EHOVE CAREER CENTER

ERIE COUNTY, OHIO

SINGLE AUDIT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2023

Julian & Grube
Serving Ohio Local Governments

OHIO AUDITOR OF STATE
KEITH FABER

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Board of Education
EHOVE Career Center
316 Mason Road West
Milan, Ohio 44846

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

Finding for Recovery – Repaid Under Audit

Ohio Rev. Code § 3307.26(A)(5) requires each teacher to contribute fourteen per cent of the teacher's earned compensation to the State Teachers Retirement System.

Ohio Rev. Code § 3307.26(C) states the contribution for all teachers shall be deducted by the employer on each payroll in an amount equal to the applicable per cent of the teachers' paid compensation for such payroll period or other period as the board may approve. All contributions on paid compensation for teachers shall be remitted at intervals required by the State Teachers Retirement System.

Amy Planthaber was contracted as a part-time Adult Education Instructor during the 2022 - 2023 school year. EHOVE Career Center's Adult Education Part Time as Needed Staff Handbook states for retirement benefits, "Contributions shall be made/deducted in accordance with prevailing regulations and laws".

Ms. Planthaber also worked as a full-time Aspire Site Coordinator / Career Advisor. The full-time position received a 10% pick up of the employee's retirement system share as well as pick up on the pick up in accordance with EHOVE Career Center's Adult Education Full Time Staff Handbook.

For the pay periods ending September 30, 2022 through May 15, 2023, we noted the part-time Adult Education Instructor position was incorrectly receiving the 10% pick up of the employee share as well as the pick up on the pick up. This error resulted in the District paying the employee's share of retirement withholdings in the amount of $788 rather than withholding them from the employees wages. On the May 31, 2023 payroll, the District made payroll adjustments to partially correct this error for $236, leaving a balance of $552 outstanding.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code § 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Amy Planthaber, part-time Adult Education Instructor, in the amount of $552 and in favor of the EHOVE Career Center's Adult Education Fund.

On December 1, 2023 Timothy Coffman, Treasurer, reimbursed the District $552 with a personal check.

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

Keith Faber
Auditor of State
Columbus, Ohio

March 12, 2024

EHOVE CAREER CENTER
ERIE COUNTY, OHIO

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Julian & Grube

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Independent Auditor's Report

EHOVE Career Center
Erie County
316 West Mason Road
Milan, Ohio 44846

To the Members of the Board of Education:

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the EHOVE 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 EHOVE Career Center's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the EHOVE 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 EHOVE Career Center 's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the EHOVE Career Center's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2023 on our consideration of the EHOVE Career Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the EHOVE 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 EHOVE Career Center's internal control over financial reporting and compliance.

Julian & Grube, Inc.

Julian & Grube, Inc.
December 29, 2023

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

Financial Highlights

Key financial highlights for fiscal year 2023 are as follows:

- The Career Center's net position of governmental activities increased $3,076,394 which represents a 65.34% increase from 2022's net position.

- General revenues accounted for $17,111,893 in revenue or 64.35% of all revenues. Program specific revenues in the form of charges for services and sales, and operating grants and contributions accounted for $9,478,311 in revenue or 35.65% of total revenues of $26,590,204.

- The Career Center had $23,513,810 in expenses related to governmental activities; $9,478,311 of these expenses were offset by program specific charges for services and sales, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of $17,111,893 were adequate to provide for these programs.

- The Career Center has three major governmental funds; the general fund, the adult education fund, and the permanent improvement fund. The general fund had $17,446,041 in revenues and other financing sources and $17,939,755 in expenditures and other financing uses. During fiscal year 2023, the general fund's fund balance decreased $492,629 from $8,088,237 to $7,595,608.

- The adult education fund had $4,114,109 in revenues and other financing sources and $3,688,489 in expenditures. During fiscal year 2023, the adult education fund's fund balance increased $425,620 from a balance of $1,258,199 to a balance of $1,683,819.

- The permanent improvement fund had $2,457,224 in revenues and other financing sources and $2,516,358 in expenditures. During fiscal year 2023, the permanent improvement fund's fund balance decreased $59,134 from a balance of $3,636,984 to a balance of $3,577,850.

Using the Basic Financial Statements

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

The statement of net position and the 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 Career Center, the general fund, the adult education fund, and the permanent improvement fund are by far the most significant funds, and are the only governmental funds reported as major funds.

Reporting the Career Center as a Whole

Statement of Net Position and the Statement of Activities

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

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

In the statement of net position and the statement of activities, the governmental activities include the Career Center's programs and services, including instruction, support services, and 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, the adult education 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 financial 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 basic financial statements.

Reporting the Career Center's Fiduciary Responsibilities

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

Notes to the Basic Financial Statements

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

Required Supplementary Information

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

The Career Center as a Whole

The statement of net position provides the perspective of the Career Center as a whole. The table below provides a summary of the Career Center's net position for June 30, 2023 and June 30, 2022.

Net Position

	Governmental Activities 2023	Governmental Activities 2022
Assets		
Current and other assets	$ 29,054,237	$ 26,630,137
Net OPEB asset	1,526,650	1,284,486
Capital assets, net	26,601,708	25,705,957
Total assets	57,182,595	53,620,580
Deferred Outflows of Resources		
Unamortized deferred charges on debt refunding	68,372	74,164
Pensions	4,197,390	4,676,402
OPEB	765,558	1,063,122
Total deferred outflows of resources	5,031,320	5,813,688
Liabilities		
Current liabilities	1,776,905	2,045,785
Long-term liabilities:		
Due within one year	1,350,196	1,387,409
Due in more than one year:		
Net pension liability	18,141,649	11,439,789
Net OPEB liability	1,236,129	1,780,021
Other amounts	15,086,476	16,319,104
Total liabilities	37,591,355	32,972,108
Deferred Inflows of Resources		
Property taxes levied for next fiscal year	11,145,824	8,976,316
Pensions	2,410,266	9,587,912
OPEB	3,281,775	3,189,631
Total deferred inflows of resources	16,837,865	21,753,859
Net Position		
Net investment in capital assets	11,332,497	9,167,324
Restricted	6,395,503	6,190,550
Unrestricted (deficit)	(9,943,305)	(10,649,573)
Total net position (deficit)	$ 7,784,695	$ 4,708,301

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

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OBEP 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/asset and the net OPEB liability/asset to equal the Career Center's proportionate share of each plan's collective:

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

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

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

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/asset. 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/asset are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

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

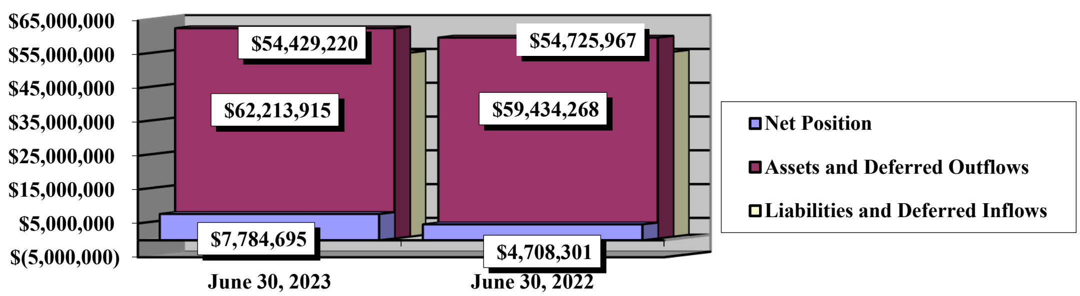
Current and other assets increased primarily due to an increase in property taxes receivable due to increased property values. At fiscal year-end, capital assets represented 46.50% of total assets. Capital assets include land, construction in progress, land improvements, buildings and improvements, furniture and equipment, vehicles, and intangible right to use assets. The Career Center's net investment in capital assets at June 30, 2023 was $11,332,497. These capital assets are used to provide services to the students and are not available for future spending. Although the Career Center's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities. The Career Center had no bonded debt outstanding at June 30, 2023; however, the Career Center did have school improvement notes as well as certificates of participation outstanding at June 30, 2023 that were used to acquire capital assets.

Current liabilities decreased due to a decrease in accrued wages and benefits. Long-term liabilities increased due to an increase in the net pension liability which is outside the control of the Career Center.

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2023, the Career Center's assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by $7,784,695. A portion of the Career Center's net position, $6,395,503, represents resources that are subject to external restrictions on how they may be used. The remaining amount of the Career Center's net position was a deficit balance of $9,943,305.

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

Governmental Activities



The table below shows the change in net position for fiscal years 2023 and 2022.

Change in Net Position

	Governmental Activities 2023	Governmental Activities 2022
Revenues		
Program revenues:		
Charges for services and sales	$ 3,673,234	$ 3,582,519
Operating grants and contributions	5,755,077	6,235,448
Capital grants and contributions	50,000	-
General revenues:		
Taxes	11,669,474	12,900,199
Grants and entitlements	5,043,918	4,697,909
Investment earnings	392,942	72,811
(Decrease) in fair value on investments	(64,780)	(210,462)
Miscellaneous	70,339	75,348
Total revenues	26,590,204	27,353,772
Expenses		
Program expenses:		
Instruction:		
Regular	1,329,843	1,158,009
Special	1,041,785	891,578
Vocational	6,339,340	5,925,310
Adult/continuing	3,990,278	3,894,485
Support services:		
Pupil	1,514,778	1,323,934
Instructional staff	1,072,537	990,436
Board of education	182,661	161,972
Administration	3,011,108	2,392,515
Fiscal	794,077	691,323
Business	-	5,843
Operations and maintenance	2,467,275	2,165,415
Pupil transportation	55,757	35,712
Central	535,638	477,551
Operation of non-instructional services:		
Food service operations	511,751	516,165
Other non-instructional services	116,132	102,099
Extracurricular activities	162,029	164,910
Interest and fiscal charges	388,821	424,652
Total expenses	23,513,810	21,321,909
Change in net position	3,076,394	6,031,863
Net position (deficit) at beginning of year	4,708,301	(1,323,562)
Net position at end of year	$ 7,784,695	$ 4,708,301

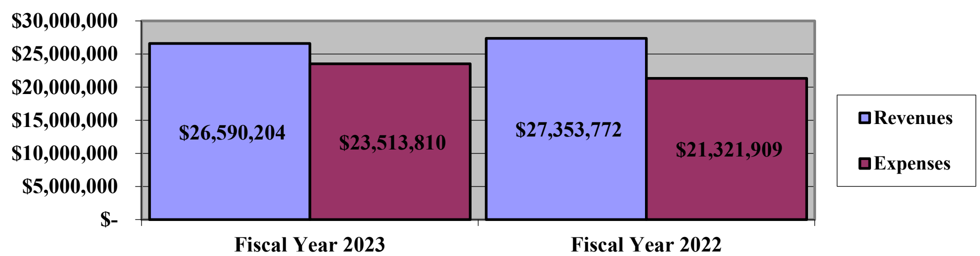
Governmental Activities

Net position of the Career Center's governmental activities has increased by $3,076,394 or 65.34% from fiscal year 2022's net position. Total governmental expenses of $23,513,810 were offset by program revenues of $9,478,311 and general revenues of $17,111,893. Program revenues supported 40.31% of the total governmental expenses. The primary sources of revenue for governmental activities are derived from taxes, and unrestricted grants and entitlements. These two revenue sources represent 62.86% of total governmental revenue. Total revenues decreased 2.79%. Taxes decreased as the Career Center received less collections. Investment earnings increased due to increased interest rates on investments of the Career Center. Operating grants and contributions revenue decreased due to the Career Center receiving less grant money, specifically from the GEER grant program. Grants and entitlements increased due to the Career Center receiving increased foundation funding from the State of Ohio. All other revenues remained comparable to the prior year.

Overall, expenses of the governmental activities increased $2,191,901 or 10.28%. The Career Center's pension and OPEB expense increased $1,897,483 from ($675,061) in fiscal year 22 to $1,222,422. This increase in the pension and OPEB expense is due to changes in investment income reported by STRS and SERS.

