>-</u>	<u>-</u>	<u>33,363</u>
Unassigned	1,083,836	-	-	1,083,836
Total Fund Balance	<u>\$ 1,127,644</u>	<u>\$ 610,015</u>	<u>\$ 106,489</u>	<u>\$ 1,844,148</u>

**NOTE 16: CONTINGENCIES**

**A. Grants**

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

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***B. Litigation***

The Career Center is not party to any claims or lawsuits that would have a material effect on the basic financial statements.

**NOTE 17: COMMITMENTS**

The Career Center utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at 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 in the governmental funds were as follows:

Fund	Amount
General	\$ 33,363
Permanent Improvement	147,325
Nonmajor Governmental	5,823
	\$ 186,511

Based on timing of when contracts are encumbered, contractual commitments identified above may or may not be included in the outstanding encumbrance commitments previously disclosed in this note.

**NOTE 18: TAX ABATEMENTS**

Under the authority of Ohio Revised Code Section 5709.63, the Board of County Commissioners, with the consent of the legislative authority of each affected Township and Municipal Corporation, may designate enterprise zones. An Enterprise Zone is a designated area of land in which businesses can receive tax incentives in the form of tax exemptions on qualifying new investment. The local legislative authority, in conjunction with the Coshocton Port Authority negotiates the terms of the Enterprise Zone Agreement (the “Agreement”) with the business, which may include tax sharing with the Board of Education. Legislation must then be passed to approve the Agreement. All Agreements must be finalized before the project begins and may contain provisions for the recoupment of taxes should the individual or entity fail to perform. Once the Department of Taxation approves the agreement, the amount of the abatement is deducted from the business’s property tax bill by removing the valuation from the taxable parcel and listing the associated assessed value on the exempt tax list. Coshocton County has jointly entered into agreements with the City of Coshocton to abate property taxes through this program.

The Career Center’s property taxes were reduced by \$4,074 in fiscal year 2022 under various Enterprise Zone tax abatement agreements entered into by Coshocton County and the City of Coshocton.

**NOTE 19: COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio’s state of emergency ended in June, 2021 while the national state of emergency continues. During fiscal year 2022, the Career Center received COVID-19 funding. The financial impact of COVID-19 and the continuing recovery measures will 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.

**Coshocton County Career Center**  
**Coshocton County, Ohio**  
*Notes to the Basic Financial Statements (Continued)*  
*For the Fiscal Year Ended June 30, 2022*

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**NOTE 20: SUBSEQUENT EVENTS**

In November 2023, the Career Center was awarded a \$4,437,462 grant from the Ohio Facilities Construction Commission for the construction of a building to accommodate 100 new students for two new programs. The Career Center is responsible for a local share up to \$379,108 that will be covered with permanent improvement fund monies.



## Required Supplementary Information

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b><i>School Employees Retirement System (SERS)</i></b>				
Career Center's Proportion of the Net Pension Liability	0.01665760%	0.01620390%	0.01587470%	0.01598230%
Career Center's Proportionate Share of the Net Pension Liability	\$ 614,617	\$ 1,071,760	\$ 949,811	\$ 915,336
Career Center's Covered Payroll	\$ 571,071	\$ 569,329	\$ 543,015	\$ 540,452
Career Center's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	107.63%	188.25%	174.91%	169.36%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.86%	68.55%	70.85%	71.36%
<b><i>State Teachers Retirement System (STRS)</i></b>				
Career Center's Proportion of the Net Pension Liability	0.01358443%	0.01403218%	0.01388201%	0.01417420%
Career Center's Proportionate Share of the Net Pension Liability	\$ 1,736,892	\$ 3,395,288	\$ 3,069,923	\$ 3,116,588
Career Center's Covered Payroll	\$ 1,675,829	\$ 1,697,157	\$ 1,629,879	\$ 1,613,921
Career Center's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	103.64%	200.06%	188.35%	193.11%
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.

See notes to the required supplementary information

<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
0.01633980%	0.01663870%	0.01692630%	0.01846400%	0.01846400%
\$ 976,267	\$ 1,217,799	\$ 965,831	\$ 934,453	\$ 1,097,995
\$ 528,186	\$ 522,971	\$ 510,584	\$ 533,889	\$ 585,816
184.83%	232.86%	189.16%	175.03%	187.43%
69.50%	62.98%	69.16%	71.70%	65.52%
0.01446568%	0.01481439%	0.01491656%	0.01581280%	0.01581280%
\$ 3,436,353	\$ 4,958,823	\$ 4,122,501	\$ 3,846,220	\$ 4,581,592
\$ 1,597,921	\$ 1,598,071	\$ 1,565,643	\$ 1,626,662	\$ 1,581,500
215.05%	310.30%	263.31%	236.45%	289.70%
75.30%	66.80%	72.10%	74.70%	69.30%

See notes to the required supplementary information

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b><i>School Employees Retirement System (SERS)</i></b>				
Contractually Required Contribution	\$ 81,881	\$ 79,950	\$ 79,706	\$ 73,307
Contributions in Relation to the Contractually Required Contribution	<u>(81,881)</u>	<u>(79,950)</u>	<u>(79,706)</u>	<u>(73,307)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Career Center's Covered Payroll	\$ 584,864	\$ 571,071	\$ 569,329	\$ 543,015
Pension Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	13.50%
<b><i>State Teachers Retirement System (STRS)</i></b>				
Contractually Required Contribution	\$ 236,477	\$ 234,616	\$ 237,602	\$ 228,183
Contributions in Relation to the Contractually Required Contribution	<u>(236,477)</u>	<u>(234,616)</u>	<u>(237,602)</u>	<u>(228,183)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Career Center's Covered Payroll	\$ 1,689,121	\$ 1,675,829	\$ 1,697,157	\$ 1,629,879
Pension Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%

See notes to the required supplementary information

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 72,961	\$ 73,946	\$ 73,216	\$ 67,295	\$ 73,997	\$ 81,077
<u>(72,961)</u>	<u>(73,946)</u>	<u>(73,216)</u>	<u>(67,295)</u>	<u>(73,997)</u>	<u>(81,077)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 540,452	\$ 528,186	\$ 522,971	\$ 510,584	\$ 533,889	\$ 585,816
13.50%	14.00%	14.00%	13.18%	13.86%	13.84%
\$ 225,949	\$ 223,709	\$ 223,730	\$ 219,190	\$ 211,466	\$ 205,595
<u>(225,949)</u>	<u>(223,709)</u>	<u>(223,730)</u>	<u>(219,190)</u>	<u>(211,466)</u>	<u>(205,595)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,613,921	\$ 1,597,921	\$ 1,598,071	\$ 1,565,643	\$ 1,626,662	\$ 1,581,500
14.00%	14.00%	14.00%	14.00%	13.00%	13.00%

See notes to the required supplementary information

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

	<u>2022</u>	<u>2021</u>
<b><i>School Employees Retirement System (SERS)</i></b>		
Career Center's Proportion of the Net OPEB Liability	0.01589800%	0.01519700%
Career Center's Proportionate Share of the Net OPEB Liability	\$ 300,879	\$ 330,274
Career Center's Covered Payroll	\$ 571,071	\$ 569,329
Career Center's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	52.69%	58.01%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	24.08%	18.17%
<b><i>State Teachers Retirement System (STRS)</i></b>		
Career Center's Proportion of the Net OPEB Liability/(Asset)	0.01358400%	0.01403200%
Career Center's Proportionate Share of the Net OPEB Liability/(Asset)	\$ (286,408)	\$ (246,612)
Career Center's Covered Payroll	\$ 1,675,829	\$ 1,697,157
Career Center's Proportionate Share of the Net OPEB Liability/(Asset) as a Percentage of its Covered Payroll	-17.09%	-14.53%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability/(Asset)	174.73%	182.10%

(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.

See notes to the required supplementary information

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
0.01489500%	0.01520320%	0.01586590%	0.01645431%
\$ 374,575	\$ 421,778	\$ 425,799	\$ 469,009
\$ 543,015	\$ 540,452	\$ 528,186	\$ 522,971
68.98%	78.04%	80.62%	89.68%
15.57%	13.57%	12.46%	11.49%
0.01388200%	0.01417420%	0.01446568%	0.01481439%
\$ (229,919)	\$ (227,765)	\$ 564,397	\$ 792,277
\$ 1,629,879	\$ 1,613,921	\$ 1,597,921	\$ 1,598,071
-14.11%	-14.11%	35.32%	49.58%
174.70%	176.00%	47.10%	37.30%

See notes to the required supplementary information

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b><i>School Employees Retirement System (SERS)</i></b>				
Contractually Required Contribution (1)	\$ 3,396	\$ 4,310	\$ 2,110	\$ 5,369
Contributions in Relation to the Contractually Required Contribution	<u>(3,396)</u>	<u>(4,310)</u>	<u>(2,110)</u>	<u>(5,369)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Career Center's Covered Payroll	\$ 584,864	\$ 571,071	\$ 569,329	\$ 543,015
OPEB Contributions as a Percentage of Covered Payroll (1)	0.58%	0.75%	0.37%	0.99%
<b><i>State Teachers Retirement System (STRS)</i></b>				
Contractually Required Contribution	\$ -	\$ -	\$ -	\$ -
Contributions in Relation to the Contractually Required Contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Career Center's Covered Payroll	\$ 1,689,121	\$ 1,675,829	\$ 1,697,157	\$ 1,629,879
OPEB Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%

(1) Includes surcharge

See notes to the required supplementary information



<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 6,426	\$ 5,339	\$ 6,579	\$ 7,717	\$ 5,698	\$ 8,580
<u>(6,426)</u>	<u>(5,339)</u>	<u>(6,579)</u>	<u>(7,717)</u>	<u>(5,698)</u>	<u>(8,580)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 540,452	\$ 528,186	\$ 522,971	\$ 510,584	\$ 533,889	\$ 585,816
1.19%	1.01%	1.26%	1.51%	1.07%	1.46%
\$ -	\$ -	\$ -	\$ -	\$ 16,267	\$ 15,815
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(16,267)</u>	<u>(15,815)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,613,921	\$ 1,597,921	\$ 1,598,071	\$ 1,565,643	\$ 1,626,662	\$ 1,581,500
0.00%	0.00%	0.00%	0.00%	1.00%	1.00%

See notes to the required supplementary information

**Coshocton County Career Center**  
**Coshocton County, Ohio**  
*Notes to the Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2022*

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**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

**Coshocton County Career Center**  
**Coshocton County, Ohio**  
*Notes to the Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2022*

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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.

**Coshocton County Career Center**  
**Coshocton County, Ohio**  
*Notes to the Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2022*

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***Changes in Assumptions – STRS***

For fiscal year 2021, valuation year per capita health care costs were updated. Health care cost trend rates ranged from -4.93 percent to 9.62 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. The long term expected rate of return was reduced from 7.75 percent to 7.45 percent. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

***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 2.1 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. This was subsequently postponed, see above paragraph.