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

Governmental Activities - Revenues and Expenses



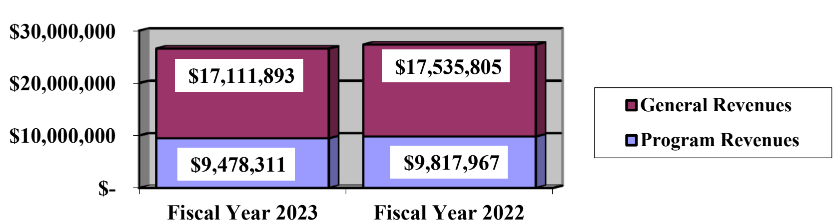
The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The table below shows, for governmental activities, the total cost of services and the net cost of services for fiscal years 2023 and 2022. It identifies the cost of these services supported by tax revenue, unrestricted grants and entitlements, and other general revenues.

Governmental Activities

	Total Cost of Services 2023	Net Cost of Services 2023	Total Cost of Services 2022	Net Cost of Services 2022
Program expenses				
Instruction:				
Regular	$ 1,329,843	$ 1,197,974	$ 1,158,009	$ 1,158,009
Special	1,041,785	(1,529,470)	891,578	891,578
Vocational	6,339,340	3,672,304	5,925,310	3,395,870
Adult/continuing	3,990,278	2,167,697	3,894,485	(1,125,207)
Support services:				
Pupil	1,514,778	865,423	1,323,934	624,997
Instructional staff	1,072,537	1,070,737	990,436	988,636
Board of education	182,661	182,661	161,972	161,972
Administration	3,011,108	2,390,176	2,392,515	1,631,396
Fiscal	794,077	794,077	691,323	691,323
Business	-	-	5,843	5,843
Operations and maintenance	2,467,275	2,251,326	2,165,415	2,095,645
Pupil transportation	55,757	55,757	35,712	35,712
Central	535,638	535,638	477,551	477,551
Operation of non-instructional services:				
Food service operations	511,751	28,616	516,165	(87,016)
Other non-instructional services	116,132	(78,676)	102,099	82,404
Extracurricular activities	162,029	51,562	164,910	62,742
Interest and fiscal charges	388,821	379,697	424,652	412,487
Total expenses	$ 23,513,810	$ 14,035,499	$ 21,321,909	$ 11,503,942

The dependence upon taxes and other general revenues for governmental activities is apparent, as 59.69% of all governmental activities are supported through taxes and other general revenues. The Career Center's taxpayers and unrestricted grants and entitlements, as a whole, are the primary support for the Career Center's students. The graph below presents the Career Center's governmental activities revenue for fiscal years 2023 and 2022.

Governmental Activities - General and Program Revenues



The Career Center's Funds

At June 30, 2023, the Career Center's governmental funds reported a combined fund balance of $12,902,333, which is less than last year's total balance of $13,138,860. The table below indicates the fund balance and the total change in fund balance as of June 30, 2023 and June 30, 2022.

	Fund Balance June 30, 2023	Fund Balance June 30, 2022	Increase/ (Decrease)
General	$ 7,595,608	$ 8,088,237	$ (492,629)
Adult education	1,683,819	1,258,199	425,620
Permanent improvement	3,577,850	3,636,984	(59,134)
Nonmajor governmental	45,056	155,440	(110,384)
Total	$ 12,902,333	$ 13,138,860	$ (236,527)

An analysis of the general fund revenues and expenditures is provided below.

General Fund

The Career Center's general fund balance decreased $492,629 from $8,088,237 to $7,595,608. The tables that follow assist in illustrating the fiscal year 2023 revenues and expenditures of the general fund.

	2023 Amount	2022 Amount	Percentage Change
Revenues			
Property taxes	$ 9,134,677	$ 10,255,314	(10.93) %
Tuition and fees	120,079	159,272	(24.61) %
Earnings on investments	324,044	(136,612)	337.20 %
Extracurricular	21,904	17,515	25.06 %
Other	180,227	155,020	16.26 %
Intergovernmental	7,649,526	7,231,234	5.78 %
Total	$ 17,430,457	$ 17,681,743	(1.42) %

	2023 Amount	2022 Amount	Percentage Change
Expenditures			
Instruction	$ 8,179,140	$ 8,636,003	(5.29) %
Support services	7,983,753	7,559,801	5.61 %
Operation of non-instructional services	116,175	102,797	13.01 %
Extracurricular	-	60	(100.00) %
Facilities acquisition and construction	196,894	312,896	(37.07) %
Debt service	628,793	636,741	(1.25) %
Total	$ 17,104,755	$ 17,248,298	(0.83) %

Total revenues of the general fund decreased $251,286 or 1.42%. Property taxes decreased due to decreased collections. Tuition and fees decreased due to decreased open enrollment. Earnings on investment increased due to increased interest rates. Other revenues increased due to the Career Center receiving more refunds and rebates during the fiscal year. Intergovernmental receipts increased due to the Career Center receiving more money from the State of Ohio in the form of foundation payments. All other revenue classifications were comparable to the prior year or insignificant in amount.

Total expenditures of the general fund decreased 0.83%. Instruction expenditures decreased mainly due to a decrease in vocational expenditures. Support services increased due mainly to increased administration expenditures. Facilities acquisition and construction decreased as the Career Center had fewer repairs. All other expenditures remained comparable to the prior fiscal year or were an insignificant amount.

Adult Education Fund

The adult education fund had $4,114,109 in revenues and other financing sources and $3,688,489 in expenditures. During fiscal year 2023, the adult education fund's fund balance increased $425,620 from a balance of $1,258,199 to a balance of $1,683,819.

Permanent Improvement Fund

The permanent improvement fund had $2,457,224 in revenues and other financing sources and $2,516,358 in expenditures. During fiscal year 2023, the permanent improvement fund's fund balance decreased $59,134 from a balance of $3,636,984 to a balance of $3,577,850.

General Fund Budgeting Highlights

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

For the general fund, original budgeted revenues and other financing sources of $17,618,000 were equal to final budgeted revenues and other financing sources. Actual revenues and other financing sources for fiscal year 2023 were $18,099,927. This represents an increase of $481,927 over the final budgeted amounts.

General fund original appropriations (appropriated expenditures plus other financing uses) of $19,873,401 were equal to final budgeted appropriations and other financing uses. The actual budget basis expenditures and other financing uses for fiscal year 2023 totaled $19,189,633, which was $683,768 less than the final budgeted amounts. The Career Center had actual expenditures under final appropriations primarily in the areas of administrative support services and facilities acquisition and construction.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2023, the Career Center had $26,601,708 invested in land, construction in progress, land improvements, buildings and improvements, furniture and equipment, vehicles, and intangible right to use assets. This entire amount is reported in governmental activities.

The following table shows June 30, 2023 balances compared to June 30, 2022.

Capital Assets at June 30
(Net of Depreciation)

	Governmental Activities 2023	Governmental Activities 2022
Land	$ 411,420	$ 411,420
CIP	100,338	122,459
Land improvements	369,160	354,289
Buildings and improvements	24,257,575	23,663,592
Furniture and equipment	1,028,613	765,727
Vehicles	422,135	388,470
Intangible right to use	12,467	-
Total	$ 26,601,708	$ 25,705,957

The overall increase in capital assets of $895,751 is due to current year additions of $1,540,248 exceeding depreciation/amortization expense of $644,497.

See Note 8 to the basic financial statements for additional information on the Career Center's capital assets.

Debt Administration

At June 30, 2023, the Career Center had $240,000 in energy conservation notes outstanding, $12,245 in SBITAs payable outstanding, and $15,225,000 in certificates of participation outstanding. Of this total, $1,282,902 is due within one year and $14,194,343 is due in more than one year. The following table summarizes the debt outstanding.

Outstanding Debt, at Year End

	Activities 2023	Activities 2022
School improvement notes	$ -	$ 35,000
Energy conservation notes	240,000	360,000
SBITA payable	12,245	-
Certificates of participation	15,225,000	16,355,000
Total	$ 15,477,245	$ 16,750,000

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

Current Financial Related Activities

The Career Center is reporting an overall increase in net position of $3,076,394 using the full accrual basis of accounting. As the financial statements report, the Career Center relies heavily upon grants, entitlements, and local property taxes (over 64% of total revenues).

The Career Center replaced a ½ mill levy in calendar year 2013 and made it permanent. All tax levies are now permanent, which will provide some needed stability in tax revenues moving forward. The Career Center is fortunate to enjoy this support from the local taxpayers. The Career Center passed a 1/2 mill permanent improvement levy on November 7, 2017. This levy will cost a taxpayer $16 per year on a $100,000 property. The levy is needed to provide the facilities and equipment necessary for state-of-the-art advanced skill training and to maintain and improve current facilities. The Career Center has recently completed a COPS issuance for 15 years to borrow $13,000,000 for facility improvements.

To expand further on the training, it offers for students in the robotics, engineering, STEM and manufacturing career tech programs, the Career Center has partnered with Robotics and Advanced Manufacturing Technology Education Collaborative (RAMTEC). This statewide initiative has provided a $500,000 Straight A grant to assist the Career Center with enhancing student training through the latest advanced manufacturing equipment. Local dollars will be used to add an additional 2750 sq. ft. of training space in several career tech training labs. Involved Career Center instructors will also receive high-tech training to become certified to teach the new curriculum. In addition to enhancing high school and adult education programs, customized training will be available through RAMTEC for area manufacturers to strengthen our area's workforce by training new employees and enhancing current employees' skillsets.

The Career Center has been selected to receive a 3D printing package through the General Electric (GE) Additive Education Program. The grant package includes two 3D printers, Polar Cloud Premium Membership, filament rolls, STEAMtrax license and Polar Farm access. Through Polar Cloud and STEAMtrax, EHOVE instructors and students will have access to curricula and special programming for the life of the program, be eligible to compete in GE Program Challenges, and utilize GE's bank of printers to manage overflow situations. The GE Additive Education Program provides these grant opportunities because, according to www.geadditive.com, "GE believes giving students access to additive technologies will help accelerate the adoption of advanced manufacturing worldwide. That's why GE is investing $10 million over the next five years in educational programs aimed at developing future additive talent. It's all part of GE's passion for improving student outcome and introducing future generations to new technologies."

In conclusion, the Career Center has committed itself to excellence for many years and will continue to be both innovative, and a leader, in the education and training of students in the three-county area. These financial statements represent the continued effort to keep the residents informed of the excellent use of their tax dollars for career technical training needed by Career Center students and expected by the Career Center's business partners.

Contacting the Career Center's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the Career Center's finances and to show the Career Center's accountability for the money it receives. If you have questions about this report or need additional financial information contact Mr. Timothy R. Coffman, Treasurer, EHOVE Career Center, 316 W. Mason Road, Milan, Ohio 44846.