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. This was subsequently extended, see above paragraph.

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.

**Coshocton County Career Center**  
**Coshocton County, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2021*

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The discussion and analysis of the Coshocton County 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, 2021. 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 2021 are as follows:

- Net position decreased \$236,721 which represents a 73 percent increase from 2020.
- Capital assets decreased \$93,144 during fiscal year 2021.
- During the fiscal year, outstanding debt decreased from \$110,080 to \$91,734.

***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 Coshocton County 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 Coshocton County Career Center, the general fund and permanent improvement fund are by far the most significant funds.

***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 2021?" 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.

**Coshocton County Career Center**  
**Coshocton County, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2021*

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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.

***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 and the permanent improvement fund.

***Governmental Funds*** Most 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.

***Proprietary Fund*** The Career Center maintains one type of proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Career Center's various functions. The Career Center uses an internal service fund to account for its health insurance benefits. Because this service predominately benefits governmental functions, it has been included within the governmental activities in the government-wide financial statements.

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**Coshocton County Career Center**  
**Coshocton County, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2021*

**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 2021 compared to 2020:

**Table 1**  
**Net Position**

	Governmental Activities		
	2021	2020	Change
<b>Assets</b>			
Current & Other Assets	\$ 3,531,151	\$ 3,626,327	\$ (95,176)
Net Pension/OPEB Asset	246,612	229,919	16,693
Capital Assets	2,301,868	2,395,012	(93,144)
<i>Total Assets</i>	<u>6,079,631</u>	<u>6,251,258</u>	<u>(171,627)</u>
<b>Deferred Outflows of Resources</b>			
Pension & OPEB	872,118	788,550	83,568
<i>Total Deferred Outflows of Resources</i>	<u>872,118</u>	<u>788,550</u>	<u>83,568</u>
<b>Liabilities</b>			
Current & Other Liabilities	507,800	515,685	(7,885)
Long-Term Liabilities:			
Due Within One Year	31,790	32,703	(913)
Due In More Than One Year:			
Pension & OPEB	4,797,322	4,394,309	403,013
Other Amounts	281,606	306,162	(24,556)
<i>Total Liabilities</i>	<u>5,618,518</u>	<u>5,248,859</u>	<u>369,659</u>
<b>Deferred Inflows of Resources</b>			
Property Taxes	1,286,492	1,358,477	(71,985)
Pension & OPEB	608,837	757,849	(149,012)
<i>Total Deferred Inflows of Resources</i>	<u>1,895,329</u>	<u>2,116,326</u>	<u>(220,997)</u>
<b>Net Position</b>			
Net Investment in Capital Assets	2,299,918	2,395,012	(95,094)
Restricted	599,874	619,448	(19,574)
Unrestricted	(3,461,890)	(3,339,837)	(122,053)
<i>Total Net Position</i>	<u>\$ (562,098)</u>	<u>\$ (325,377)</u>	<u>\$ (236,721)</u>

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The net pension liability (NPL) is the largest single liability reported by the Career Center at June 30, 2021, 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. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. 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 2021 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.



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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.

At year end, capital assets represented 38 percent of total assets. Capital assets include land, construction in progress, land improvements, buildings and improvements, furniture and equipment and vehicles. The investment in capital assets was \$2,299,918 at June 30, 2021. These capital assets are used to provide services to students and are not available for future spending.

Current and other assets as well as deferred inflows of resources for property taxes decreased slightly during the fiscal year. Both of these decreases can be attributed to the Career Center's permanent improvement tax levy expiring. The Career Center received its final payments relating to this levy in the fall of calendar year 2020.

A portion of the Career Center's net position, \$599,874, represents resources that are subject to external restrictions on how they may be used. The balance of government-wide unrestricted net position was a deficit of \$3,461,890.

There was a significant change in net pension/OPEB liability/asset 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.

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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 2021 and 2020.

**Table 2**  
**Changes in Net Position**

	Governmental Activities		
	2021	2020	Change
<b>Revenues</b>			
<i>Program Revenues</i>			
Charges for Services	\$ 94,186	\$ 132,582	\$ (38,396)
Operating Grants	637,677	532,641	105,036
<i>Total Program Revenues</i>	731,863	665,223	66,640
<b>General Revenues</b>			
Property Taxes	1,646,717	2,181,848	(535,131)
Grants & Entitlements	1,823,702	1,825,807	(2,105)
Miscellaneous	47,023	61,213	(14,190)
<i>Total General Revenues</i>	3,517,442	4,068,868	(551,426)
<i>Total Revenues</i>	4,249,305	4,734,091	(484,786)
<b>Program Expenses</b>			
Instruction:			
Regular	562,122	515,523	46,599
Special	156,202	172,950	(16,748)
Vocational	1,666,201	1,723,336	(57,135)
Other	79,888	1,904	77,984
Support Services:			
Pupils	252,047	150,578	101,469
Instructional Staff	328,393	340,035	(11,642)
Board of Education	62,695	33,503	29,192
Administration	279,647	270,350	9,297
Fiscal	261,586	255,906	5,680
Business	34,013	42,010	(7,997)
Operation and Maintenance of Plant	591,258	694,336	(103,078)
Pupil Transportation	14,236	11,678	2,558
Central	31,303	40,086	(8,783)
Operation of Non-Instructional/Shared Services:			
Food Service Operations	125,312	135,287	(9,975)
Extracurricular Activities	36,854	40,043	(3,189)
Debt Service:			
Interest and Fiscal Charges	4,269	4,985	(716)
<i>Total Expenses</i>	4,486,026	4,432,510	53,516
<i>Change in Net Position</i>	(236,721)	301,581	(538,302)
<i>Net Position Beginning of Year</i>	(325,377)	(626,958)	301,581
<i>Net Position End of Year</i>	\$ (562,098)	\$ (325,377)	\$ (236,721)

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Property tax revenue decreased significantly during the fiscal year due to the amount available for advance at the end of the fiscal year being significantly less than in the prior year, and due to the expiration of the permanent improvement tax levy previously mentioned.

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

**Table 3**  
**Governmental Activities**

	Total Cost of Service		Net Cost of Service	
	2021	2020	2021	2020
Instruction:				
Regular	562,122	515,523	542,961	478,100
Special	156,202	172,950	49,726	78,257
Vocational	1,666,201	1,723,336	1,364,090	1,431,420
Other	79,888	1,904	79,888	1,904
Support Services:				
Pupils	252,047	150,578	182,767	104,680
Instructional Staff	328,393	340,035	289,207	318,854
Board of Education	62,695	33,503	62,695	33,503
Administration	279,647	270,350	278,312	270,350
Fiscal	261,586	255,906	261,559	255,767
Business	34,013	42,010	34,013	42,010
Operation and Maintenance of Plant	591,258	694,336	536,787	669,268
Pupil Transportation	14,236	11,678	14,236	11,678
Central	31,303	40,086	31,303	40,086
Operation of Non-Instructional/Shared Services:				
Food Service Operations	125,312	135,287	4,922	13,704
Extracurricular Activities	36,854	40,043	17,428	12,721
Debt Service:				
Interest and Fiscal Charges	4,269	4,985	4,269	4,985
<i>Total Expenses</i>	<u>\$ 4,486,026</u>	<u>\$ 4,432,510</u>	<u>\$ 3,754,163</u>	<u>\$ 3,767,287</u>

The dependence upon general revenues for governmental activities is apparent. Almost 84 percent of governmental activities are supported through taxes and other general revenues; such revenues are 83 percent of total governmental revenues. The community, as a whole, is by far the primary support for the Career Center students.

**Governmental Funds**

The Career Center's major funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$4,208,511 and expenditures of \$4,217,142.

The general fund's net change in fund balance for fiscal year 2021 was a decrease of \$46,309.

The permanent improvement fund's net change in fund balance for fiscal year 2021 was an increase of \$30,376.

**Coshocton County Career Center**  
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***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.

During the course of fiscal year 2021, the Career Center amended its general fund budget. The Career Center uses site-based budgeting and budgeting systems are designed to tightly control total site budgets but provide flexibility for site management.

***Original Budget Compared to Final Budget*** During the course of fiscal year 2021, the most significant change to original estimated receipts was a decrease in intergovernmental receipts. The Career Center most significantly amended its general fund budget for original appropriations due to decreases in vocational instruction and student support services.

***Final Budget Compared to Actual Results*** For fiscal year 2021, the most significant differences between final budgeted receipts and actual receipts was in property tax and intergovernmental receipts. There was no significant difference between actual expenditures and final budgeted expenditures.

There were no significant variances to discuss within other financing sources and uses.

***Capital Assets and Debt Administration***

**Capital Assets**

Table 4 shows fiscal year 2021 balances compared with 2020.

**Table 4**  
**Capital Assets at June 30**  
**(Net of Depreciation)**

	Governmental Activities	
	2021	2020
Land	\$ 28,429	\$ 28,429
Land Improvements	253,008	284,610
Buildings and Improvements	1,409,948	1,484,686
Furniture and Equipment	425,073	537,420
Vehicles	34,628	44,659
Construction in Progress	150,782	15,208
<i>Total</i>	\$ 2,301,868	\$ 2,395,012

See Note 7 for more information about the capital assets of the Career Center.

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**Debt**

Table 5 summarizes fiscal year 2021 debt outstanding compared with 2020. See Note 12 for additional details.

**Table 5**  
**Outstanding Debt at Year End**

	<u>Governmental Activities</u>	
	<u>2021</u>	<u>2020</u>
H.B. 264 Loan	\$ 91,734	\$ 110,080

***Current Issues***

The Coshocton County Career Center strives to be fiscally responsible so we can provide the necessary instruction for our students to be knowledgeable, highly skilled and able to compete in a global economy. The financial future has its challenges and the Career Center continues to closely monitor revenue and expenditures in accordance with its five-year forecast. The financial impact of COVID-19 and the ensuing emergency measures has impacted the current period.

***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 Tamara Hess, Treasurer of Coshocton County Career Center, 23640 Airport Road, Coshocton OH 43812.