EHOVE CAREER CENTER
ERIE COUNTY, OHIO

STATEMENT OF NET POSITION
JUNE 30, 2023

		Governmental Activities
Assets:		
Equity in pooled cash and investments	$	12,794,193
Receivables:		
Property taxes		15,379,282
Accounts		744,081
Accrued interest		26,123
Intergovernmental		63,374
Prepayments		37,256
Materials and supplies inventory		5,490
Inventory held for resale		4,438
Net OPEB asset (Note 13)		1,526,650
Capital assets:		
Nondepreciable capital assets		511,758
Depreciable capital assets, net		26,089,950
Capital assets, net		26,601,708
Total assets		57,182,595
Deferred outflows of resources:		
Unamortized deferred charges on debt refunding		68,372
Pension (Note 12)		4,197,390
OPEB (Note 13)		765,558
Total deferred outflows of resources		5,031,320
Liabilities:		
Accounts payable		479,213
Retainage payable		100,338
Accrued wages and benefits payable		855,182
Intergovernmental payable		65,947
Pension and postemployment benefits payable		184,821
Accrued interest payable		60,196
Unearned revenue		31,208
Long-term liabilities:		
Due within one year		1,350,196
Due in more than one year:		
Net pension liability (Note 12)		18,141,649
Net OPEB liability (Note 13)		1,236,129
Other amounts due in more than one year		15,086,476
Total liabilities		37,591,355
Deferred inflows of resources:		
Property taxes levied for the next fiscal year		11,145,824
Pension (Note 12)		2,410,266
OPEB (Note 13)		3,281,775
Total deferred inflows of resources		16,837,865
Net position:		
Net investment in capital assets		11,332,497
Restricted for:		
Capital projects		3,972,462
Adult education programs		2,269,165
State funded programs		23,146
Federally funded programs		2,934
Food service operations		19,283
Student activities		104,582
Other purposes		3,931
Unrestricted (deficit)		(9,943,305)
Total net position	$	7,784,695

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

EHOVE CAREER CENTER
ERIE COUNTY, OHIO

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

	Expenses	Program Revenues: Charges for Services and Sales	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental activities:					
Instruction:					
Regular	$ 1,329,843	$ -	$ 95,554	$ -	$ (1,234,289)
Special	1,041,785	-	-	-	(1,041,785)
Vocational	6,339,340	36,315	2,667,036	-	(3,635,989)
Adult/continuing	3,990,278	2,571,255	1,822,581	-	403,558
Support services:					
Pupil	1,514,778	73,756	575,599	-	(865,423)
Instructional staff	1,072,537	-	1,800	-	(1,070,737)
Board of education	182,661	-	-	-	(182,661)
Administration	3,011,108	450,262	170,670	-	(2,390,176)
Fiscal	794,077	-	-	-	(794,077)
Operations and maintenance	2,467,275	59,750	106,199	50,000	(2,251,326)
Pupil transportation	55,757	-	-	-	(55,757)
Central	535,638	-	-	-	(535,638)
Operation of non-instructional services:					
Food service operations	511,751	221,216	261,919	-	(28,616)
Other non-instructional services	116,132	194,808	-	-	78,676
Extracurricular activities	162,029	65,872	44,595	-	(51,562)
Interest and fiscal charges	388,821	-	9,124	-	(379,697)
Totals	$ 23,513,810	$ 3,673,234	$ 5,755,077	$ 50,000	(14,035,499)

General revenues:	
Property taxes levied for:	
General purposes	9,894,767
Capital outlay	1,774,707
Grants and entitlements not restricted to specific programs	5,043,918
Investment earnings	392,942
(Decrease) in fair value of investments	(64,780)
Miscellaneous	70,339
Total general revenues	17,111,893
Change in net position	3,076,394
Net position at beginning of year	4,708,301
Net position at end of year	$ 7,784,695

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

EHOVE CAREER CENTER
ERIE COUNTY, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

	General	Adult Education	Permanent Improvement	Nonmajor Governmental Funds	Total Governmental Funds
Assets:					
Equity in pooled cash					
and investments	$ 7,487,650	$ 1,801,263	$ 3,313,982	$ 191,298	$ 12,794,193
Receivables:					
Property taxes	13,150,008	-	2,229,274	-	15,379,282
Accounts	68,456	673,584	-	2,041	744,081
Accrued interest	26,123	-	-	-	26,123
Intergovernmental	4,323	-	-	59,051	63,374
Prepayments	33,052	1,160	-	3,044	37,256
Materials and supplies inventory	4,935	-	-	555	5,490
Inventory held for resale	-	-	-	4,438	4,438
Total assets	$ 20,774,547	$ 2,476,007	$ 5,543,256	$ 260,427	$ 29,054,237
Liabilities:					
Accounts payable	$ 353,325	$ 63,232	$ 9,050	$ 53,606	$ 479,213
Retainage payable	-	-	-	100,338	100,338
Accrued wages and benefits payable	831,928	2,085	-	21,169	855,182
Compensated absences payable	16,936	-	-	-	16,936
Intergovernmental payable	40,944	24,461	-	542	65,947
Pension and postemployment benefits payable	168,246	596	-	15,979	184,821
Unearned revenue	-	31,208	-	-	31,208
Total liabilities	1,411,379	121,582	9,050	191,634	1,733,645
Deferred inflows of resources:					
Property taxes levied for the next fiscal year	9,483,742	-	1,662,082	-	11,145,824
Delinquent property tax revenue not available	2,260,008	-	294,274	-	2,554,282
Intergovernmental revenue not available	1,335	-	-	23,737	25,072
Accrued interest not available	6,883	-	-	-	6,883
Miscellaneous revenue not available	240	404	-	-	644
Classroom material and fees revenue not available	15,352	-	-	-	15,352
Tuition revenue not available	-	670,202	-	-	670,202
Total deferred inflows of resources	11,767,560	670,606	1,956,356	23,737	14,418,259
Fund balances:					
Nonspendable:					
Materials and supplies inventory	4,935	-	-	555	5,490
Prepayments	33,052	1,160	-	3,044	37,256
Unclaimed monies	3,931	-	-	-	3,931
Restricted:					
Capital improvements	-	-	3,577,850	-	3,577,850
Adult education	-	1,682,659	-	-	1,682,659
Food service operations	-	-	-	37,804	37,804
State funded programs	-	-	-	23,146	23,146
Extracurricular	-	-	-	104,582	104,582
Committed:					
Termination benefits	544,964	-	-	-	544,964
Assigned:					
Student instruction	190,977	-	-	-	190,977
Student and staff support	466,665	-	-	-	466,665
Facilities acquisition and construction	62,857	-	-	-	62,857
Subsequent year's appropriations	497,126	-	-	-	497,126
School supplies	2,068	-	-	-	2,068
Other purposes	219,576	-	-	-	219,576
Unassigned (deficit)	5,569,457	-	-	(124,075)	5,445,382
Total fund balances	7,595,608	1,683,819	3,577,850	45,056	12,902,333
Total liabilities, deferred inflows and fund balances	$ 20,774,547	$ 2,476,007	$ 5,543,256	$ 260,427	$ 29,054,237

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

EHOVE CAREER CENTER
ERIE COUNTY, OHIO

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

Total governmental fund balances		$ 12,902,333
Amounts reported for governmental activities on the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		26,601,708
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Delinquent property taxes receivable	$ 2,554,282	
Accounts receivable	686,198	
Accrued interest receivable	6,883	
Intergovernmental receivable	25,072	
Total		3,272,435
Unamortized amounts on refundings are not recognized in the funds.		68,372
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(60,196)
The net pension/OPEB assets & liabilities are not due and payable in the current period; therefore, the assets, liabilities and related deferred inflows/outflows of resources are not reported in governmental funds.		
Deferred outflows - pension	4,197,390	
Deferred inflows - pension	(2,410,266)	
Net pension liability	(18,141,649)	
Deferred outflows - OPEB	765,558	
Deferred inflows - OPEB	(3,281,775)	
Net OPEB asset	1,526,650	
Net OPEB liability	(1,236,129)	
Total		(18,580,221)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Compensated absences	(942,491)	
Certificates of participation	(15,225,000)	
Notes payable	(240,000)	
SBITA payable	(12,245)	
Total		(16,419,736)
Net position of governmental activities		$ 7,784,695

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

EHOVE CAREER CENTER
ERIE COUNTY, OHIO

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

	General	Adult Education	Permanent Improvement	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Property taxes	$ 9,134,677	$ -	$ 1,674,100	$ -	$ 10,808,777
Intergovernmental	7,649,526	941,269	33,124	2,240,384	10,864,303
Investment earnings	388,824	-	-	-	388,824
Tuition and fees	120,079	3,057,181	-	-	3,177,260
Extracurricular	21,904	-	-	65,872	87,776
Rental income	10,300	-	-	-	10,300
Charges for services	81,465	63,418	-	221,216	366,099
Contributions and donations	18,123	-	-	44,595	62,718
Miscellaneous	70,339	2,241	-	-	72,580
(Decrease) in fair value on investments	(64,780)	-	-	-	(64,780)
Total revenues	17,430,457	4,064,109	1,707,224	2,572,067	25,773,857
Expenditures:					
Current:					
Instruction:					
Regular	1,229,817	-	-	68,823	1,298,640
Special	997,939	-	-	-	997,939
Vocational	5,951,384	-	-	150,920	6,102,304
Adult/continuing	-	3,015,859	-	1,024,099	4,039,958
Support services:					
Pupil	849,705	86,510	-	585,944	1,522,159
Instructional staff	1,037,802	-	-	1,800	1,039,602
Board of education	182,850	-	-	-	182,850
Administration	2,479,301	528,119	-	25,625	3,033,045
Fiscal	753,785	-	33,796	-	787,581
Business	2,531	-	-	-	2,531
Operations and maintenance	2,091,323	58,001	-	70,000	2,219,324
Pupil transportation	57,068	-	-	-	57,068
Central	529,388	-	-	-	529,388
Operation of non-instructional services:					
Food service operations	-	-	-	505,362	505,362
Other non-instructional services	116,175	-	-	-	116,175
Extracurricular activities	-	-	-	162,029	162,029
Facilities acquisition and construction	196,894	-	1,435,382	125,699	1,757,975
Debt service:					
Principal retirement	493,339	-	795,000	-	1,288,339
Interest and fiscal charges	135,454	-	252,180	-	387,634
Total expenditures	17,104,755	3,688,489	2,516,358	2,720,301	26,029,903
Excess of revenues over (under) expenditures	325,702	375,620	(809,134)	(148,234)	(256,046)
Other financing sources (uses):					
Transfers in	-	50,000	750,000	35,000	835,000
Transfers (out)	(835,000)	-	-	-	(835,000)
SBITA transaction	15,584	-	-	-	15,584
Total other financing sources (uses)	(819,416)	50,000	750,000	35,000	15,584
Net change in fund balances	(493,714)	425,620	(59,134)	(113,234)	(240,462)
Fund balances at beginning of year	8,088,237	1,258,199	3,636,984	155,440	13,138,860
Change in reserve for inventory	1,085	-	-	2,850	3,935
Fund balances at end of year	$ 7,595,608	$ 1,683,819	$ 3,577,850	$ 45,056	$ 12,902,333

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

EHOVE CAREER CENTER
ERIE COUNTY, OHIO

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

Net change in fund balances - total governmental funds		$ (240,462)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense.		
Capital asset additions	$ 1,540,248	
Current year depreciation/amortization	(644,497)	
Total		895,751
Governmental funds report expenditures for inventory when purchased. However, in the statement of activities, they are reported as an expense when consumed.		3,935
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Delinquent property taxes	860,697	
Tuition	23,720	
Earnings on investments	4,118	
Classroom materials and fees	7,675	
Miscellaneous	344	
Intergovernmental	(80,207)	
Total		816,347
Repayment of COPS, notes, and SBITAs principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.		1,288,339
Issuance of SBITAs are recorded as other financing sources in the funds; however, in the statement of activities, they are not reported as other financing sources as they increase liabilities on the statement of net position.		(15,584)
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in additional interest being reported in the statement of activities:		
Decrease in accrued interest payable	4,605	
Amortization of deferred charges	(5,792)	
Total		(1,187)
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	1,597,772	
OPEB	17,772	
Total		1,615,544
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability/asset are reported as pension/OPEB expense in the statement of activities.		
Pension	(1,600,998)	
OPEB	378,576	
Total		(1,222,422)
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		(63,867)
Change in net position of governmental activities		$ 3,076,394

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

EHOVE CAREER CENTER
ERIE COUNTY, OHIO

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

	Budgeted Amounts			Variance with Final Budget Positive
	Original	**Final**	**Actual**	**(Negative)**
Revenues:				
Property taxes	$ 9,750,000	$ 9,750,000	$ 9,856,061	$ 106,061
Intergovernmental	7,542,000	7,542,000	7,708,081	166,081
Investment earnings	80,000	80,000	381,600	301,600
Tuition and fees	120,000	120,000	36,989	(83,011)
Rental income	3,000	3,000	6,620	3,620
Contributions and donations	3,000	3,000	-	(3,000)
Miscellaneous	80,000	80,000	71,198	(8,802)
Total revenues	17,578,000	17,578,000	18,060,549	482,549
Expenditures:				
Current:				
Instruction:				
Regular	1,346,560	1,346,560	1,258,154	88,406
Special	1,022,369	1,022,369	1,011,026	11,343
Vocational	6,453,433	6,453,433	6,407,896	45,537
Support services:				
Pupil	846,921	846,921	856,481	(9,560)
Instructional staff	1,142,267	1,142,267	1,115,428	26,839
Board of education	178,826	178,826	199,386	(20,560)
Administration	3,157,998	3,157,998	2,604,275	553,723
Fiscal	778,137	778,137	778,120	17
Business	6,966	6,966	8,397	(1,431)
Operations and maintenance	2,423,896	2,423,896	2,342,113	81,783
Pupil transportation	173,993	173,993	62,819	111,174
Central	541,677	541,677	642,438	(100,761)
Facilities acquisition and construction	412,858	412,858	292,646	120,212
Debt service:				
Principal	485,000	485,000	490,000	(5,000)
Interest and fiscal charges	150,000	150,000	132,943	17,057
Bond issuance costs	2,500	2,500	2,511	(11)
Total expenditures	19,123,401	19,123,401	18,204,633	918,768
Excess (deficiency) of revenues over (under) expenditures	(1,545,401)	(1,545,401)	(144,084)	1,401,317
Other financing sources (uses):				
Refund of prior year's expenditures	20,000	20,000	20,005	5
Transfers (out)	(750,000)	(750,000)	(985,000)	(235,000)
Sale of capital assets	20,000	20,000	19,373	(627)
Total other financing sources (uses)	(710,000)	(710,000)	(945,622)	(235,622)
Net change in fund balance	(2,255,401)	(2,255,401)	(1,089,706)	1,165,695
Fund balance at beginning of year	6,141,716	6,141,716	6,141,716	-
Prior year encumbrances appropriated	774,201	774,201	774,201	-
Fund balance at end of year	$ 4,660,516	$ 4,660,516	$ 5,826,211	$ 1,165,695

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

EHOVE CAREER CENTER
ERIE COUNTY, OHIO

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

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	**Final**	**Actual**	
Revenues:				
Intergovernmental	$ 900,000	$ 900,000	$ 941,269	$ 41,269
Tuition and fees	3,412,000	3,412,000	3,107,701	(304,299)
Charges for services	62,500	62,500	64,283	1,783
Miscellaneous	2,000	2,000	2,238	238
Total revenue	4,376,500	4,376,500	4,115,491	(261,009)
Expenditures:				
Current:				
Instruction:				
Adult/continuing	3,426,419	3,426,419	3,202,346	224,073
Support services:				-
Pupil	85,772	85,772	89,929	(4,157)
Administration	586,424	586,424	542,953	43,471
Operations and maintenance	58,200	58,200	58,001	199
Total expenditures	4,156,815	4,156,815	3,893,229	263,586
Excess of revenues over expenditures	219,685	219,685	222,262	2,577
Other financing sources:				
Transfers in	-	-	50,000	50,000
Net change in fund balance	219,685	219,685	272,262	52,577
Fund balance at beginning of year	1,142,897	1,142,897	1,142,897	-
Prior year encumbrances appropriated	184,605	184,605	184,605	-
Fund balance at end of year	$ 1,547,187	$ 1,547,187	$ 1,599,764	$ 52,577

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

EHOVE CAREER CENTER
ERIE COUNTY, OHIO

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2023

	Custodial
Assets:	
Equity in pooled cash and investments	$ 2,200
Liabilities:	
Due to other governments	$ 2,200

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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NOTE 1 - DESCRIPTION OF THE CAREER CENTER

The EHOVE Career Center ("Career Center") is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Career Center is a joint vocational school as defined by 3311.16 of the Ohio Revised Code. The Career Center operates under an appointed Board of Education (nine members) and is responsible for the provision of public education to residents of the Career Center.

Average daily membership (ADM) as of October 1, 2022, was 875. The Career Center employed 12 administrative and supervisory personnel, 56 certified employees, and 70 non-certified employees.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

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

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

JOINTLY GOVERNED ORGANIZATIONS

The Northern Ohio Educational Computer Association

The Northern Ohio Educational Computer Association (NOECA) is a jointly governed organization among area schools. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to the administrative and instructional functions among members. Each of the governments of these schools supports NOECA based upon a per pupil charge dependent upon the software package utilized. In the event of a dissolution of the organization, all current members will share in net obligations or asset liquidations in a ratio proportionate to their last twelve months financial contributions. The NOECA Assembly consists of the Superintendent from each participating school and a representative from the fiscal agent. NOECA is governed by a Board of Directors chosen from the general membership of the NOECA Assembly. The Board of Directors consists of a representative from the fiscal agent, the Chairman of each of the operating committees, and two NOECA Assembly members from each county in which participating schools are located. The degree of control exercised by any participating school is limited to its representation on the Board of Directors. The Career Center paid $30,265 to NOECA for services during fiscal year 2023. Financial information can be obtained by contacting Betty Schwiefert, who serves as Treasurer, at 4918 Milan Road, Sandusky, Ohio 44870.

Bay Area Council of Governments

The Bay Area Council of Governments (the “Council”) consists of numerous school districts representing seven counties (Crawford, Erie, Huron, Ottawa, Sandusky, Seneca, and Wood). This jointly governed organization was formed for the purpose of purchasing goods and services at a lower cost. The items currently being purchased through the Council are natural gas and insurance. The only cost to the Career Center is an administrative charge if it purchases something through the Council. The Council consists of the Superintendent of each school. The Board of Directors consists of one elected representative from each county, the Superintendent of the fiscal agent, and two non-voting members (Administrator and Fiscal Officer).

Members of the Board of Directors serve two-year terms, which are staggered. The Career Center paid $34,145 to the Council for services provided during fiscal year 2023. Financial information can be obtained by contacting Matthew Bauer, who serves as Fiscal Officer, at 4918 Milan Road, Sandusky, Ohio 44870.

PUBLIC ENTITY RISK POOLS

Health Benefits

The Huron-Erie School Employees Insurance Association (the “Association”) is a shared risk pool, with participants from Erie and Huron Counties. The Association is governed by an Assembly, which consists of one representative from each participant (usually the Superintendent or designee). The Assembly elects officers for two-year terms to serve as the Board of Directors. The Assembly exercises control over the operation of the Association. All of the Association revenues are generated from charges for services. Financial information can be obtained by contacting Betty Schwiefert, who serves as Treasurer, at 4918 Milan Road, Sandusky, Ohio 44870.

Workers’ Compensation

The Career Center participates in a retrospective group rating plan (the “Plan”) for workers’ compensation as established under Section 4123.29 of the Ohio Revised Code.

Each year, the participating schools pay an enrollment fee to the Plan to cover the costs of administering the program.

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

B. Fund Accounting

The Career Center uses funds to report its financial position and the results of its operations. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain Career Center activities or functions. Funds are classified into three categories: governmental, proprietary and fiduciary. Each category is divided into separate fund types. The Career Center has no proprietary funds.

GOVERNMENTAL FUNDS

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

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

Adult education fund - The adult education special revenue fund is used to account for transactions made in connection with adult education classes. Revenues include, but are not limited to, tuition from patrons and students and reimbursements from the Ohio Department of Education and Workforce. Expenditures include supplies and salaries.

Permanent improvement fund - The permanent improvement capital projects fund accounts for levy collections used for the acquisition, construction, or improvement of capital facilities.

Nonmajor governmental funds of the Career Center are used to account for financial resources that are restricted or committed to an expenditure for specified purposes.

PROPRIETARY FUNDS

Proprietary funds are used to account for activities that are similar to those often found in the private sector, where the determination of operating income, changes in net position, overall financial position and cash flows is necessary or useful to sound financial administration. The Career Center has no proprietary funds.

FIDUCIARY FUNDS

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

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

C. Basis of Presentation and Measurement Focus

Government-Wide Financial Statements - The statement of net position and the statement of activities display information about the Career Center as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the governmental activities of the Career Center. 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 amounts paid by the recipient of goods or services offered by the program and grants and contributions that are restricted to meeting the operational requirements of a particular program. Revenues not classified as program revenues are presented as general revenues of the Career Center.

The government-wide financial statements are prepared using the economic resources measurement focus. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operation of the Career Center are included on the statement of net position.

Fund Financial Statements - Fund financial statements report detailed information about the Career Center. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column, and all nonmajor funds are aggregated into one column. Fiduciary funds are reported by fund type.

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 a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Fiduciary funds present a statement of changes in fiduciary net position which reports additions to and deductions from custodial funds.

D. Basis of Accounting

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

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

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

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

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

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

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. See Notes 12 and 13 for deferred outflows of resources related to net pension liability and net OPEB liability/asset, respectively. In addition, deferred outflows of resources include a deferred charge on debt refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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

See Notes 12 and 13 for deferred inflows of resources related to net pension liability/asset and net OPEB liability/asset, respectively. These deferred inflows of resources are only reported on the government-wide statement of net position.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The entitlement value of donated commodities used during the fiscal year is reported in the statement of revenues, expenditures and changes in fund balances as an expenditure with an equal amount reported as intergovernmental revenue.

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

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. Budgets

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than custodial funds, are legally required to be budgeted and appropriated. The primary level of budgetary control is at the fund level. Any budgetary modifications at this level may only be made by resolution of the Board of Education (the “Board”). Although the legal level of budgetary control was established at the fund level of expenditures, the Career Center has elected to present the budgetary statement comparisons at the fund and function level of expenditures.

Tax Budget:

Prior to January 15, the Superintendent and Treasurer submit to the Board a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers’ comments. The purpose of this budget document is to reflect the need for existing or increased tax rates. By no later than January 20, the Board-adopted budget is filed with the Erie County Budget Commission (the “Commission”) for rate determination.

Estimated Resources:

By April 1, the Board accepts, by formal resolution, the tax rates as determined by the Commission and receives the Commission’s certificate of estimated resources, which states the projected revenue of each fund. On or prior to June 30, the Career Center must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the certificate of estimated resources is amended to include any unencumbered cash balances from the preceding year. The certificate of estimated resources may be further amended during the year if projected increases or decreases in revenue are identified by the Career Center Treasurer. The amounts reported in the budgetary statements reflect the amounts in the original and final amended certificates of estimated resources issued during the fiscal year.

Appropriations:

Upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates or a certificate of estimated resources saying no new certificate of estimated resources is necessary, the annual appropriation resolution is enacted by the Board. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the Career Center. The appropriation resolution, by fund, must be within the certificate of estimated resources as certified by the Commission and the total of expenditures may not exceed the appropriation totals at the fund level. Any revisions that alter the fund level must be approved by the Board.

The Board may pass supplemental fund appropriations so long as the total appropriations by fund do not exceed the amounts set forth in the most recent certificate of estimated resources. During the fiscal year, all supplemental appropriations were legally enacted.

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

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

Lapsing of Appropriations:

At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding fiscal year and need not be reappropriated.

F. Cash and Investments

To improve cash management, cash received by the Career Center is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the Career Center's records. Each fund's interest in the pool is presented as "equity in pooled cash and investments" on the basic financial statements.

During 2023, the Career Center has invested funds in negotiable certificates of deposits (negotiable CD's), Federal Home Loan Bank (FHLB) securities, Federal Farm Credit Bank (FFCB) securities, Federal Home Loan Mortgage Corporation (FHLMC) securities, Federal National Mortgage Association (FNMA) securities, a U.S. government money market mutual fund and the State Treasury Asset Reserve of Ohio (STAR Ohio). Except for investments in STAR Ohio and U.S. government money market mutual fund, investments are reported at fair value which is based on quoted market prices.

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

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

Under existing Ohio statutes, all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. 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 2023 amounted to $388,824, which includes $155,206 assigned from other Career Center funds.

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

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

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

G. Inventory

On government-wide and fund financial statements, inventories of supplies are reported at cost, inventories held for resale are reported at the lower of cost or market, and donated commodities are presented at their entitlement value. Inventories are recorded on a first-in, first-out basis and are expensed when received. Inventories are accounted for using the purchase method on the fund statements and using the consumption method on the government-wide statements.

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

Inventory consists of expendable supplies held for consumption, donated food and purchased food.

H. Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and deductions during the year. Donated capital assets are recorded at their acquisition values as of the date received. The Career Center's capitalization threshold is $10,000. The Career Center does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets except land and construction in progress are depreciated/amortized. Improvements are depreciated/amortized over the remaining useful lives of the related capital assets.

Depreciation/amortization is computed using the straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives
Land improvements	10 - 30 years
Buildings and improvements	10 - 50 years
Furniture and equipment	5 - 20 years
Vehicles	5 - 15 years
Intangible right to use: SBITA assets	3 - 5 years

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

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

I. Interfund Balances

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund loans receivable/payable". These amounts are eliminated in the governmental activities column on the statement of net position. There were no outstanding interfund loans receivable/payable at June 30, 2023. Interfund transactions are summarized in Note 5.

J. Compensated Absences

In accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences", a liability for vacation leave is accrued if a) the employees' rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination (severance) payments. A liability for sick leave is accrued using the vesting method; i.e., the liability is based on the sick leave accumulated at June 30, 2023, by those employees who are currently eligible to receive termination (severance) payments, as well as those employees expected to become eligible in the future.

The total liability for vacation and sick leave payments has been calculated using pay rates in effect at June 30, 2023 and reduced to the maximum payment allowed by labor contract and/or statute, plus any applicable additional salary related payments.

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

For governmental fund financial statements, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported.

K. Accrued Liabilities and Long-Term Obligations

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

L. Certificates of Participation Premiums

On the government-wide financial statements, certificates of participation premiums are deferred and amortized over the term of the certificates of participation using the straight-line method, which approximates the effective interest method. Certificates of participation premiums are presented as an addition to the face amount of the certificates of participation. On the governmental fund financial statements, certificates of participation premiums are recognized in the period in which they are incurred.

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

M. Fund Balance

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

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

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

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

Assigned - Amounts in the assigned fund balance classification are intended to be used by the Career Center for specific purposes but do not meet the criteria to be classified as restricted nor committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the Career Center Board of Education, which includes giving the Treasurer the authority to constrain monies for intended purposes.

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

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

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

N. Net Position

Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. The net position component "net investment in capital assets," consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing or liabilities used for the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on its use either through enabling legislation or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments. The Career Center had no net position restricted through enabling legislation. The amount restricted for other purposes represents amounts restricted for unclaimed monies.

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

O. Prepayments

Certain payments to vendors reflect the costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. These items are reported as assets on the balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of the purchase and the expenditure/expense is reported in the year in which services are consumed.

On the fund financial statements, prepaid items are equally offset by nonspendable fund balance in the governmental funds, which indicates that they do not constitute available spendable resources even though they are a component of net current assets.

P. Estimates

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

Q. 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 basic financial statements. See Note 5 for more information.

R. Pensions/Other Postemployment Benefits (OPEB)

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

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

S. Extraordinary and Special Items

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

T. Fair Value Measurements

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

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

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

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

GASB Statement No. 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. These changes were incorporated in the Career Center's fiscal year 2023 financial statements.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

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

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

B. Deficit Fund Balances

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

Nonmajor funds	Deficit
Vocational education grant fund	$ 20,803
Building fund	100,338

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

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use, but which will be needed before the end of the current period of designation of depositories.

Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;

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

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days;

4. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirement have been met;

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

6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;

7. The State Treasurer's investment pool, the State Treasury Asset Reserve of Ohio (STAR Ohio); and,

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

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

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

A. Cash on Hand

At fiscal year end, the Career Center had $300 in undeposited cash on hand, which is included on the financial statements of the Career Center as part of "equity in pooled cash and investments".

B. Deposits with Financial Institutions

At June 30, 2023, the carrying amount of all Career Center deposits was $856,337 and the bank balance of all Career Center deposits was $1,154,212. Of the bank balance, $250,000 was covered by the FDIC and $904,212 was covered by the OPCS.

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

C. Investments

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

		Investment Maturities			
Measurement/ Investment type	Measurement Amount	6 Months or Less	7 to 12 Months	13 to 18 Months	Greater Than 18 Months
Fair Value:					
Negotiable CDs	$ 1,410,926	$ -	-	237,410	1,173,516
FHLMC	726,450	-	-	-	726,450
FHLB	1,424,818	-	-	-	1,424,818
FFCB	862,593	394,028	-	468,565	-
FNMA	334,432	-	334,432	-	-
Net asset value per share:					
U.S. Government money market mutual fund	543,903	543,903	-	-	-
STAR Ohio	6,636,634	6,636,634	-	-	-
Total	$ 11,939,756	$ 7,574,565	$ 334,432	$ 705,975	$ 3,324,784

The weighted average maturity of investments is 0.79 years.

The Career Center's investments in negotiable CDs and federal agency securities (FHLMC, FHLB, FFCB, and FNMA) are valued using quoted prices in markets that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly (Level 2 inputs). As discussed in Note 2.F, investments in STAR Ohio and the U.S. government money market mutual fund are measured at their net asset value per share.

Interest Rate Risk: Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates substantially increase. As a means of limiting its exposure to fair value losses arising from rising interest rates, the Career Center's investment policy limits investment portfolio maturities to approximately five years or less. State statute requires that an investment must be purchased with the expectation that it will be held to maturity. The Career Center's investment policy permits investments in any security specifically authorized by Ohio Revised Code Sections 135.14, 135.142 and 135.45 as amended.

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Credit Risk: Standard & Poor's has assigned STAR Ohio and the U.S government money market mutual fund an AAAm money market rating. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The Career Center's investments in federal agency securities (FHLMC, FHLB, FFCB, and FNMA) are rated AA+ and Aaa by Standard & Poor's and Moddy's Investor Services, respectively. The negotiable certificates of deposit are not rated, but are fully insured by the FDIC. The Career Center's investment policy does not address investment credit risk beyond the requirements of State statutes.

Concentration of Credit Risk: The Career Center places no dollar limit on the amount that may be invested in any one issuer. However, the Career Center's investment policy requires an effort to diversify its holdings of investments by avoiding concentrations of specific issuers. The following table includes the percentage of each investment type held by the Career Center at June 30, 2023:

Measurment/ Investment type	Measurement Amount	% of Total
Fair Value:		
Negotiable CDs	$ 1,410,926	11.82
FHLMC	726,450	6.08
FHLB	1,424,818	11.93
FFCB	862,593	7.22
FNMA	334,432	2.80
Net asset value per share:		
U.S. Government money market mutual fund	543,903	4.56
STAR Ohio	6,636,634	55.59
Total	$ 11,939,756	100.00

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

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

Cash and investments per note	
Carrying amount of deposits	$ 856,337
Investments	11,939,756
Cash on hand	300
Total	$ 12,796,393
Cash and investments per statements of net position	
Governmental activities	$ 12,794,193
Custodial fund	2,200
Total	$ 12,796,393

NOTE 5 - INTERFUND TRANSACTIONS

Interfund transfers for the year ended June 30, 2023, consisted of the following as reported on the fund financial statements:

Transfers from general fund to:	Amount
Adult Education fund	$ 50,000
Permanent Improvement fund	750,000
Nonmajor governmental funds	35,000
Total	$ 835,000

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

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

All transfers were made in compliance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

NOTE 6 - PROPERTY TAXES

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

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

The Career Center receives property taxes from Erie, Huron, Ottawa, Sandusky, Seneca, Ashland, Richland and Lorain Counties. The County Auditors periodically advance to the Career Center their portion of the taxes collected. Second-half real property tax payments collected by the Counties by June 30, 2023, are available to finance fiscal year 2023 operations. The amount available as an advance at June 30, 2023 was $1,406,258 in the general fund and $272,918 in the permanent improvement fund. This amount is recorded as revenue. The amount available for advance at June 30, 2022 was $2,127,642 in the general fund and $427,651 in the permanent improvement fund. The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

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

NOTE 6 - PROPERTY TAXES - (Continued)

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

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

	2022 Second Half Collections		2023 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/residential and other real estate	$ 3,709,553,190	88.06	$ 3,772,880,480	88.16
Public utility personal	503,037,260	11.94	506,516,910	11.84
Total	$ 4,212,590,450	100.00	$ 4,279,397,390	100.00
Tax rate per $1,000 of assessed valuation	$ 4.45		$ 4.45	

NOTE 7 - RECEIVABLES

Receivables at June 30, 2023 consisted of property taxes, accounts (billings for user charged services and student fees), accrued interest and intergovernmental grants and entitlements. All receivables, with the possible exception of accounts receivable related to the Career Center's adult education services, are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current year guarantee of federal funds.

A summary of the principal items of receivables reported on the statement of net position follows:

Governmental activities:	
Property taxes	$ 15,379,282
Accounts	744,081
Accrued interest	26,123
Intergovernmental	63,374
Total	$ 16,212,860

Receivables have been disaggregated on the face of the basic financial statements. All receivables are expected to be collected within the subsequent year.

NOTE 8 - CAPITAL ASSETS

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

	Balance July 1, 2022	Additions	Deductions	Balance June 30, 2023
Governmental activities:				
Capital assets, not being depreciated/amortized:				
Land	$ 411,420	$ -	$ -	$ 411,420
Construction in progress	122,459	1,031,019	(1,053,140)	100,338
Total capital assets, not being depreciated/amortized	533,879	1,031,019	(1,053,140)	511,758
Capital assets, being depreciated/amortized:				
Land improvements	471,519	48,500	-	520,019
Buildings and improvements	29,698,504	1,053,140	-	30,751,644
Furniture and equipment	2,579,888	368,945	-	2,948,833
Vehicles	899,325	76,200	(129,317)	846,208
Intangible right to use:				
SBITAs	-	15,584	-	15,584
Total capital assets, being depreciated/amortized	33,649,236	1,562,369	(129,317)	35,082,288
Less: accumulated depreciation/amortization:				
Land improvements	(117,230)	(33,629)	-	(150,859)
Buildings and improvements	(6,034,912)	(459,157)	-	(6,494,069)
Furniture and equipment	(1,814,161)	(106,059)	-	(1,920,220)
Vehicles	(510,855)	(42,535)	129,317	(424,073)
Intangible right to use:				
SBITAs	-	(3,117)	-	(3,117)
Total accumulated depreciation/amortization	(8,477,158)	(644,497)	129,317	(8,992,338)
Governmental activities capital assets, net	$ 25,705,957	$ 1,948,891	$ (1,053,140)	$ 26,601,708

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

Instruction:	
Regular	$ 44,542
Special	21,850
Vocational	400,687
Adult/continuing	21,037
Support services:	
Pupil	14,756
Instructional staff	34,610
Board of education	300
Administration	28,927
Fiscal	3,162
Business	1,105
Operations and maintenance	43,438
Central	8,843
Operation of non-instructional services:	
Food service operations	21,240
Total depreciation/amortization expense	$ 644,497

NOTE 9 - LONG-TERM OBLIGATIONS

During fiscal year 2023, the following changes occurred in governmental activities' long-term obligations.

	Balance July 1, 2022	Additions	Reductions	Balance June 30, 2023	Amounts Due in One Year
Governmental activities:					
School improvement notes - direct borrowing	$ 35,000	$ -	$ (35,000)	$ -	$ -
Energy conservation notes	360,000	-	(120,000)	240,000	120,000
Certificates of participation	16,355,000	-	(1,130,000)	15,225,000	1,160,000
SBITA payable	-	15,584	(3,339)	12,245	2,902
Net OPEB liability	1,780,021	-	(543,892)	1,236,129	-
Net pension liability	11,439,789	6,701,860	-	18,141,649	-
Compensated absences	956,513	55,243	(52,329)	959,427	67,294
Total governmental activities	$ 30,926,323	$ 6,772,687	$ (1,884,560)	$ 35,814,450	$ 1,350,196

School Improvement Notes: On June 12, 2008, the Career Center entered into a note agreement with the Columbus Regional Airport Authority (through the OASBO Expanded Asset Pooled Financing Program) for the purpose of improving, renovating, furnishing and equipping school buildings. This issuance is considered a direct borrowing in that the terms have been negotiated between the Career Center and the lender and were not offered for public sale. The proceeds of the note were received on June 12, 2008. The initial principal amount of the notes was $400,000, with an interest rate of 4.11% and matured on December 1, 2022.