## Basic Financial Statements

**Coshocton County Career Center**  
**Coshocton County, Ohio**  
*Statement of Net Position*  
*June 30, 2021*

	Governmental Activities
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$ 1,761,115
Cash and Cash Equivalents with Fiscal Agents	288,983
Intergovernmental Receivable	30,378
Taxes Receivable	1,443,304
Materials and Supplies Inventory	7,371
Net OPEB Asset	246,612
Non-Depreciable Capital Assets	179,211
Depreciable Capital Assets, net	2,122,657
<i>Total Assets</i>	6,079,631
 <b>Deferred Outflows of Resources</b>	
Pension	774,724
OPEB	97,394
<i>Total Deferred Outflows of Resources</i>	872,118
 <b>Liabilities</b>	
Accounts Payable	12,576
Accrued Wages and Benefits	334,422
Accrued Vacation Leave Payable	14,104
Contracts Payable	1,950
Intergovernmental Payable	49,992
Claims Payable	15,411
Matured Compensated Absences Payable	21,282
Unearned Revenue	58,063
Long-Term Liabilities:	
Due Within One Year	31,790
Due In More Than One Year:	
Net Pension Liability	4,467,048
Net OPEB Liability	330,274
Other Amounts Due in More Than One Year	281,606
<i>Total Liabilities</i>	5,618,518
 <b>Deferred Inflows of Resources</b>	
Property Taxes Levied for the Next Year	1,286,492
Pension	100,331
OPEB	508,506
<i>Total Deferred Inflows of Resources</i>	1,895,329
 <b>Net Position</b>	
Net Investment in Capital Assets	2,299,918
Restricted for:	
Capital Outlay	551,355
Other Purposes	48,519
Unrestricted	(3,461,890)
<i>Total Net Position</i>	\$ (562,098)

See accompanying notes to the basic financial statements

**Coshocton County Career Center**  
**Coshocton County, Ohio**  
*Statement of Activities*  
For the Fiscal Year Ended June 30, 2021

	Program Revenues		Net (Expense)
	Expenses	Charges for Services and Sales	Revenue and Changes in Net Position
		Operating Grants, Contributions and Interest	Governmental Activities
<b>Governmental Activities</b>			
Instruction:			
Regular	\$ 562,122	\$ 19,161	\$ -
Special	156,202	-	106,476
Vocational	1,666,201	45,124	256,987
Other	79,888	-	-
Support Services:			
Pupils	252,047	-	69,280
Instructional Staff	328,393	-	39,186
Board of Education	62,695	-	-
Administration	279,647	-	1,335
Fiscal	261,586	27	-
Business	34,013	-	-
Operation and Maintenance of Plant	591,258	242	54,229
Pupil Transportation	14,236	-	-
Central	31,303	-	-
Operation of Non-Instructional/Shared Services			
Food Service Operations	125,312	11,141	109,249
Extracurricular Activities	36,854	18,491	935
Debt Service:			
Interest and Fiscal Charges	4,269	-	-
<i>Total</i>	\$ 4,486,026	\$ 94,186	\$ 637,677
			(3,754,163)

**General Revenues**

Property Taxes Levied for:	
General Purpose	1,381,477
Debt Service	22,621
Capital Outlay	242,619
Grants and Entitlements not Restricted to Specific Programs	1,823,702
Investment Earnings	12,607
Miscellaneous	34,416
<i>Total General Revenues</i>	3,517,442
<i>Change in Net Position</i>	(236,721)
<i>Net Position Beginning of Year</i>	(325,377)
<i>Net Position End of Year</i>	\$ (562,098)

See accompanying notes to the basic financial statements



**Coshocton County Career Center**  
**Coshocton County, Ohio**  
*Balance Sheet*  
*Governmental Funds*  
*June 30, 2021*

	General	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 1,136,887	\$ 551,355	\$ 72,873	\$ 1,761,115
Intergovernmental Receivable	-	-	30,378	30,378
Property Taxes Receivable	1,421,395	-	21,909	1,443,304
Materials and Supplies Inventory	7,371	-	-	7,371
<i>Total Assets</i>	<u>\$ 2,565,653</u>	<u>\$ 551,355</u>	<u>\$ 125,160</u>	<u>\$ 3,242,168</u>
<b>Liabilities</b>				
Accounts Payable	\$ 9,495	\$ -	\$ 3,081	\$ 12,576
Accrued Wages and Benefits	304,239	-	30,183	334,422
Contracts Payable	-	1,950	-	1,950
Intergovernmental Payable	44,773	-	5,219	49,992
Matured Compensated Absences Payable	21,282	-	-	21,282
<i>Total Liabilities</i>	<u>379,789</u>	<u>1,950</u>	<u>38,483</u>	<u>420,222</u>
<b>Deferred Inflows of Resources</b>				
Property Taxes Levied for the Next Year	1,264,583	-	21,909	1,286,492
Unavailable Revenue	60,706	-	26,154	86,860
<i>Total Deferred Inflows of Resources</i>	<u>1,325,289</u>	<u>-</u>	<u>48,063</u>	<u>1,373,352</u>
<b>Fund Balances</b>				
Nonspendable	7,437	-	-	7,437
Restricted	-	549,405	30,909	580,314
Committed	8,776	-	13,696	22,472
Assigned	175,526	-	-	175,526
Unassigned	668,836	-	(5,991)	662,845
<i>Total Fund Balance</i>	<u>860,575</u>	<u>549,405</u>	<u>38,614</u>	<u>1,448,594</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 2,565,653</u>	<u>\$ 551,355</u>	<u>\$ 125,160</u>	<u>\$ 3,242,168</u>

See accompanying notes to the basic financial statements

**Coshocton County Career Center**  
**Coshocton County, Ohio**  
*Reconciliation of Total Governmental Fund Balances to*  
*Net Position of Governmental Activities*  
June 30, 2021

<b>Total Governmental Fund Balances</b>		\$ 1,448,594
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		2,301,868
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Intergovernmental	\$ 26,154	
Delinquent Property Taxes	60,706	86,860
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		215,509
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	246,612	
Deferred Outflows - Pension	774,724	
Deferred Outflows - OPEB	97,394	
Net Pension Liability	(4,467,048)	
Net OPEB Liability	(330,274)	
Deferred Inflows - Pension	(100,331)	
Deferred Inflows - OPEB	(508,506)	(4,287,429)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
House Bill 264 Loan	(91,734)	
Accrued Vacation Leave Payable	(14,104)	
Compensated Absences	(221,662)	(327,500)
<i>Net Position of Governmental Activities</i>		<b>\$ (562,098)</b>

See accompanying notes to the basic financial statements

**Coshocton County Career Center**  
**Coshocton County, Ohio**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
*For the Fiscal Year Ended June 30, 2021*

	General	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Property and Other Local Taxes	\$ 1,359,285	\$ 250,516	\$ 22,621	\$ 1,632,422
Intergovernmental	2,031,618	10,144	390,746	2,432,508
Investment Income	9,708	-	-	9,708
Tuition and Fees	57,348	-	-	57,348
Extracurricular Activities	-	-	18,753	18,753
Charges for Services	964	-	11,121	12,085
Rent	6,000	-	-	6,000
Contributions and Donations	1,000	-	4,271	5,271
Miscellaneous	34,394	22	-	34,416
<i>Total Revenues</i>	<u>3,500,317</u>	<u>260,682</u>	<u>447,512</u>	<u>4,208,511</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	528,739	-	-	528,739
Special	58,936	-	93,268	152,204
Vocational	1,422,040	75,469	36,471	1,533,980
Other	74,078	-	-	74,078
Support Services:				
Pupils	150,413	17,185	64,082	231,680
Instructional Staff	259,264	3,594	39,120	301,978
Board of Education	53,271	8,713	-	61,984
Administration	262,778	-	1,026	263,804
Fiscal	246,997	7,673	-	254,670
Business	33,195	-	-	33,195
Operation and Maintenance of Plant	391,419	116,760	54,487	562,666
Pupil Transportation	6,133	912	-	7,045
Central	31,303	-	-	31,303
Operation of Non-Instructional/Shared Services:				
Food Service Operations	-	-	121,600	121,600
Extracurricular Activities	17,160	-	18,441	35,601
Debt Service				
Principal Retirement	-	-	18,346	18,346
Interest and Fiscal Charges	-	-	4,269	4,269
<i>Total Expenditures</i>	<u>3,535,726</u>	<u>230,306</u>	<u>451,110</u>	<u>4,217,142</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(35,409)</u>	<u>30,376</u>	<u>(3,598)</u>	<u>(8,631)</u>
Transfers In	-	-	10,900	10,900
Transfers Out	(10,900)	-	-	(10,900)
<i>Net Change in Fund Balances</i>	(46,309)	30,376	7,302	(8,631)
<i>Fund Balances Beginning of Year</i>	<u>906,884</u>	<u>519,029</u>	<u>31,312</u>	<u>1,457,225</u>
<i>Fund Balances End of Year</i>	<u>\$ 860,575</u>	<u>\$ 549,405</u>	<u>\$ 38,614</u>	<u>\$ 1,448,594</u>

See accompanying notes to the basic financial statements

**Coshocton County Career Center**  
**Coshocton 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, 2021*

<b>Net Change in Fund Balances - Total Governmental Funds</b>	\$	(8,631)
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital Asset Additions	\$ 141,593	
Current Year Depreciation	<u>(215,903)</u>	(74,310)
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.		
		(18,834)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Intergovernmental	23,600	
Delinquent Property Taxes	<u>14,295</u>	37,895
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
House Bill 264 Loan		18,346
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	314,566	
OPEB	<u>4,310</u>	318,876
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	(502,270)	
OPEB	<u>29,654</u>	(472,616)
The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the statement of activities. Governmental expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.		
		(45,620)
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.		
Accrued Vacation Leave Payable	1,050	
Compensated Absences	<u>7,123</u>	<u>8,173</u>
<i>Change in Net Position of Governmental Activities</i>	<u>\$</u>	<u>(236,721)</u>

See accompanying notes to the basic financial statements

**Coshocton County Career Center**  
**Coshocton 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, 2021*

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
<b>Revenues</b>				
Property and Other Local Taxes	\$ 1,460,679	\$ 1,474,462	\$ 1,524,751	\$ 50,289
Intergovernmental	2,022,693	1,964,611	2,031,618	67,007
Investment Income	25,000	9,080	9,708	628
Tuition and Fees	50,000	44,740	46,266	1,526
Rent	8,000	5,802	6,000	198
Miscellaneous	29,000	30,859	31,568	709
<i>Total Revenues</i>	<u>3,595,372</u>	<u>3,529,554</u>	<u>3,649,911</u>	<u>120,357</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	508,838	527,844	527,244	600
Special	76,494	62,700	62,191	509
Vocational	1,547,405	1,413,640	1,406,537	7,103
Other	82,406	62,715	62,558	157
Support Services:				
Pupils	237,436	135,520	135,035	485
Instructional Staff	281,050	279,458	277,633	1,825
Board of Education	52,887	55,967	54,249	1,718
Administration	264,625	264,605	265,062	(457)
Fiscal	229,932	257,164	258,862	(1,698)
Business	44,940	42,595	42,426	169
Operation and Maintenance of Plant	391,568	387,276	386,641	635
Pupil Transportation	4,829	8,445	8,181	264
Central	42,428	35,895	35,236	659
Extracurricular Activities	10,529	17,174	17,160	14
<i>Total Expenditures</i>	<u>3,775,367</u>	<u>3,550,998</u>	<u>3,539,015</u>	<u>11,983</u>
<i>Excess of Receipts Over (Under) Expenditures</i>	<u>(179,995)</u>	<u>(21,444)</u>	<u>110,896</u>	<u>132,340</u>
<b>Other Financing Sources (Uses)</b>				
Refund of Prior Year Expenditures	5,000	484	474	(10)
Transfers Out	(5,674)	(17,500)	(15,900)	1,600
<i>Total Other Financing Sources (Uses)</i>	<u>(674)</u>	<u>(17,016)</u>	<u>(15,426)</u>	<u>1,590</u>
<i>Net Change in Fund Balance</i>	(180,669)	(38,460)	95,470	133,930
<i>Fund Balance Beginning of Year</i>	975,907	975,907	975,907	-
Prior Year Encumbrances Appropriated	5,293	5,293	5,293	-
<i>Fund Balance End of Year</i>	<u>\$ 800,531</u>	<u>\$ 942,740</u>	<u>\$ 1,076,670</u>	<u>\$ 133,930</u>