Principal and interest payments in fiscal year 2023 totaled $35,000 and $780, respectively. These amounts are reported as debt service expenditures in the general fund.

Energy Conservation Notes: On June 10, 2010, the Career Center entered into a note agreement with the Ohio School Facilities Commission (through the Qualified School Construction Bonds Program) for the purpose of purchasing and installing energy conservation measures. The proceeds of the note were received on June 24, 2010. The initial principal amount of the notes was $1,800,000, with an interest rate of 5.375% and a maturity date of June 1, 2025. Principal and interest payments in fiscal year 2023 totaled $120,000 and $19,350, respectively. These amounts are reported as debt service expenditures in the general fund. The following is a summary of the future debt service requirements to maturity for the energy conservation notes:

Fiscal Year	Principal	Interest	Total
2024	120,000	12,900	132,900
2025	120,000	6,450	126,450
Total	$ 240,000	$ 19,350	$ 259,350

The energy conservation project was for building maintenance and repairs, which have not been capitalized by the Career Center.

Refunding Certificates of Participation Series 2019 - On October 18, 2019, the Career Center issued Refunding Certificates of Participation (Series 2019 COPs) to refund the current remaining portion of the Series 2018 Certificates of Participation (principal $12,325,000; interest rate of 3.45%). Issuance proceeds of $12,445,000 were used to purchase securities which were placed in an irrevocable trust to provide resources for the debt service payment due on October 15, 2019 when the refunded debt was called. The Series 2018 Certificates of Participation have been defeased and removed from the statement of net position. At June 30, 2023 the remaining balance of the defeased debt was $10,150,000.

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

The par value of the Series 2019 refunding issuance was $12,445,000, with an interest rate of 2.40%.

The reacquisition price exceeded the net carrying amount of the old debt (including unamortized deferred charges and unamortized premiums) by $21,514. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued. The refunding was undertaken to reduce future debt service payments by $949,709 resulting in a current economic gain of $803,853.

Payments related to the Series 2019 COPs refunding are recorded as debt service expenditures in the permanent improvement fund. Principal payments on the Series 2019 COPs are due each October 15, beginning October 15, 2020, through and including October 15, 2033. Interest payments are due on April 15 and October 15 each year. Principal and interest payments in fiscal year 2023 totaled $795,000 and $252,180, respectively. These amounts are reported as debt service expenditures in the permanent improvement fund. The final maturity stated in the issue is October 15, 2033.

The Series 2019 COPs refunding are not a general obligation of the Career Center and are payable only from appropriations by the Career Center for annual lease payments. The following is a summary of the future debt service requirements to maturity for the Series 2019 COPs refunding:

Fiscal Year	Principal	Interest	Total
2024	$ 815,000	$ 232,860	$ 1,047,860
2025	830,000	213,120	1,043,120
2026	855,000	192,900	1,047,900
2027	875,000	172,140	1,047,140
2028	895,000	150,900	1,045,900
2029 - 2033	4,810,000	417,360	5,227,360
2034	1,030,000	12,360	1,042,360
Total	$ 10,110,000	$ 1,391,640	$ 11,501,640

Refunding Certificates of Participation Series 2020 - On August 5, 2020, the Career Center issued Refunding Certificates of Participation (Series 2020 COPs) to refund the current remaining portion of the Series 2012 Certificates of Participation (principal $5,685,000; interest rate of 3.00% - 3.75%). Issuance proceeds of $5,850,000 were used to purchase securities which were placed in an irrevocable trust to provide resources for the debt service payment due on October 15, 2020, when the refunded debt was called. The Series 2012 Certificates of Participation have been defeased and removed from the statement of net position. At June 30, 2023 the remaining balance of the defeased debt was $5,160,000.

The par value of the Series 2020 refunding issuance was $5,850,000, with an interest rate of 2.14%.

The reacquisition price exceeded the net carrying amount of the old debt (including unamortized deferred charges and unamortized premiums) by $64,906. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued. The refunding was undertaken to reduce future debt service payments by $780,155 resulting in a current economic gain of $535,393.

Payments related to the Series 2020 COPs refunding are recorded as debt service expenditures in the general fund. Principal payments on the Series 2020 COPs are due each October 15, beginning October 15, 2020, through and including October 15, 2035. Interest payments are due on April 15 and October 15 each year. Principal and interest payments in fiscal year 2023 totaled $335,000 and $112,873, respectively. These amounts are reported as debt service expenditures in the general fund. The final maturity stated in the issue is October 15, 2035.

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

The Series 2020 COPs refunding are not a general obligation of the Career Center and are payable only from appropriations by the Career Center for annual lease payments. The following is a summary of the future debt service requirements to maturity for the Series 2020 COPs refunding:

Fiscal Year	Principal	Interest	Total
2024	$ 345,000	$ 105,770	$ 450,770
2025	350,000	98,333	448,333
2026	360,000	90,736	450,736
2027	370,000	82,925	452,925
2028	375,000	74,954	449,954
2029 - 2033	2,005,000	249,042	2,254,042
2034 - 2036	1,310,000	42,372	1,352,372
Total	$ 5,115,000	$ 744,132	$ 5,859,132

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

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

SBITA	Commencement Fiscal Year	Years	Ending Fiscal Year	Payment Method
Fraud protection software	2023	5	2027	Annual

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

Fiscal Year	Principal	Interest	Total
2024	$ 2,902	$ 437	$ 3,339
2025	3,006	333	3,339
2026	3,113	226	3,339
2027	3,224	115	3,339
Total	$ 12,245	$ 1,111	$ 13,356

Compensated Absences: Compensated absences will be paid from the funds from which the employees' salaries are paid, which consists primarily of the general fund and the adult education fund.

Net Pension Liability: The Career Center pays obligations related to employee compensation from the fund benefitting from their service. See Note 12 for more information on the Career Center's net pension liability.

Net OPEB Liability: The Career Center pays obligations related to employee compensation from the fund benefitting from their service. See Note 13 for more information on the Career Center's net OPEB liability.

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

Legal Debt Margin: The Ohio Revised Code provides that voted net general obligation debt of the Career Center shall never exceed 9% of the total assessed valuation of the Career Center. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the Career Center. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the Career Center. The assessed valuation used in determining the Career Center's legal debt margin has been modified by House Bill 530, which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the Career Center's legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The effects of these debt limitations at June 30, 2023, are a voted debt margin of $385,145,765 and an unvoted debt margin of $4,279,397.

NOTE 10 - OTHER EMPLOYEE BENEFITS

A. Sick Leave

Each full time professional staff member is entitled to 15 days sick leave with pay for each year under contract and accrues sick leave at the rate of 1¼ days for each calendar month under contract. Sick leave is cumulative to 400 days (330 days for severance purposes) for certified employees and 330 days for non-certified employees.

B. Service Retirement Benefits

1. Certified employees are eligible for service retirement pay after the Board of Education accepts the employee's resignation. Service retirement pay is 25% of the certified employee's accrued, but unused sick leave days at the time of retirement based on their daily rate times the value of the employee's eligible (82.50 days maximum) accrued, but unused sick leave days. Employees must have at least ten years of total retirement service and at least five years of service with the Career Center to become eligible to be entitled to the maximum of 82.50 days.

2. Certified employees who retire during the current contract will be paid $225 for every year of service with the EHOVE Board of Education. Certified employees who provide a letter of resignation by October 1st will received a $2,000 early notification payment.

3. Non-certified employees are eligible for service retirement pay after the Board of Education accepts the employee's resignation. Service retirement is 25% of the non-certified employee's accrued, but unused sick leave days at the time of retirement based on their daily rate times the value of the employee's eligible (82.50 days maximum) accrued, but unused sick leave days. Non-certified employees must have ten or more years of public service and at least five years of service with the Career Center to become eligible for the maximum of 82.50 days.

4. Non-certified employees who retire during the current contract will be paid $225 for every year of service with the EHOVE Board of Education. Non-certified employees who provide a letter of resignation by October 1st will received a $1,000 early notification payment if full time and $500 if part time.

5. Administration employees, certified, and non-certified non-union staff are eligible for service retirement pay after the Board of Education accepts the employee's resignation. Service retirement is that as set forth in the EHOVE Education Association contract for administrators and as set forth in the Ohio Association of Public School Employees (OAPSE) contract for non-certified employees.

NOTE 11 - RISK MANAGEMENT

A. Comprehensive

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 maintains comprehensive insurance coverage with private carriers for general liability, real property, building contents and vehicles. Vehicle policies include liability coverage for bodily injury and property damage. Real property and contents are fully insured. Losses have not exceeded insurance coverage for the last three years and there has been no significant reduction in insurance coverage from last year.

B. Health, Prescription Drug and Dental Insurance

The Career Center is a member of the Huron-Erie School Employees Insurance Association (the "Association"), a public entity risk pool currently operating as a common risk management and health insurance program for 13 member schools. The Career Center pays a monthly premium to this pool for health, prescription drug and dental. The pool agreement provides that the Association will be self-sustaining through member premiums, and the pool purchased stop-loss coverage from private insurance carriers to cover claims in excess of $250,000 for any employee in a year or to cover aggregate claims in excess of 120% of the prior year's total claims.

In the event of a withdrawal, the Career Center shall assume and be responsible for payment of all claims of its eligible employees, families and dependents from the effective date of withdrawal, regardless of when such claims were incurred, processed, or presented to the Association, insurance provider, insurance consultant, or any other appropriate or authorized person or representative; provided further, any such claims, which are paid after the effective date of withdrawal by the Association insurance provider or insurance consultant, or charged to such parties, shall be reimbursed in full by any withdrawing member upon demand of the Association.

C. Workers' Compensation Rating Plan

The Career Center participates in a workers' compensation retrospective group rating plan (the "Plan"), an insurance purchasing pool (See Note 2.A.). The intent of the Plan is to achieve the benefit of a reduced premium for the Career Center by virtue of its grouping and representation with other participants in the Plan. Participants in the Plan are placed on tiers according to their loss history. Participants with low loss histories are rewarded with greater savings than participants with higher loss histories. Each participant pays its workers' compensation premium to the State based on the rate for its Plan tier rather than its individual rate. Participation in the Plan is limited to schools than can meet the Plan's selection criteria. The firm of Sedgwick provides administrative, cost control, assistance with safety programs, and actuarial services to the Plan.

NOTE 12 - DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability/Net OPEB Liability/Asset

The net pension liability and the net OPEB liability/asset reported on the statement of net position represents a liability or asset to employees for pensions and OPEB, respectively.

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

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

The remainder of this note includes the required pension disclosures. See Note 13 for the required OPEB disclosures.

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

Plan Description - School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

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

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

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

The Career Center's contractually required contribution to SERS was $492,689 for fiscal year 2023. Of this amount, $18,661 is reported as pension and postemployment benefits payable.

Plan Description - State Teachers Retirement System (STRS)

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

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

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

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

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

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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

The Career Center's contractually required contribution to STRS was $1,105,083 for fiscal year 2023. Of this amount, $148,388 is reported as pension and postemployment benefits payable.

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

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

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

	SERS	STRS	Total
Proportion of the net pension liability prior measurement date	0.098934300%	0.060921806%	
Proportion of the net pension liability current measurement date	0.093088400%	0.058959200%	
Change in proportionate share	-0.005845900%	-0.001962606%	
Proportionate share of the net pension liability	$ 5,034,945	$ 13,106,704	$ 18,141,649
Pension expense	$ 441,518	$ 1,159,480	$ 1,600,998

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

	SERS	STRS	Total
Deferred outflows of resources			
Differences between expected and actual experience	$ 203,920	$ 167,785	$ 371,705
Net difference between projected and actual earnings on pension plan investments	-	456,085	456,085
Changes of assumptions	49,680	1,568,479	1,618,159
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	153,669	-	153,669
Contributions subsequent to the measurement date	492,689	1,105,083	1,597,772
Total deferred outflows of resources	$ 899,958	$ 3,297,432	$ 4,197,390

	SERS	STRS	Total
Deferred inflows of resources			
Differences between expected and actual experience	$ 33,054	$ 50,138	$ 83,192
Net difference between projected and actual earnings on pension plan investments	175,697	-	175,697
Changes of assumptions	-	1,180,613	1,180,613
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	207,531	763,233	970,764
Total deferred inflows of resources	$ 416,282	$ 1,993,984	$ 2,410,266

$1,597,772 reported as deferred outflows of resources related to pension resulting from Career Center contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2024.

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

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2024	$ 69,144	$ (370,531)	$ (301,387)
2025	(119,147)	(235,582)	(354,729)
2026	(250,986)	(524,754)	(775,740)
2027	291,976	1,329,232	1,621,208
Total	$ (9,013)	$ 198,365	$ 189,352

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Actuarial Assumptions - SERS

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

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

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

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

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

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

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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

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

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

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

	1% Decrease	Current Discount Rate	1% Increase
Career Center's proportionate share of the net pension liability	$ 7,411,198	$ 5,034,945	$ 3,032,983

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Actuarial Assumptions - STRS

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

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

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

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

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

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

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

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

	1% Decrease	Current Discount Rate	1% Increase
Career Center's proportionate share of the net pension liability	$ 19,799,459	$ 13,106,704	$ 7,446,706

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

NOTE 13 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability/Asset

See Note 12 for a description of the net OPEB liability (asset).

Plan Description - School Employees Retirement System (SERS)

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

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14% of covered payroll to the Health Care Fund in accordance with the funding policy. For the fiscal year ended June 30, 2023, SERS did not allocate any employer contributions to post-employment health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2023, this amount was $25,000. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2023, the Career Center's surcharge obligation was $17,772.

The surcharge added to the allocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The Career Center's contractually required contribution to SERS was $17,772 for fiscal year 2023. Of this amount, $17,772 is reported as pension and postemployment benefits payable.

Plan Description - State Teachers Retirement System (STRS)

Plan Description - The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org 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% of covered payroll. For the fiscal year ended June 30, 2023, STRS did not allocate any employer contributions to post-employment health care.

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

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

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

	SERS	STRS	Total
Proportion of the net OPEB liability/asset prior measurement date	0.094052500%	0.060921806%	
Proportion of the net OPEB liability/asset current measurement date	0.088042700%	0.058959200%	
Change in proportionate share	-0.006009800%	-0.001962606%	
Proportionate share of the net OPEB liability	$ 1,236,129	$ -	$ 1,236,129
Proportionate share of the net OPEB asset	$ -	$ 1,526,650	$ 1,526,650
OPEB expense	$ (103,848)	$ (274,728)	$ (378,576)

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

	SERS	STRS	Total
Deferred outflows of resources			
Differences between expected and actual experience	$ 10,391	$ 22,132	$ 32,523
Net difference between projected and actual earnings on OPEB plan investments	6,427	26,575	33,002
Changes of assumptions	196,621	65,030	261,651
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	402,103	18,507	420,610
Contributions subsequent to the measurement date	17,772	-	17,772
Total deferred outflows of resources	$ 633,314	$ 132,244	$ 765,558

	SERS	STRS	Total
Deferred inflows of resources			
Differences between expected and actual experience	$ 790,717	$ 229,272	$ 1,019,989
Changes of assumptions	507,437	1,082,541	1,589,978
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	653,643	18,165	671,808
Total deferred inflows of resources	$ 1,951,797	$ 1,329,978	$ 3,281,775

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

$17,772 reported as deferred outflows of resources related to OPEB resulting from Career Center contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability/asset in the fiscal year ending June 30, 2024.

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

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2024	$ (268,016)	$ (349,759)	$ (617,775)
2025	(351,539)	(341,840)	(693,379)
2026	(289,682)	(168,669)	(458,351)
2027	(126,029)	(68,130)	(194,159)
2028	(97,620)	(89,074)	(186,694)
Thereafter	(203,369)	(180,262)	(383,631)
Total	$ (1,336,255)	$ (1,197,734)	$ (2,533,989)

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.

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

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

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

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

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

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

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

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

	1% Decrease	Current Discount Rate	1% Increase
Career Center's proportionate share of the net OPEB liability	$ 1,535,290	$ 1,236,129	$ 994,624

	1% Decrease	Current Trend Rate	1% Increase
Career Center's proportionate share of the net OPEB liability	$ 953,277	$ 1,236,129	$ 1,605,579

Actuarial Assumptions - STRS

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

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

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

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

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

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

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

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

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

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

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

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

	1% Decrease	Current Discount Rate	1% Increase
Career Center's proportionate share of the net OPEB asset	$ 1,413,706	$ 1,526,650	$ 1,625,416

	1% Decrease	Current Trend Rate	1% Increase
Career Center's proportionate share of the net OPEB asset	$ 1,583,507	$ 1,526,650	$ 1,454,881

NOTE 14 - BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations, and changes in fund balance on the basis of accounting principles generally accepted in the United States of America (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 statements of revenues, expenditures and changes in fund balance - budget and actual (non-GAAP budgetary basis) presented for the general fund and the adult education fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

(a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);

(b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);

(c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis);

(d) Advances-in and advances-out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis);

(e) Investments are reported at fair value (GAAP basis) rather than cost (budget basis); and,

(f) Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

NOTE 14 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

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

Net Change in Fund Balance

	General	Adult Education
Budget basis	$ (1,089,706)	$ 272,262
Net adjustment for revenue accruals	(762,107)	(51,382)
Net adjustment for expenditure accruals	233,291	3,241
Net adjustment for other sources/uses	(23,794)	-
Funds budgeted elsewhere	54,087	-
Adjustment for encumbrances	1,094,515	201,499
GAAP basis	$ (493,714)	$ 425,620

Certain funds that are legally budgeted in separate Career Center fund classifications are considered part of the general fund on a GAAP basis. This includes the special trust fund, uniform school supplies fund, special rotary fund, and termination benefits fund.

NOTE 15 - CONTINGENCIES

A. Grants

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

B. Litigation

The Career Center is involved in no material litigation as either plaintiff or defendant.

NOTE 16 - SET-ASIDES

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

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

NOTE 16 - SET-ASIDES - (Continued)

	Capital Improvements
Set-aside balance June 30, 2022	$ -
Current year set-aside requirement	161,627
Current year qualifying expenditures	(459,970)
Current year offsets	(2,611,957)
Total	$ (2,910,300)
Balance carried forward to fiscal year 2024	$ -
Set-aside balance June 30, 2023	$ -

NOTE 17 - OTHER COMMITMENTS

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

Fund	Fiscal Year-End Encumbrances
General	$ 756,519
Adult education	117,331
Permanent improvement	486,395
Nonmajor governmental funds	25,719
Total	$ 1,385,964

NOTE 18 - TAX ABATEMENTS ENTERED INTO BY OTHER GOVERNMENTS

Other governments entered into property tax abatement agreements with property and business owners under Enterprise Zone Agreements ("EZAs") and the Ohio Community Reinvestment Area ("CRA") program with the taxing District's of the Career Center. The EZAs and CRA program are directive incentive tax exemption programs benefiting property and business owners who renovate or construct new buildings or bring new jobs into the area. Under these programs, the other governments designated areas to encourage revitalization of the existing housing stock, the development of new structures, and economic growth. Within the taxing District's of the Career Center, certain municipal governments located in the counties of Huron, Erie, Sandusky, and Lorain have entered into such agreements. Under these agreements, the Career Center's property taxes were reduced by $30,543 in Huron County, $55,639 in Erie County, $31,131 in Sandusky County, and $7,956 in Lorain County. The Career Center is not receiving any amounts from the other governments in association with the forgone property tax revenue.

NOTE 19 - COVID-19

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

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REQUIRED SUPPLEMENTARY INFORMATION

EHOVE CAREER CENTER
ERIE COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2023	2022	2021	2020
Career Center's proportion of the net pension liability	0.09308840%	0.09893430%	0.08785550%	0.08562540%
Career Center's proportionate share of the net pension liability	$ 5,034,945	$ 3,650,389	$ 5,810,948	$ 5,123,118
Career Center's covered payroll	$ 3,593,264	$ 3,345,993	$ 3,030,264	$ 2,992,533
Career Center's proportionate share of the net pension liability as a percentage of its covered payroll	140.12%	109.10%	191.76%	171.20%
Plan fiduciary net position as a percentage of the total pension liability	75.82%	82.86%	68.55%	70.85%

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

	2019	2018	2017	2016	2015	2014
	0.12694260%	0.08763580%	0.08823890%	0.08971200%	0.08992800%	0.08992800%
	$ 7,270,238	$ 5,236,045	$ 6,458,273	$ 5,119,054	$ 4,551,205	$ 5,347,730
	$ 2,872,081	$ 2,986,893	$ 2,736,543	$ 2,700,797	$ 2,613,139	$ 2,371,611
	253.13%	175.30%	236.00%	189.54%	174.17%	225.49%
	71.36%	69.50%	62.98%	69.16%	71.70%	65.52%

EHOVE CAREER CENTER
ERIE COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2023	2022	2021	2020
Career Center's proportion of the net pension liability	0.058959200%	0.060921806%	0.06182737%	0.06227147%
Career Center's proportionate share of the net pension liability	$ 13,106,704	$ 7,789,400	$ 14,960,024	$ 13,770,961
Career Center's covered payroll	$ 8,673,886	$ 6,139,464	$ 7,438,229	$ 6,978,793
Career Center's proportionate share of the net pension liability as a percentage of its covered payroll	151.11%	126.87%	201.12%	197.33%
Plan fiduciary net position as a percentage of the total pension liability	78.88%	87.78%	75.48%	77.40%

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019	2018	2017	2016	2015	2014
0.06740358%	0.06597509%	0.06631422%	0.06588238%	0.06724957%	0.06724957%
$ 14,820,534	$ 15,672,524	$ 22,197,368	$ 18,207,963	$ 16,357,423	$ 19,484,855
$ 7,317,514	$ 7,297,979	$ 6,624,007	$ 6,873,721	$ 6,871,054	$ 6,783,500
202.54%	214.75%	335.10%	264.89%	238.06%	287.24%
77.31%	75.30%	66.80%	72.10%	74.70%	69.30%

EHOVE CAREER CENTER
ERIE COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2023	2022	2021	2020
Contractually required contribution	$ 492,689	$ 503,057	$ 468,439	$ 424,237
Contributions in relation to the contractually required contribution	(492,689)	(503,057)	(468,439)	(424,237)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Career Center's covered payroll	$ 3,519,207	$ 3,593,264	$ 3,345,993	$ 3,030,264
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019	2018	2017	2016	2015	2014
$ 403,992	$ 387,731	$ 418,165	$ 383,116	$ 355,965	$ 362,181
(403,992)	(387,731)	(418,165)	(383,116)	(355,965)	(362,181)
$ -	$ -	$ -	$ -	$ -	$ -
$ 2,992,533	$ 2,872,081	$ 2,986,893	$ 2,736,543	$ 2,700,797	$ 2,613,139
13.50%	13.50%	14.00%	14.00%	13.18%	13.86%

EHOVE CAREER CENTER
ERIE COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2023	2022	2021	2020
Contractually required contribution	$ 1,105,083	$ 1,214,344	$ 859,525	$ 1,041,352
Contributions in relation to the contractually required contribution	(1,105,083)	(1,214,344)	(859,525)	(1,041,352)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Career Center's covered payroll	$ 7,893,450	$ 8,673,886	$ 6,139,464	$ 7,438,229
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019	2018	2017	2016	2015	2014
$ 977,031	$ 1,024,452	$ 1,021,717	$ 927,361	$ 962,321	$ 893,237
(977,031)	(1,024,452)	(1,021,717)	(927,361)	(962,321)	(893,237)
$ -	$ -	$ -	$ -	$ -	$ -
$ 6,978,793	$ 7,317,514	$ 7,297,979	$ 6,624,007	$ 6,873,721	$ 6,871,054
14.00%	14.00%	14.00%	14.00%	14.00%	13.00%