See accompanying notes to the basic financial statements

**Coshocton County Career Center**  
**Coshocton County, Ohio**  
*Statement of Fund Net Position*  
*Proprietary Fund*  
*June 30, 2021*

	Governmental Activities	
	Internal Service Fund	
<b>Assets</b>		
<i>Current Assets:</i>		
Cash and Cash Equivalents with Fiscal Agents	\$	288,983
<i>Total Current Assets</i>		288,983
 <i>Current Liabilities:</i>		
Unearned Revenue		58,063
Claims Payable		15,411
<i>Total Current Liabilities</i>		73,474
 <b>Net Position</b>		
Unrestricted		215,509
<i>Total Net Position</i>	\$	215,509

See accompanying notes to the basic financial statements

**Coshocton County Career Center**  
**Coshocton County, Ohio**  
*Statement of Revenues, Expenses and Changes in Fund Net Position*  
*Proprietary Fund*  
*For the Fiscal Year Ended June 30, 2021*

	Governmental Activities
	Internal Service Fund
<b>Operating Revenues</b>	
Charges for Services	\$ 549,675
Other	20,183
<i>Total Operating Revenues</i>	<i>569,858</i>
<b>Operating Expenses</b>	
Purchased Services	214,742
Claims	403,635
<i>Total Operating Expenses</i>	<i>618,377</i>
<i>Operating (Loss)</i>	<i>(48,519)</i>
<b>Non-Operating Revenues</b>	
Interest	2,899
<i>Total Non-Operating Revenues</i>	<i>2,899</i>
<i>Change in Net Position</i>	<i>(45,620)</i>
<i>Net Position Beginning of Year</i>	<i>261,129</i>
<i>Net Position End of Year</i>	<i>\$ 215,509</i>

See accompanying notes to the basic financial statements

**Coshocton County Career Center**  
**Coshocton County, Ohio**  
*Statement of Cash Flows*  
*Proprietary Fund*  
For the Fiscal Year Ended June 30, 2021

	Governmental Activities
	Internal Service Fund
<b>Cash Flows from Operating Activities</b>	
Cash Received from Interfund Services Provided	546,351
Cash Received from Other Operating Receipts	20,183
Cash Payments to Suppliers for Goods and Services	(214,742)
Cash Payments for Claims	(415,753)
<i>Net Cash (Used for) Operating Activities</i>	<i>(63,961)</i>
<b>Cash Flows from Investing Activities</b>	
Interest	2,899
<i>Net Cash Provided by Investing Activities</i>	<i>2,899</i>
<i>Net (Decrease) in Cash and Cash Equivalents</i>	(61,062)
<i>Cash and Cash Equivalents Beginning of Year</i>	350,045
<i>Cash and Cash Equivalents End of Year</i>	<u>\$ 288,983</u>
<b>Reconciliation of Operating (Loss) to Net Cash (Used for) Operating Activities</b>	
Operating Income (Loss)	\$ (48,519)
Adjustments:	
(Decrease) in Liabilities and Deferred Inflows:	
Claims Payable	(12,118)
Unearned Revenue	(3,324)
<i>Net Cash (Used For) Operating Activities</i>	<u>\$ (63,961)</u>

See accompanying notes to the basic financial statements



**Coshocton County Career Center**  
**Coshocton County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2021*

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**NOTE 1: DESCRIPTION OF THE CAREER CENTER AND REPORTING ENTITY**

The Coshocton County Career Center (Career Center) was established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Career Center is a school district as defined by Section 3311.18 of the Ohio Revised Code. The Career Center operates under a Board of Education, consisting of five members appointed by participating school districts.

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the basic financial statements of the Career Center are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the Career Center. For the Coshocton County 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 provides financial support to, the organization; or the Career Center is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Career Center in that the Career Center approves the budget, the issuance of debt or the levying of taxes. The Career Center has no component units.

The Career Center is involved with the Ohio Mid-Eastern Regional Education Service Agency (OME-RESA), which is defined as a jointly governed organization. Additional information concerning the jointly governed organization is presented in Note 17.

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

The financial statements of the Career Center have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applied to 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 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. The activity of the internal service fund is also eliminated to avoid "doubling up" revenues and expenses.

**Coshocton County Career Center**  
**Coshocton County, Ohio**  
*Notes to the Basic Financial Statements (Continued)*  
*For the Fiscal Year Ended June 30, 2021*

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The statement of net position presents the financial condition of the governmental activities of the Career Center at fiscal year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Career Center's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Career Center, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the Career Center.

***Fund Financial Statements*** During the 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. The internal service fund is presented in a single column on the face of the proprietary fund statements.

***B. Fund Accounting***

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

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

***General Fund*** – The general fund accounts 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.

***Permanent Improvement Fund*** – The permanent improvement fund receives property taxes for acquisition, construction or improvement of capital facilities.

The other governmental funds of the Career Center account for grants and other resources to which the Career Center is bound to observe constraints imposed upon the use of the resources.

***Proprietary Funds*** Proprietary funds focus on the determination of changes in net position, financial position and cash flows and are classified as either enterprise or internal service. The Career Center's only proprietary fund is an internal service fund.

**Coshocton County Career Center**  
**Coshocton County, Ohio**  
*Notes to the Basic Financial Statements (Continued)*  
*For the Fiscal Year Ended June 30, 2021*

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***Internal Service Fund*** – The internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the Career Center on a cost reimbursement basis. The Career Center’s internal service fund accounts for the operation of the Career Center’s self-insurance program for employee medical benefits.

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

The Career Center does not have any fiduciary funds.

***C. Measurement Focus***

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

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

Like the government-wide statements, the internal service 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 fund net position. The statement of revenues, expenses and changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net position. The statement of cash flows provides information about how the Career Center finances and meets the cash flow needs of its internal service fund activity.

***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 and the statements for the proprietary fund are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows/outflows of resources, and in the presentation of expenses versus expenditures.

**Coshocton County Career Center**  
**Coshocton County, Ohio**  
*Notes to the Basic Financial Statements (Continued)*  
*For the Fiscal Year Ended June 30, 2021*

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**Revenues – Exchange and Non-Exchange Transactions** Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or 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 the 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 (See Note 5). 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 a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

**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 position 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 pension and OPEB. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 10 and 11.

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, 2021, but which were levied to finance fiscal year 2022 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 10 and 11).

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

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.

**Coshocton County Career Center**  
**Coshocton County, Ohio**  
*Notes to the Basic Financial Statements (Continued)*  
*For the Fiscal Year Ended June 30, 2021*

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***E. Budgetary Process***

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

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

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

***F. Cash and Cash Equivalents***

To improve cash management, all 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 cash equivalents." The Career Center participates in the Jefferson Health Plan. The Jefferson Health Plan is an insurance consortium for self-insurance. These monies are held separate from the Career Center's central bank account and are reflected in the financial statement as "cash and cash equivalents with fiscal agent."

During fiscal year 2021, investments were limited to STAR Ohio. Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts, such as nonnegotiable certificates of deposit and repurchase agreements, are reported at cost.

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

For the fiscal year 2021, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$100 million. STAR Ohio reserves the right to limit the transaction to \$250 million, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

**Coshocton County Career Center**  
**Coshocton County, Ohio**  
*Notes to the Basic Financial Statements (Continued)*  
*For the Fiscal Year Ended June 30, 2021*

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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 2021 amounted to \$9,708 which includes \$3,540 assigned from other Career Center funds.

Investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the Career Center are reported as cash equivalents. Investments with an original maturity of more than three months that are not made from the pool are reported as investments.

***G. Inventory***

Inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used. Inventories are accounted for using the consumption method, which means that the costs of inventory items are recorded as expenditures in the governmental funds when consumed.

Inventories consist of materials and supplies held for consumption and donated and purchased food held for resale.

***H. Capital Assets***

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The Career Center has a capitalization threshold of \$2,500. The Career Center does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the assets or materially extend an asset's life are not.

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

Description	Estimated Lives
Land Improvements	10-30 Years
Buildings and Improvements	10-50 Years
Furniture and Equipment	5-15 Years
Vehicles	5-10 Years

***I. Compensated Absences***

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

Sick leave benefits are accrued as a liability using the termination method. An accrual for earned sick leave is made to the extent that 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.

**Coshocton County Career Center**  
**Coshocton County, Ohio**  
*Notes to the Basic Financial Statements (Continued)*  
*For the Fiscal Year Ended June 30, 2021*

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

On the governmental fund 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 funds from which the employee will be paid.

***J. 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.

***K. Accrued Liabilities and Long-Term Obligations***

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities, and long-term obligations payable from proprietary funds are reported on the proprietary fund 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 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.

***L. Net Position***

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Career Center or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. At June 30, 2021, there was no net position restricted by enabling legislation.

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

***M. Fund Balance***

In accordance with Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the Career Center classifies its fund balance based on the purpose for which the resources were received and the level of constraint placed on the resources. The classifications are as follows:

**Coshocton County Career Center**  
**Coshocton County, Ohio**  
*Notes to the Basic Financial Statements (Continued)*  
*For the Fiscal Year Ended June 30, 2021*

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*Nonspendable* – The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed or assigned.

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

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

*Assigned* – Amounts in the assigned fund balance classification are intended to be used by the Career Center for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the Career Center Board of Education. The Board of Education has by resolution authorized the Treasurer to assign fund balance. The Board of Education may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget.

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

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

***N. Interfund Activity***

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

***O. Operating Revenues and Expenses***

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the Career Center, these revenues are charges for services for self-insurance programs. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund. All revenues and expenses not meeting these definitions are reported as non-operating.



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***P. Extraordinary and Special Items***

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2021.