EHOVE CAREER CENTER
ERIE COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SEVEN FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017
Career Center's proportion of the net OPEB liability	0.08804270%	0.09405250%	0.08270790%	0.08196310%	0.11940860%	0.08504350%	0.08841089%
Career Center's proportionate share of the net OPEB liability	$ 1,236,129	$ 1,780,021	$ 1,797,513	$ 2,061,200	$ 3,312,717	$ 2,282,344	$ 2,520,038
Career Center's covered payroll	$ 3,593,264	$ 3,345,993	$ 3,030,264	$ 2,992,533	$ 2,872,081	$ 2,986,893	$ 2,736,543
Career Center's proportionate share of the net OPEB liability as a percentage of its covered payroll	34.40%	53.20%	59.32%	68.88%	115.34%	76.41%	92.09%
Plan fiduciary net position as a percentage of the total OPEB liability	30.34%	24.08%	18.17%	15.57%	13.57%	12.46%	11.49%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

EHOVE CAREER CENTER
ERIE COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SEVEN FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017
Career Center's proportion of the net OPEB liability/asset	0.058959200%	0.060921806%	0.06182737%	0.06227147%	0.06740358%	0.06597509%	0.06631422%
Career Center's proportionate share of the net OPEB liability/(asset)	$ (1,526,650)	$ (1,284,486)	$ (1,086,616)	$ (1,031,365)	$ (1,083,107)	$ 2,574,105	$ 3,546,502
Career Center's covered payroll	$ 8,673,886	$ 6,139,464	$ 7,438,229	$ 6,978,793	$ 7,317,514	$ 7,297,979	$ 6,624,007
Career Center's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	17.60%	20.92%	14.61%	14.78%	14.80%	35.27%	53.54%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	230.73%	174.73%	182.10%	174.70%	176.00%	47.10%	37.33%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

EHOVE CAREER CENTER
ERIE COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2023	2022	2021	2020
Contractually required contribution	$ 17,772	$ 20,973	$ 23,660	$ 13,121
Contributions in relation to the contractually required contribution	(17,772)	(20,973)	(23,660)	(13,121)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Career Center's covered payroll	$ 3,519,207	$ 3,593,264	$ 3,345,993	$ 3,030,264
Contributions as a percentage of covered payroll	0.51%	0.58%	0.71%	0.43%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019		2018		2017		2016		2015		2014	
$	37,874	$	37,235	$	28,373	$	40,405	$	55,240	$	39,352
	(37,874)		(37,235)		(28,373)		(40,405)		(55,240)		(39,352)
$	-	$	-	$	-	$	-	$	-	$	-
$	2,992,533	$	2,872,081	$	2,986,893	$	2,736,543	$	2,700,797	$	2,613,139
	1.27%		1.30%		0.95%		1.48%		2.05%		1.51%

EHOVE CAREER CENTER
ERIE COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2023	2022	2021	2020
Contractually required contribution	$ -	$ -	$ -	$ -
Contributions in relation to the contractually required contribution	-	-	-	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Career Center's covered payroll	$ 7,893,450	$ 8,673,886	$ 6,139,464	$ 7,438,229
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

	2019		2018		2017		2016		2015		2014
$	-	$	-	$	-	$	-	$	-	$	67,650
	-		-		-		-		-		(67,650)
$	-	$	-	$	-	$	-	$	-	$	-
$	6,978,793	$	7,317,514	$	7,297,979	$	6,624,007	$	6,873,721	$	6,871,054
	0.00%		0.00%		0.00%		0.00%		0.00%		1.00%

PENSION

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms:

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

Changes in assumptions:

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

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

(Continued)

PENSION (CONTINUED)

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms :

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

Changes in assumptions :

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

- For fiscal year 2023, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the projected salary increases went from 12.50% at age 20 to 2.50% at age 65 to varies by service from 2.50% to 8.50%.

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms :

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

(Continued)

OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

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

Changes in assumptions :

- For fiscal year 2017, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement, and disability were updated to reflect recent experience, (e) mortality among active members was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females, (f) mortality among service retired members and beneficiaries was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, (g) mortality among disabled members was updated to the following: RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

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

- For fiscal year 2023, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) municipal bond index rate went from 1.92% to 3.69%, (b) single equivalent interest rate when from 2.27% to 4.08% and (c) medical trend assumptions went from 5.125% to 4.40% Medicare and 6.75% to 4.40% Pre-Medicare to 7.00% to 4.40%.

(Continued)

OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms:

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

Changes in assumptions:

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

(Continued)

OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

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

Changes in assumptions (continued) :

- For fiscal year 2021, health care cost trend rates were changed to the following: medical pre-Medicare from 5.87% initial - 4.00% ultimate down to 5.00% initial - 4.00% ultimate; medical Medicare from 4.93% initial - 4.00% ultimate down to -6.69% initial - 4.00% ultimate; prescription drug pre-Medicare from 7.73% initial - 4.00% ultimate down to 6.50% initial - 4.00% ultimate; prescription drug Medicare from 9.62% initial - 4.00% ultimate up to 11.87% initial - 4.00% ultimate.
- For fiscal year 2022, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.45% to 7.00%, (b) the discount rate of return was reduced from 7.45% to 7.00% and (c) health care cost trend rates were changed to the following: medical Medicare from -6.69% initial - 4.00% ultimate down to -16.18% initial - 4.00% ultimate; prescription drug Medicare from 11.87% initial - 4.00% ultimate up to 29.98% initial - 4.00% ultimate.

- For fiscal year 2023, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) projected salary increase went from 12.50% at age 20 to 2.50% at age 65 to varies by services from 2.50% to 8.50% and (b) health care cost trend rates were changed to the following: Pre-Medicare from 5.00% initial - 4.00% ultimate to 7.50% initial - 3.94% ultimate; medical Medicare from -16.18% initial - 4.00% ultimate to -68.78% initial - 3.94% ultimate; prescription drug Pre-Medicare from 6.50% initial - 4.00% ultimate to 9.00% initial - 3.94% ultimate; Medicare from 29.98% initial - 4.00% ultimate to -5.47% initial - 3.94% ultimate.

SUPPLEMENTARY INFORMATION

EHOVE CAREER CENTER
ERIE COUNTY, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

FEDERAL GRANTOR/ SUB GRANTOR/ PROGRAM TITLE	ASSISTANCE LISTING NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER / ADDITIONAL AWARD IDENTIFICATION	TOTAL EXPENDITURES OF FEDERAL AWARDS
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through the Ohio Department of Education and Workforce			
Child Nutrition Cluster			
School Breakfast Program	10.553	2022	$ 6,264
School Breakfast Program	10.553	2023	27,288
Total School Breakfast Program			33,552
National School Lunch Program	10.555	2022	23,509
COVID-19 - National School Lunch Program - CN COVID PRO MANF	10.555	COVID-19, 2023	24,064
National School Lunch Program	10.555	2023	146,832
National School Lunch Program - Food Donation	10.555	2023	39,170
Total National School Lunch Program			233,575
Total Child Nutrition Cluster			267,127
COVID-19 - State Pandemic Electronic Benefit Transfer (P-EBT) Administrative Costs Grant	10.649	COVID-19, 2023	628
Total U.S. Department of Agriculture			267,755
U.S. DEPARTMENT OF TREASURY			
Passed Through Ohio Office of Budget and Management			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds - School Safety Round #2	21.027	COVID-19, 2023	50,000
Total U.S. Department of Treasury			50,000
U.S. FEDERAL COMMUNICATIONS COMMISSION			
Direct			
COVID-19 - Emergency Connectivity Fund (ECF) Program - Equipment	32.009	COVID-19, ECOECF219001521411	150,920
Total U.S. Federal Communications Commission			150,920
U.S. DEPARTMENT OF EDUCATION			
Passed Through the Ohio Department of Higher Education			
Career and Technical Education Basic Grants to States	84.048A	84.048A, 2022	51,562
Career and Technical Education Basic Grants to States	84.048A	84.048A, 2023	237,239
Career and Technical Education Basic Grants to States - Adult	84.048A	84.048A, 2022	52,125
Career and Technical Education Basic Grants to States - Adult	84.048A	84.048A, 2023	150,870
Total Career and Technical Education Basic Grants to States			491,796
Direct			
Student Financial Assistance Cluster			
Federal Pell Grant Program	84.063	N/A	673,174
Federal Direct Student Loans (Direct Loan)	84.268	N/A	1,118,735
Total Student Financial Assistance Cluster			1,791,909
Passed Through the Ohio Department of Education and Workforce			
COVID-19 - Governor's Emergency Education Relief Fund (GEER)	84.425C	COVID-19, 84.425C, 2022	149,447
COVID-19 - Governor's Emergency Education Relief (GEER II) Fund II	84.425C	COVID-19, 84.425C, 2023	114,413
COVID-19 - American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER) Fund - Homeless Targeted Support Grant	84.425W	COVID-19, 84.425W, 2023	1,560
Direct			
COVID-19 - Higher Education Emergency Relief Fund (HEERF II) - Institutional Aid Portion	84.425F	COVID-19, 84.425F, P425F202737	255,476
COVID-19 - Higher Education Emergency Relief Fund (HEERF III) - Institutional Aid Portion	84.425F	COVID-19, 84.425F, P425F202737	100,645
Total Education Stabilization Fund (ESF)			621,541
Total U.S. Department of Education			2,905,246
Total Expenditures of Federal Awards			$ 3,373,921

The accompanying notes are an integral part of this schedule.

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

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

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the EHOVE Career Center under programs of the federal government for the fiscal year ended June 30, 2023 and is prepared in accordance with the cash basis of accounting. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the EHOVE Career Center, it is not intended to and does not present the financial position, or changes in net position of the EHOVE Career Center. Such expenditures are recognized following cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be limited as to reimbursement.

NOTE 2 – DE MINIMIS COST RATE

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

NOTE 3 – CHILD NUTRITION CLUSTER

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

NOTE 4 – FOOD DONATION PROGRAM

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

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

EHOVE Career Center
Erie County
316 West Mason Road
Milan, Ohio 44846

To the Members of the Board of Education:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the EHOVE Career Center, Erie County, Ohio, as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the EHOVE Career Center's basic financial statements, and have issued our report thereon dated December 29, 2023.

Report on Internal Control over Financial Reporting

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

Julian & Grube, Inc.

Julian & Grube, Inc.
December 29, 2023

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

EHOVE Career Center
Erie County
316 West Mason Road
Milan, Ohio 44846

To the Members of the Board of Education:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the EHOVE Career Center's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the EHOVE Career Center's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the EHOVE Career Center's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the "Auditor's Responsibilities for the Audit of Compliance" section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

Julian & Grube, Inc.

Julian & Grube, Inc.
December 29, 2023

EHOVE CAREER CENTER
ERIE COUNTY, OHIO

SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2023

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

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR § 200.511(b)
JUNE 30, 2023

Finding Number	Year Initially Occurred	Finding Summary	Status	Additional Information
2022-001	2022	Noncompliance- Ohio Revised Code 5705.39, 5705.36, 5705.36(A)(4) - A subdivision's total appropriations from each fund should not exceed total estimated resources, that subdivisions request increased or reduced amended certificates of estimated resources upon determination that revenue to be collected will be greater or less than the amount in the last certified amended certificate, and that upon determination that the revenue to be collected by the subdivision will be less than the amount included in an official certificate and that the amount of the deficiency will reduce available resources below the level of current appropriations certify the amount of the deficiency to the commission, and the commission shall certify an amended certificate reflecting the deficiency. The Career Center had appropriations exceeding estimated and actual resources in certain funds.	Corrective Action Taken and Finding is Fully Corrected	N/A
2022-002	2022	Significant Deficiency- Financial Statement Presentation - Accurate financial reporting is required in order to provide management and the Board of Education with objective and timely information to enable well-informed decisions. The Career Center had audit adjustments to its HINKLE filed financial statements.	Partially Corrected	Management Letter Comment

ERIE HURON OTTAWA VOCATIONAL EDUCATION (EHOVE) CAREER CENTER

ERIE COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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

Certified for Release 3/26/2024