***Q. 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.

***R. Implementation of New Accounting Principles***

***Implementation of New Accounting Principles***

For the fiscal year ended June 30, 2021, the Career Center has implemented Governmental Accounting Standards Board (GASB) Statement No. 90, *Majority Equity Interests an amendment of GASB Statements No. 14 and No. 61*, certain provisions of GASB Statement No. 93, *Replacement of Interbank Offered Rates* and GASB Statement No. 98, *The Annual Comprehensive Financial Report*.

GASB Statement No. 90 improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improves the relevance of financial statement information for certain component units. The implementation of GASB Statement No. 90 did not have an effect on the financial statements of the Career Center.

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 certain provisions (all except for paragraphs 13 and 14, which are effective for fiscal years beginning after June 15, 2021), of GASB Statement No. 93 did not have an effect on the financial statements of the Career Center.

GASB Statement No. 98 establishes the term *annual comprehensive financial report* and its acronym *ACFR*. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. The implementation of GASB Statement No. 98 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, is presented for the general fund on the budgetary basis to provide meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are:

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

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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 following table summarizes the adjustments necessary to reconcile GAAP basis statement to the budgetary basis statement on a fund type basis for the general fund:

	General
GAAP Basis	\$ (46,309)
Net Adjustment for Revenue Accruals	170,466
Net Adjustment for Expenditure Accruals	2,432
Funds Budgeted Elsewhere	(2,891)
Adjustment for Encumbrances	(28,228)
 Budget Basis	 \$ 95,470

\*\*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 uniform school supplies, unclaimed monies, rotary/consumer supplies and administrative services funds.

**NOTE 4: DEPOSITS AND INVESTMENTS**

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

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

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

Interim deposits are deposits of interim monies. Interim monies are those 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 or by savings or deposit accounts including passbook accounts.

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.

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

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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 or 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, Government National Mortgage Association, and Student Loan Marketing 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 any other obligations of the State of Ohio that mature within ten years of the date of settlement;
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. Certain bankers acceptances and commercial paper notes for a period not to exceed one hundred and eighty days and two hundred and seventy days, respectively, from the purchase date in any amount not to exceed forty percent of the interim monies available for investment at any one time, and be limited to the aggregate of five percent of interim monies available at time of purchase when issued by a single issuer.

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

**Cash on Hand** - At June 30, 2021 the Career Center had \$400 in undeposited cash on hand, which is included as part of "Equity in Pooled Cash and Cash Equivalents."

**Deposits** - At year-end, the carrying amount of all the Career Center's deposits was \$400,576 and the bank balance of all Career Center's deposits was \$419,517. Protection of the County's deposits is provided by the Federal Deposit Insurance Corporation (FDIC) or by the financial institutions' participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State of secure the repayment of all public monies deposited in the financial institution.

**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.

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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.

***Funds Held by Fiscal Agent***

The Career Center participates in the Jefferson Health Plan for employee benefits. The Career Center has \$288,983 representing internal service fund cash and cash equivalents with fiscal agent. All benefit deposits are made to the Consortium’s depository account. Collateral is held by a qualified third-party trustee in the name of the Consortium.

***Investments***

As of June 30, 2021, the Career Center had the following investment and maturity:

S&P Global Ratings	Investment Type	Measurement Amount	Maturity in Months 0-12
Net Asset Value (NAV):			
Aam	STAR Ohio	\$ 1,360,157	\$ 1,360,157

***Credit Risk*** 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, 2021, is 54 days.

***Concentration of Credit Risk.*** Except as stated previously for certain bankers acceptances and commercial paper notes, the Career Center places no limit on the amount that may be invested in any one issuer. At June 30, 2021, one-hundred percent of the Career Center’s investments were in STAR Ohio.

**NOTE 5: 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.

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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 2021 represents collections of calendar year 2020 taxes. Real property taxes received in calendar year 2021 were levied after April 1, 2020, on the assessed value listed as of January 1, 2020, 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 2021 represents collections of calendar year 2020 taxes. Public utility real and tangible personal property taxes received in calendar year 2021 became a lien December 31, 2019, were levied after April 1, 2020 and are collected in 2021 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 property taxes from Coshocton, Guernsey, Licking, Muskingum and Tuscarawas Counties. The County Auditors periodically advances to the Career Center its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2021, 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, 2021, 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 2021 taxes were collected are:

	2020 Second Half Collections		2021 First Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	\$ 670,996,057	87%	\$ 669,252,750	87%
Public Utility Personal Property	102,646,500	13%	96,095,460	13%
Total	<u>\$ 773,642,557</u>	<u>100%</u>	<u>\$ 765,348,210</u>	<u>100%</u>
Full Tax Rate per \$1,000 of assessed valuation	<u>\$ 3.50</u>		<u>\$ 2.50</u>	

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**NOTE 6: RECEIVABLES**

Receivables at June 30, 2021 consisted of taxes and intergovernmental grants. Taxes and intergovernmental receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes and the current fiscal year guarantee of state and federal funds.

**NOTE 7: CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2021 was as follows:

	Balance 6/30/2020	Adjustments **	Additions	Deletions	Balance 6/30/2021
<b>Governmental Activities</b>					
<i>Capital Assets not being depreciated:</i>					
Land	\$ 28,429	\$ -	\$ -	\$ -	\$ 28,429
Construction in Progress	15,208	103,300	62,690	(30,416)	150,782
<i>Total Capital Assets, not being depreciated</i>	<u>43,637</u>	<u>103,300</u>	<u>62,690</u>	<u>(30,416)</u>	<u>179,211</u>
<i>Capital Assets, being depreciated:</i>					
Land Improvements	617,813	-	-	(330,160)	287,653
Building and Improvements	4,317,845	-	43,746	-	4,361,591
Furniture and Equipment	1,161,524	(103,300)	65,573	(48,543)	1,075,254
Vehicles	108,211	-	-	-	108,211
<i>Total Capital Assets, being depreciated</i>	<u>6,205,393</u>	<u>(103,300)</u>	<u>109,319</u>	<u>(378,703)</u>	<u>5,832,709</u>
<i>Less Accumulated Depreciation:</i>					
Land Improvements	(333,203)	-	(16,851)	315,409	(34,645)
Building and Improvements	(2,833,159)	-	(118,484)	-	(2,951,643)
Furniture and Equipment	(624,104)	-	(70,537)	44,460	(650,181)
Vehicles	(63,552)	-	(10,031)	-	(73,583)
<i>Total Accumulated Depreciation</i>	<u>(3,854,018)</u>	<u>-</u>	<u>(215,903)</u>	<u>* 359,869</u>	<u>(3,710,052)</u>
<i>Total Capital Assets being depreciated, net</i>	<u>2,351,375</u>	<u>(103,300)</u>	<u>(106,584)</u>	<u>(18,834)</u>	<u>2,122,657</u>
<i>Governmental Activities Capital Assets, net</i>	<u>\$ 2,395,012</u>	<u>\$ -</u>	<u>\$ (43,894)</u>	<u>\$ (49,250)</u>	<u>\$ 2,301,868</u>

\*\*The Career Center adjusted its capital assets for two projects that were determined to be still in progress at June 30, 2021.

\* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Vocational	\$ 115,384
Support Services:	
Instructional Staff	13,182
Board	427
Fiscal	1,568
Operation and Maintenance of Plant	78,435
Pupil Transportation	6,907
Total Depreciation Expense	<u>\$ 215,903</u>

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**NOTE 8: RISK MANAGEMENT**

***A. General Insurance***

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. The Career Center has a comprehensive property and casualty policy with a deductible of \$1,000 per incident on property and equipment. The Career Center’s comprehensive property and casualty policy aggregate limit is approximately \$3,000,000 (subject to scheduled limits). There is a separate policy covering boiler and machinery with a limit of \$19,741,000 and a \$1,000 deductible. The Career Center’s vehicle insurance policy limit is \$1,000,000 with a \$500 auto collision deductible. All board members, administrators, and employees are covered under a Career Center liability policy. Additionally, the Career Center carries a \$3,000,000 excess liability policy. Settlement claims have not exceeded this commercial coverage in any of the past three years. There have been no significant reductions in insurance coverage from last year.

***B. Fidelity Bond***

The Treasurer is covered under a surety bond in the amount of \$60,000. In addition, the Career Center is covered by an umbrella policy in the amount of \$3,000,000.

***C. Workers’ Compensation***

The Career Center pays the State Workers’ Compensation System, an insurance purchasing pool, a premium based on a rate per \$100 of salaries. The Career Center is a member of CompManagement. This rate is calculated based on accident history and administrative costs.

***D. Employee Health Insurance***

The Career Center is self-insured for its medical, prescription, vision and dental insurance programs. Premiums are paid into the self-insurance fund and are available to pay claims and administrative costs. The Career Center is a member of the Jefferson Health Plan, a claims servicing pool, in which monthly premiums are paid to the fiscal agent who in turn pays the claims on the Career Center’s behalf. A stop-loss insurance contract with a private insurance carrier covers specific liability claims in excess of \$35,000. Claims above a \$35,000 deductible are internally pooled. Claims above \$500,000 are covered by stop loss. The claims liability at June 30, 2021, was estimated by the third party administrator to be \$15,411. Under generally accepted accounting principles, the Career Center has recorded a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be accrued at the estimated ultimate cost of settling the claims. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

Changes in the fund’s claim liability for 2020 and 2021 are listed below.

	Balance Beginning of Year	Current Year Claims	Claims Payments	Balance End of Year
2020	\$ 49,526	\$ 390,330	\$ 412,327	\$ 27,529
2021	\$ 27,529	\$ 403,635	\$ 415,753	\$ 15,411

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**NOTE 9: OTHER EMPLOYEE BENEFITS**

***A. Compensated Absences***

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and state laws. All employees earn three days of personal leave per year. Employees shall be paid a salary supplement for the non-use of personal leave. In lieu of bonus, unused personal days may be added to sick leave accumulation and subject to the limitations of the sick days. Classified employees earn ten to twenty-five days of vacation per fiscal year, depending upon length of service and position. Vacation days must be used within a year, unless Board approval is obtained. Accumulated, unused vacation time is paid to classified employees upon termination of employment. Teachers do not earn vacation time.

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated to a maximum of 230 days for all personnel. Upon completion of ten or more years of service to the Career Center, state, or other political subdivision, and retirement from the profession, payment is made for one-fourth of accrued, but unused sick leave credit up to a maximum of 54 days for certified employees and 54 days for classified employees.

***B. Life Insurance***

The Career Center provides life insurance and accidental death and dismemberment insurance to employees through the Jefferson Health Plan. Coverage is provided for all certified and classified employees depending on position, ranging from \$25,000 to \$75,000.

**NOTE 10: 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



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employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the 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 11 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](http://www.ohsers.org) under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire on or after August 1, 2017
Full Benefits	Age 65 with at least 5 years of service; or any age with 30 years of service credit	Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit
Actuarially Reduced Benefits	Age 60 with 5 years of service credit Age 55 with 25 years of service credit	Age 62 with 10 years of service credit; or Age 60 with 25 years of service credit

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

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on 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. Beginning April 1, 2018, new benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. A three-year COLA suspension is in effect for all benefit recipients for the years 2018, 2019, and 2020. Upon resumption of the COLA, it will be indexed to the percentage increase in the CPI-W, not to exceed 2.5 percent and with a floor of zero percent.

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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, 2021, 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 2021.

The Career Center's contractually required contribution to SERS was \$79,950 for fiscal year 2021. Of this amount, \$5,742 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](http://www.strsoh.org).

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan, and a Combined 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 through 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, 2023, 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 lump-sum withdrawal.

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

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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 2021 contribution rates were equal to the statutory maximum rates.

The Career Center's contractually required contribution to STRS was \$234,616 for fiscal year 2021. Of this amount, \$35,346 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, 2020, 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	0.01620390%	0.01403218%	
Prior Measurement Date	0.01587470%	0.01388201%	
Change in Proportionate Share	0.00032920%	0.00015017%	
Proportionate Share of the Net			
Pension Liability	\$ 1,071,760	\$ 3,395,288	\$ 4,467,048
Pension Expense	\$ 121,343	\$ 380,927	\$ 502,270

Deferred outflows/inflows of resources represent the effect of changes in the net pension liability due to the difference between projected and actual investment earnings, differences between expected and actual actuarial experience, changes in assumptions and changes in the Career Center's proportion of the collective net pension liability. The deferred outflows and deferred inflows are to be included in pension expense over current and future periods. The difference between projected and actual investment earnings is recognized in pension expense using a straight line method over a five year period beginning in the current year. Deferred outflows

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and deferred inflows resulting from changes in sources other than differences between projected and actual investment earnings are amortized over the average expected remaining service lives of all members (both active and inactive) using the straight line method. Employer contributions to the pension plan subsequent to the measurement date are also required to be reported as a deferred outflow of resources.

At June 30, 2021 the Career Center reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>			
Differences between Expected and Actual Experience	\$ 2,082	\$ 7,617	\$ 9,699
Net Difference between Projected and Actual Earnings on Pension Plan Investments	68,037	165,115	233,152
Changes of Assumptions	-	182,263	182,263
Changes in Proportion and Differences between Career Center Contributions and Proportionate Share of Contributions	11,939	23,105	35,044
Career Center Contributions Subsequent to the Measurement Date	<u>79,950</u>	<u>234,616</u>	<u>314,566</u>
<b>Total Deferred Outflows of Resources</b>	<b><u>\$ 162,008</u></b>	<b><u>\$ 612,716</u></b>	<b><u>\$ 774,724</u></b>

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred Inflows of Resources</b>			
Differences between Expected and Actual Experience	\$ -	\$ 21,712	\$ 21,712
Changes in Proportion and Differences between Career Center Contributions and Proportionate Share of Contributions	1,255	77,364	78,619
<b>Total Deferred Inflows of Resources</b>	<b><u>\$ 1,255</u></b>	<b><u>\$ 99,076</u></b>	<b><u>\$ 100,331</u></b>

\$314,566 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2022	\$ 6,184	\$ 74,118	\$ 80,302
2023	24,961	36,481	61,442
2024	28,358	87,667	116,025
2025	<u>21,300</u>	<u>80,758</u>	<u>102,058</u>
	<b><u>\$ 80,803</u></b>	<b><u>\$ 279,024</u></b>	<b><u>\$ 359,827</u></b>

***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,

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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 2130.

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, 2020, are presented below:

Actuarial Cost Method	Entry Age Normal (Level Percentage of Payroll, Closed)
Inflation	3.00 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent
Investment Rate of Return	7.50 percent, net of investment expense, including inflation
COLA or Ad Hoc COLA	2.50 percent, on and after April 1, 2018, COLA's for future retirees will be delayed for three years following commencement

For post-retirement mortality, the table used in evaluating allowances to be paid is the RP-2014 Blue Collar Mortality Table with fully generational projection and Scale BB, with 120 percent of male rates and 110 percent of female rates used. The RP-2000 Disabled Mortality Table with 90 percent for male rates and 100 percent for female rates set back five years is used for the period after disability retirement.

The most recent experience study was completed for the five year period ended June 30, 2015.

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:

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<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	2.00 %	1.85 %
US Stocks	22.50	5.75
Non-US Stocks	22.50	6.50
Fixed Income	19.00	2.85
Private Equity	12.00	7.60
Real Assets	17.00	6.60
Multi-Asset Strategies	5.00	6.65
Total	<u>100.00 %</u>	

**Discount Rate** Total pension liability was calculated using the discount rate of 7.50 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 24-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 (7.50 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.

**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 7.50 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 (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Career Center's Proportionate Share of the Net Pension Liability	\$ 1,468,180	\$ 1,071,760	\$ 739,156

**Actuarial Assumptions - STRS**

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2020, 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	7.45 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.

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The actuarial assumptions used in the July 1, 2020 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.

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	<u>100.00 %</u>	

\*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 7.45 percent as of June 30, 2020. 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, 2020. Therefore, the long-term expected rate of return on investments of 7.45 percent was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2020.

**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 as of June 30, 2020, calculated using the current period discount rate assumption of 7.45 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 (6.45 percent) or one percentage point higher (8.45 percent) than the current assumption:

	1% Decrease	Current Discount Rate	1% Increase
Career Center's Proportionate Share of the Net Pension Liability	\$ 4,834,299	\$ 3,395,288	\$ 2,175,846

**Social Security System**

Effective July 1, 1991, all employees not otherwise covered by School Employees Retirement System or State Teachers Retirement System have an option to choose Social Security. The Career Center's liability is 6.2 percent of wages paid.

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**NOTE 11: Defined Benefit OPEB Plans**

See Note 10 for a description of the net OPEB liability (asset).

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

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

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For the fiscal year ended June 30, 2021, 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 2021, this amount was \$23,000. 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 2021, the Career Center's surcharge obligation was \$4,310, 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. The Plan is included in the report of STRS which can be obtained by visiting [www.strsoh.org](http://www.strsoh.org) or by calling (888) 227-7877.



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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, 2021, STRS did not allocate any employer contributions to post-employment health care.

***Net 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, 2020, 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	0.01519700%	0.01403200%	
Prior Measurement Date	0.01489500%	0.01388200%	
Change in Proportionate Share	<u>0.00030200%</u>	<u>0.00015000%</u>	
Proportionate Share of the Net			
OPEB Liability (Asset)	\$ 330,274	\$ (246,612)	
OPEB Expense	\$ (8,701)	\$ (20,953)	\$ (29,654)

At June 30, 2021, the Career Center reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	SERS	STRS	Total
<b>Deferred Outflows of Resources</b>			
Differences between Expected and Actual Experience	\$ 4,338	\$ 15,803	\$ 20,141
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	3,721	8,641	12,362
Changes of Assumptions	56,300	4,071	60,371
Changes in Proportion and Differences between Career Center Contributions and Proportionate Share of Contributions	-	210	210
Career Center Contributions Subsequent to the Measurement Date	4,310	-	4,310
<b>Total Deferred Outflows of Resources</b>	<u>\$ 68,669</u>	<u>\$ 28,725</u>	<u>\$ 97,394</u>
<b>Deferred Inflows of Resources</b>			
Differences between Expected and Actual Experience	\$ 167,972	\$ 49,120	\$ 217,092
Changes of Assumptions	8,318	234,240	242,558
Changes in Proportion and Differences between Career Center Contributions and Proportionate Share of Contributions	24,130	24,726	48,856
<b>Total Deferred Inflows of Resources</b>	<u>\$ 200,420</u>	<u>\$ 308,086</u>	<u>\$ 508,506</u>

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\$4,310 reported as deferred outflows of resources related to OPEB resulting from Career Center contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the fiscal year ending June 30, 2022. 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:			
2022	\$ (28,731)	\$ (69,975)	\$ (98,706)
2023	(28,462)	(64,125)	(92,587)
2024	(28,504)	(62,072)	(90,576)
2025	(26,046)	(58,135)	(84,181)
2026	(18,242)	(13,173)	(31,415)
Thereafter	(6,076)	(11,881)	(17,957)
	\$ (136,061)	\$ (279,361)	\$ (415,422)

***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, 2020, are presented below:

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Inflation	3.00 percent
Salary Increases, including inflation	3.50 percent to 18.20 percent
Investment Rate of Return	7.50 percent net of investment expense, including inflation
Municipal Bond Index Rate	
Measurement Date	2.45 percent
Prior Measurement Date	3.13 percent
Single Equivalent Interest Rate	
Measurement Date	2.63 percent, net of plan investment expense, including price inflation
Prior Measurement Date	3.22 percent, net of plan investment expense, including price inflation
Health Care Cost Trend Rate	
Pre-Medicare	7.00 percent - 4.75 percent
Medicare	5.25 percent - 4.75 percent

Mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and Scale BB, 120 percent of male rates and 110 percent of female rates. RP-2000 Disabled Mortality Table with 90 percent for male rates and 100 percent for female rates set back five years.

The most recent experience study was completed for the five year period ended June 30, 2015.

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 2010 through 2015, and was adopted by the Board on April 21, 2016. 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, 7.50 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, 2015 five-year experience study, are summarized as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	2.00 %	1.85 %
US Stocks	22.50	5.75
Non-US Stocks	22.50	6.50
Fixed Income	19.00	2.85
Private Equity	12.00	7.60
Real Assets	17.00	6.60
Multi-Asset Strategies	5.00	6.65
Total	<u>100.00 %</u>	

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**Discount Rate** The discount rate used to measure the total OPEB liability at June 30, 2020 was 2.63 percent. The discount rate used to measure total OPEB liability prior to June 30, 2020 was 3.22 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 2.00 percent of projected covered payroll each year, which includes a 1.50 percent payroll surcharge and 0.50 percent contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2025. However, since SERS' actuaries indicate the fiduciary net position is projected to be depleted at a future measurement date, the single equivalent interest rate is determined as 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 by the Fidelity General Obligation 20-year Municipal Bond Index rate of 2.45 percent, as of June 30, 2020 (i.e., municipal bond rate).

**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 (1.63 percent) and higher (3.63 percent) than the current discount rate (2.63 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.

	1% Decrease	Current Discount Rate	1% Increase
Career Center's Proportionate Share of the Net OPEB Liability	\$ 404,255	\$ 330,274	\$ 271,471
		Current Trend Rate	1% Increase
Career Center's Proportionate Share of the Net OPEB Liability	\$ 260,071	\$ 330,274	\$ 424,169

**Actuarial Assumptions – STRS**

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2020, 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	7.45 percent, net of investment expenses, including inflation	
Discount Rate of Return	7.45 percent	
Health Care Cost Trend Rates		
Medical	<u>Initial</u>	<u>Ultimate</u>
Pre-Medicare	5.00 percent	4.00 percent
Medicare	-6.69 percent	4.00 percent
Prescription Drug		
Pre-Medicare	6.50 percent	4.00 percent
Medicare	11.87 percent	4.00 percent

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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, 2020 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 7.45 percent as of June 30, 2020. 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 7.45 percent was applied to all periods of projected benefit payments to determine the total OPEB liability as of June 30, 2020.

**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, 2020, calculated using the current period discount rate assumption of 7.45 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 (6.45 percent) or one percentage point higher (8.45 percent) than the current assumption. Also shown is the net OPEB asset as of June 30, 2020, 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.

**Coshocton County Career Center**  
**Coshocton County, Ohio**  
*Notes to the Basic Financial Statements (Continued)*  
*For the Fiscal Year Ended June 30, 2021*

	1% Decrease	Current Discount Rate	1% Increase
Career Center's Proportionate Share of the Net OPEB (Asset)	\$ (214,569)	\$ (246,612)	\$ (273,800)

  

	1% Decrease	Current Trend Rate	1% Increase
Career Center's Proportionate Share of the Net OPEB (Asset)	\$ (272,112)	\$ (246,612)	\$ (215,549)

**Benefit Term Changes since the Prior Measurement Date** 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 2.1 percent for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

**NOTE 12: LONG-TERM OBLIGATIONS**

The changes in the Career Center's long-term obligations during the fiscal year 2021 were as follows:

	Outstanding 6/30/2020	Additions	Deductions	Outstanding 6/30/2021	Amount Due Within One Year
<b>Governmental Activities:</b>					
<i>Direct Borrowing</i>					
H.B. 264 Loan, 3.85%, maturing 2026	\$ 110,080	\$ -	\$ (18,346)	\$ 91,734	\$ 18,346
<i>Net Pension/OPEB Liability:</i>					
Pension	4,019,734	447,314	-	4,467,048	-
OPEB	374,575	-	(44,301)	330,274	-
<b>Total Net Pension/OPEB Liability</b>	<b>4,394,309</b>	<b>447,314</b>	<b>(44,301)</b>	<b>4,797,322</b>	<b>-</b>
<i>Other Long-Term Obligations:</i>					
Compensated Absences	228,785	14,705	(21,828)	221,662	13,444
<b>Total Long-Term Obligations</b>	<b>\$ 4,733,174</b>	<b>\$ 462,019</b>	<b>\$ (84,475)</b>	<b>\$ 5,110,718</b>	<b>\$ 31,790</b>

During fiscal year 2011, the Career Center entered into a loan for a House Bill 264 project that consisted of various repairs to the school building duct work. The total amount financed for the project was \$275,194. The Career Center used \$247,672 during fiscal year 2011 and the remaining \$27,522 was disbursed during fiscal year 2012. The loan is repaid from property tax revenue in the bond retirement fund.

Compensated absences will be paid from the fund from which the employee's salaries are paid, which, for the Career Center, is primarily the general fund, food service food and Federal vocational education fund.

There is no repayment schedule for the net pension liability and the net OPEB liability. For additional information related to the net pension liability and the net OPEB liability, see Notes 10 and 11.

**Coshocton County Career Center**  
**Coshocton County, Ohio**  
*Notes to the Basic Financial Statements (Continued)*  
*For the Fiscal Year Ended June 30, 2021*

Principal and interest requirements to retire long-term obligations outstanding at June 30, 2021 are as follows:

Fiscal Year Ending June 30,	Total	
	Principal	Interest
2022	\$ 18,346	\$ 3,562
2023	18,346	2,856
2024	18,346	2,155
2025	18,346	1,440
2026	18,350	768
	\$ 91,734	\$ 10,781

**NOTE 13: OPERATING LEASE**

The Career Center leases four photocopier machines, a color copier system and a Pitney Bowes system under noncancelable leases. The Career Center disbursed \$16,826 to pay lease costs for the fiscal year ended June 30, 2021. Future lease payments are as follows:

Fiscal Year Ending June 30,	Amount
2022	\$ 15,231
2023	13,201
2024	6,600
	\$ 35,032

**NOTE 14: 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 year must be held in cash at year-end. These amounts must be carried forward to be used for the same purposes in future years.

The following cash basis information describes the changes in the year-end set-aside amounts for capital improvements. Disclosure of this information is required by State statute.

	Capital Improvement Reserve
Set-aside Reserve Balance as of June 30, 2020	\$ -
Current Year Set Aside Requirement	39,692
Current Year Qualifying Expenditures	(44,334)
Current Year Offsets	(312,099)
Total	\$ (316,741)
Balance Carried Forwarded to Fiscal Year 2022	\$ -
Set Aside Reserve Balance as of June 30, 2021	\$ -

**Coshocton County Career Center**  
**Coshocton County, Ohio**  
*Notes to the Basic Financial Statements (Continued)*  
*For the Fiscal Year Ended June 30, 2021*

Although the Career Center had qualifying expenditures and offsets during the fiscal year that reduced the set-aside amount below zero for the capital acquisition set-aside, this amount may not be used to reduce the set-aside requirement of future years.

**NOTE 15: INTERFUND TRANSFERS**

During the fiscal year the general fund transferred \$10,000 to the food service fund and \$900 to the student activities fund to provide additional resources for food service and the national technical honor society.

**NOTE 16: FUND BALANCE**

Fund balance can be 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 governmental funds. The constraints placed on fund balance for the major funds and all other governmental funds are presented as follows:

	General	Permanent Improvement	Other Governmental Funds	Total
Nonspendable for:				
Inventory	\$ 7,371	\$ -	\$ -	\$ 7,371
Unclaimed Funds	66	-	-	66
Total Nonspendable	<u>7,437</u>	<u>-</u>	<u>-</u>	<u>7,437</u>
Restricted for:				
Capital Projects	-	549,405	-	549,405
Other Purposes	-	-	30,909	30,909
Total Restricted	<u>-</u>	<u>549,405</u>	<u>30,909</u>	<u>580,314</u>
Committed for:				
Debt Service	-	-	13,696	13,696
Other Purposes	8,776	-	-	8,776
Total Committed	<u>8,776</u>	<u>-</u>	<u>13,696</u>	<u>22,472</u>
Assigned for:				
Student Instruction	1,084	-	-	1,084
Student and Staff Support	27,063	-	-	27,063
Subsequent Year Appropriations	147,379	-	-	147,379
Total Assigned	<u>175,526</u>	<u>-</u>	<u>-</u>	<u>175,526</u>
Unassigned	668,836	-	(5,991)	662,845
<i>Total Fund Balance</i>	<u>\$ 860,575</u>	<u>\$ 549,405</u>	<u>\$ 38,614</u>	<u>\$ 1,448,594</u>

The Carl D. Perkins vocational education fund reported a deficit fund balance of \$5,991 that resulted from the timing of revenue versus expenditures. The general fund is liable for any deficit in other governmental funds and will provide transfers when cash is required, not when accruals occur.



**Coshocton County Career Center**  
**Coshocton County, Ohio**  
*Notes to the Basic Financial Statements (Continued)*  
*For the Fiscal Year Ended June 30, 2021*

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**NOTE 17: JOINTLY GOVERNED ORGANIZATION**

**Ohio Mid-Eastern Regional Education Service Agency (OME-RESA)** OME-RESA is a jointly governed organization comprised of 43 schools, created as a regional council of governments pursuant to state statute. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions for members. Each of the members support OME-RESA based on a per pupil charge dependent upon the software package utilized. The OME-RESA assembly consists of a superintendent or designated representative from each participating members and a representative from the fiscal agent. OME-RESA is governed by a board of directors chosen from the general membership of the OME-RESA assembly. The board of directors consists of a representative from the fiscal agent, the chairman of each operating committee, and at least an assembly member from each county from which participating members are located. During fiscal year 2021, the Career Center paid \$16,202 in administrative fees to OME-RESA. Financial information can be obtained by contacting the Treasurer at OME-RESA, which serves as fiscal agent, located in Steubenville, Ohio.

**NOTE 18: CONTINGENCIES**

**A. Grants**

The Career Center received financial assistance from federal and state agencies in the form of grants. The expenditures of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Career Center at June 30, 2021.

**B. Litigation**

The Career Center is not party to claims or lawsuits that have a material effect on the basic financial statements.

**C. Career Center Funding**

Career Center foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, ODE adjustments for fiscal year 2021 have been finalized. The impact of the FTE adjustments resulted in an immaterial receivable for the Career Center.

**NOTE 19: COMMITMENTS**

The Career Center utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at 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 in the governmental funds were as follows:

Fund	Amount
General	\$29,197
Permanent Improvement	10,108
Other Governmental	16,307
Total Governmental Funds	\$55,612

**Coshocton County Career Center**  
**Coshocton County, Ohio**  
*Notes to the Basic Financial Statements (Continued)*  
*For the Fiscal Year Ended June 30, 2021*

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Based on timing of when contracts are encumbered, contractual commitments identified above may or may not be included in the outstanding encumbrance commitments previously disclosed in this note.

**NOTE 20: TAX ABATEMENTS**

Under the authority of Ohio Revised Code Section 5709.63, the Board of County Commissioners, with the consent of the legislative authority of each affected Township and Municipal Corporation, may designate enterprise zones. An Enterprise Zone is a designated area of land in which businesses can receive tax incentives in the form of tax exemptions on qualifying new investment. The local legislative authority, in conjunction with the Coshocton Port Authority negotiates the terms of the Enterprise Zone Agreement (the "Agreement") with the business, which may include tax sharing with the Board of Education. Legislation must then be passed to approve the Agreement. All Agreements must be finalized before the project begins and may contain provisions for the recoupment of taxes should the individual or entity fail to perform. Once the Department of Taxation approves the agreement, the amount of the abatement is deducted from the business's property tax bill by removing the valuation from the taxable parcel and listing the associated assessed value on the exempt tax list. Coshocton County has jointly entered into agreements with the City of Coshocton to abate property taxes through this program.

The Career Center's property taxes were reduced by \$4,214 in fiscal year 2021 under various Enterprise Zone tax abatement agreements entered into by Coshocton County and the City of Coshocton.

**NOTE 21: COVID-19**

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency continues. During fiscal year 2021, the Career Center received Coronavirus Aid, Relief, and Economic Security (CARES) Act funding. Additional funding has been made available through the Consolidated Appropriations Act, 2021, passed by Congress on December 21, 2020 and/or the American Rescue Plan Act, passed by Congress on March 11, 2021.

**NOTE 22: SUBSEQUENT EVENTS**

For fiscal year 2022, Career Center foundation funding received from the state of Ohio will be funded using a direct funding model. Under this new model, open enrollment funding will be directly funded by the State of Ohio to the respective educating schools. For fiscal year 2021 and prior, the amounts related to students who were residents of the Career Center were funded to the Career Center who, in turn, made the payment to the educating school. For fiscal year 2021, the Career Center reported \$33,105 in tuition and fees from the resident school district which will be direct funded to the School District in fiscal year 2022. This new funding system calculates a unique base cost for each School District. Any change in funding will be subject to a phase in percentage of 16.67 percent for fiscal year 2022 and 33.33 percent for fiscal year 2023.

In November 2023, the Career Center was awarded a \$4,437,462 grant from the Ohio Facilities Construction Commission for the construction of a building to accommodate 100 new students for two new programs. The Career Center is responsible for a local share up to \$379,108 that will be covered with permanent improvement fund monies.

## Required Supplementary Information

**Coshocton County Career Center**  
**Coshocton County, Ohio**  
*Required Supplementary Information*  
*Schedule of the Career Center's Proportionate Share of the Net Pension Liability*  
*Last Eight Fiscal Years (1)*

	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b><i>School Employees Retirement System (SERS)</i></b>			
Career Center's Proportion of the Net Pension Liability	0.01620390%	0.01587470%	0.01598230%
Career Center's Proportionate Share of the Net Pension Liability	\$ 1,071,760	\$ 949,811	\$ 915,336
Career Center's Covered Payroll	\$ 569,329	\$ 543,015	\$ 540,452
Career Center's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	188.25%	174.91%	169.36%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.55%	70.85%	71.36%
<b><i>State Teachers Retirement System (STRS)</i></b>			
Career Center's Proportion of the Net Pension Liability	0.01403218%	0.01388201%	0.01417420%
Career Center's Proportionate Share of the Net Pension Liability	\$ 3,395,288	\$ 3,069,923	\$ 3,116,588
Career Center's Covered Payroll	\$ 1,697,157	\$ 1,629,879	\$ 1,613,921
Career Center's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	200.06%	188.35%	193.11%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	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.

See notes to the required supplementary information

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
0.01633980%	0.01663870%	0.01692630%	0.01846400%	0.01846400%
\$ 976,267	\$ 1,217,799	\$ 965,831	\$ 934,453	\$ 1,097,995
\$ 528,186	\$ 522,971	\$ 510,584	\$ 533,889	\$ 585,816
184.83%	232.86%	189.16%	175.03%	187.43%
69.50%	62.98%	69.16%	71.70%	65.52%
0.01446568%	0.01481439%	0.01491656%	0.01581280%	0.01581280%
\$ 3,436,353	\$ 4,958,823	\$ 4,122,501	\$ 3,846,220	\$ 4,581,592
\$ 1,597,921	\$ 1,598,071	\$ 1,565,643	\$ 1,626,662	\$ 1,581,500
215.05%	310.30%	263.31%	236.45%	289.70%
75.30%	66.80%	72.10%	74.70%	69.30%

See notes to the required supplementary information

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b><i>School Employees Retirement System (SERS)</i></b>				
Contractually Required Contribution	\$ 79,950	\$ 79,706	\$ 73,307	\$ 72,961
Contributions in Relation to the Contractually Required Contribution	<u>(79,950)</u>	<u>(79,706)</u>	<u>(73,307)</u>	<u>(72,961)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Career Center's Covered Payroll	\$ 571,071	\$ 569,329	\$ 543,015	\$ 540,452
Pension Contributions as a Percentage of Covered Payroll	14.00%	14.00%	13.50%	13.50%
<b><i>State Teachers Retirement System (STRS)</i></b>				
Contractually Required Contribution	\$ 234,616	\$ 237,602	\$ 228,183	\$ 225,949
Contributions in Relation to the Contractually Required Contribution	<u>(234,616)</u>	<u>(237,602)</u>	<u>(228,183)</u>	<u>(225,949)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Career Center's Covered Payroll	\$ 1,675,829	\$ 1,697,157	\$ 1,629,879	\$ 1,613,921
Pension Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%

See notes to the required supplementary information

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 73,946	\$ 73,216	\$ 67,295	\$ 73,997	\$ 81,077	\$ 70,558
<u>(73,946)</u>	<u>(73,216)</u>	<u>(67,295)</u>	<u>(73,997)</u>	<u>(81,077)</u>	<u>(70,558)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 528,186	\$ 522,971	\$ 510,584	\$ 533,889	\$ 585,816	\$ 524,595
14.00%	14.00%	13.18%	13.86%	13.84%	13.45%
\$ 223,709	\$ 223,730	\$ 219,190	\$ 211,466	\$ 205,595	\$ 255,354
<u>(223,709)</u>	<u>(223,730)</u>	<u>(219,190)</u>	<u>(211,466)</u>	<u>(205,595)</u>	<u>(255,354)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,597,921	\$ 1,598,071	\$ 1,565,643	\$ 1,626,662	\$ 1,581,500	\$ 1,964,262
14.00%	14.00%	14.00%	13.00%	13.00%	13.00%

See notes to the required supplementary information

**Coshocton County Career Center**  
**Coshocton County, Ohio**  
*Required Supplementary Information*  
*Schedule of the Career Center's Proportionate Share of the Net OPEB Liability/(Asset)*  
*Last Five Fiscal Years (1)*

	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b><i>School Employees Retirement System (SERS)</i></b>			
Career Center's Proportion of the Net OPEB Liability	0.01519700%	0.01489500%	0.01520320%
Career Center's Proportionate Share of the Net OPEB Liability	\$ 330,274	\$ 374,575	\$ 421,778
Career Center's Covered Payroll	\$ 569,329	\$ 543,015	\$ 540,452
Career Center's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	58.01%	68.98%	78.04%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	18.17%	15.57%	13.57%
<b><i>State Teachers Retirement System (STRS)</i></b>			
Career Center's Proportion of the Net OPEB Liability/(Asset)	0.01403200%	0.01388200%	0.01417420%
Career Center's Proportionate Share of the Net OPEB Liability/(Asset)	\$ (246,612)	\$ (229,919)	\$ (227,765)
Career Center's Covered Payroll	\$ 1,697,157	\$ 1,629,879	\$ 1,613,921
Career Center's Proportionate Share of the Net OPEB Liability/(Asset) as a Percentage of its Covered Payroll	-14.53%	-14.11%	-14.11%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability/Asset	182.10%	174.70%	176.00%

(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.

See notes to the required supplementary information



<u>2018</u>	<u>2017</u>
0.01586590%	0.01645431%
\$ 425,799	\$ 469,009
\$ 528,186	\$ 522,971
80.62%	89.68%
12.46%	11.49%
0.01446568%	0.01481439%
\$ 564,397	\$ 792,277
\$ 1,597,921	\$ 1,598,071
35.32%	49.58%
47.10%	37.30%

See notes to the required supplementary information

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b><i>School Employees Retirement System (SERS)</i></b>				
Contractually Required Contribution (1)	\$ 4,310	\$ 2,110	\$ 5,369	\$ 6,426
Contributions in Relation to the Contractually Required Contribution	<u>(4,310)</u>	<u>(2,110)</u>	<u>(5,369)</u>	<u>(6,426)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Career Center's Covered Payroll	\$ 571,071	\$ 569,329	\$ 543,015	\$ 540,452
OPEB Contributions as a Percentage of Covered Payroll (1)	0.75%	0.37%	0.99%	1.19%
<b><i>State Teachers Retirement System (STRS)</i></b>				
Contractually Required Contribution	\$ -	\$ -	\$ -	\$ -
Contributions in Relation to the Contractually Required Contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Career Center's Covered Payroll	\$ 1,675,829	\$ 1,697,157	\$ 1,629,879	\$ 1,613,921
OPEB Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%

(1) Includes surcharge

See notes to the required supplementary information

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 5,339	\$ 6,579	\$ 7,717	\$ 5,698	\$ 8,580	\$ 10,194
<u>(5,339)</u>	<u>(6,579)</u>	<u>(7,717)</u>	<u>(5,698)</u>	<u>(8,580)</u>	<u>(10,194)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 528,186	\$ 522,971	\$ 510,584	\$ 533,889	\$ 585,816	\$ 524,595
1.01%	1.26%	1.51%	1.07%	1.46%	1.94%
\$ -	\$ -	\$ -	\$ 16,267	\$ 15,815	\$ 19,643
<u>-</u>	<u>-</u>	<u>-</u>	<u>(16,267)</u>	<u>(15,815)</u>	<u>(19,643)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,597,921	\$ 1,598,071	\$ 1,565,643	\$ 1,626,662	\$ 1,581,500	\$ 1,964,262
0.00%	0.00%	0.00%	1.00%	1.00%	1.00%

See notes to the required supplementary information

**Coshocton County Career Center**  
**Coshocton County, Ohio**  
*Notes to the Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2021*

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**Note 1 - Net Pension Liability**

***Changes in Assumptions - SERS***

Beginning in fiscal year 2018, an assumption of 2.5 percent was used for COLA or Ad Hoc COLA. Prior to 2018, an assumption of 3.0 percent was used.

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 Assumptions – STRS***

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 - SERS***

With the authority granted to the Board under SB 8, the Board enacted a three-year COLA delay for future benefit recipients commencing on or after April 1, 2018.

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 Benefit Terms - STRS***

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

**Coshocton County Career Center**  
**Coshocton County, Ohio**  
*Notes to the Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2021*

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**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 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 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

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

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 Assumptions – STRS***

For fiscal year 2021, valuation year per capita health care costs were updated. Health care cost trend rates ranged from -4.93 percent to 9.62 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.

**Coshocton County Career Center**  
**Coshocton County, Ohio**  
*Notes to the Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2021*

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For fiscal year 2018, the blended discount rate was increased from 3.26 percent to 4.13 percent. The long term expected rate of return was reduced from 7.75 percent to 7.45 percent. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

***Changes in Benefit Terms - SERS***

There have been no changes to the benefit provisions.

***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 2.1 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. This was subsequently postponed, see above paragraph.

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. This was subsequently extended, see above paragraph.

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.

# OHIO AUDITOR OF STATE KEITH FABER



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

Coshocton County Career Center  
Coshocton County  
23640 Airport Road  
Coshocton, Ohio 43812

To the Board of Education:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Coshocton County Career Center, Coshocton County, (the Career Center) as of and for the years ended June 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Career Center's basic financial statements and have issued our report thereon dated September 25, 2024.

### ***Report on Internal Control Over Financial Reporting***

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

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

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

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

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

***Purpose of This Report***

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



Keith Faber  
Auditor of State  
Columbus, Ohio

September 25, 2024



# OHIO AUDITOR OF STATE KEITH FABER



**COSHOCTON COUNTY CAREER CENTER**

**COSHOCTON 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 10/10/2024**

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

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