OHIO AUDITOR OF STATE
KEITH FABER

MAPLEWOOD CAREER CENTER
PORTAGE COUNTY
JUNE 30, 2021 AND 2020

TABLE OF CONTENTS

MAPLEWOOD CAREER CENTER
PORTAGE COUNTY
JUNE 30, 2021 AND 2020

TABLE OF CONTENTS
(Continued)

MAPLEWOOD CAREER CENTER
PORTAGE COUNTY
JUNE 30, 2021 AND 2020

TABLE OF CONTENTS
(Continued)

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OHIO AUDITOR OF STATE
KEITH FABER

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INDEPENDENT AUDITOR'S REPORT

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

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Maplewood Career Center, Portage County, Ohio (the Center), as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Center's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Center's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Center's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Center, as of June 30, 2021 and 2020, and the respective changes in financial position thereof and the budgetary comparison for the General Fund thereof for the years then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 24 to the June 30, 2020 financial statements, the Center adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. Additionally, as discussed in Note 23 to the June 30, 2021 and 2020 financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Center. We did not modify our opinion regarding these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *management's discussion and analysis*, and schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit contributions listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on the Center's basic financial statements taken as a whole.

The Schedule of Expenditures of Federal Awards presents additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and is not a required part of the financial statements.

The schedule is management's responsibility, and derives from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this information to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 25, 2022, on our consideration of the Center's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Center's internal control over financial reporting and compliance.

Keith Faber
Auditor of State
Columbus, Ohio

February 25, 2022

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It is a privilege to present to you the financial picture of the Maplewood Career Center. This discussion and analysis of the Center's financial performance provides an overall review of the Center's financial activities for the fiscal year ended June 30, 2021. The intent of this discussion and analysis is to look at the Center's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the Center's financial performance.

Financial Highlights

Key financial highlights for the 2021 fiscal year are as follows:

- Certified, classified, and administrative staffs received a 2.5 percent salary increase in fiscal year 2021.

- Projects completed in fiscal year 2021 included the replacement of flooring in the culinary and cafeteria kitchens, the installation of wash stations in vocational program areas, and technology and electrical upgrades.

- Annually, the Center reviews the needs of the programs and purchases equipment. Significant purchases for fiscal year 2021 included a Dexter DXTTR III Natural X-ray Trainer and a Panoramic X-ray System for the dental program, two ranges, a steam kettle, and a shelving carousel for the culinary program, a CNC machine and a lathe for the applied engineering and machining program, a dishwasher for the hospitality service careers program, and welders for both the welding and auto collision programs. Two Ford transit vans were purchased to replace older vans for student field trips and competitions.

- The Center was open for in person learning during the 2020-2021 school year. Funds were spent to enhance safety and increase sanitization of the building. Three temperature scanning devices were purchased to check the temperature of every person entering the building. Electrostatic sprayers were purchased and used for additional daily sanitization. MERV 13 filters were installed in the HVAC system. All drinking fountains were retro fitted with water bottle filling stations. Hand sanitizer dispensers were placed throughout the Center. Wi-Fi hotspots and laptops were provided to students who did not have home access during quarantines.

- The Center continues to research new programming options, but is limited by the availability of high bay laboratory space. New programming options are also limited to those that would lead to the opportunity for immediate work or pursuit of additional education. The Center is presently researching adding an HVAC program.

- A new roof is being installed on the entire building over the summer of 2021. A new entrance remodel has been contracted to be completed for the summer of 2022.

Using this Financial Report

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

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

Notes to the Basic Financial Statements

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

Reporting the Center as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the Center to provide programs and activities, the view of the Center as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2021?" The statement of net position and the statement of activities answer this question. These statements include *all non-fiduciary assets, deferred outflows of resources, liabilities, and deferred inflows of resources* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. Accrual accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

Reporting the Center's Most Significant Funds

Fund Financial Statements

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

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

The Center as a Whole

You may recall that the statement of net position provides the perspective of the Center as a whole. Table 1 provides a comparison of the Center's net position for fiscal year 2021 compared to 2020:

Table 1
Net Position

	Governmental Activities		
	2021	2020	Change
Assets			
Current and Other Assets	$40,956,811	$39,804,008	$1,152,803
Net OPEB Asset	703,866	661,285	42,581
Capital Assets, Net	9,776,802	10,296,432	(519,630)
Total Assets	51,437,479	50,761,725	675,754
Deferred Outflows of Resources			
Pension	2,183,871	2,133,906	49,965
OPEB	278,731	199,502	79,229
Total Deferred Outflows of Resources	2,462,602	2,333,408	129,194
Liabilities			
Current Liabilities	1,898,476	1,039,535	(858,941)
Long-Term Liabilities:			
Due Within One Year	67,515	70,074	2,559
Due in More Than One Year:			
Net Pension Liability	12,536,266	11,546,661	(989,605)
Net OPEB Liability	897,534	1,097,276	199,742
Other Amounts	1,332,996	1,247,743	(85,253)
Total Liabilities	16,732,787	15,001,289	(1,731,498)
Deferred Inflows of Resources			
Property Taxes	6,176,942	5,434,075	(742,867)
Pension	426,817	1,008,448	581,631
OPEB	1,462,138	1,233,524	(228,614)
Total Deferred Inflows of Resources	8,065,897	7,676,047	(389,850)
Net Position			
Net Investment in Capital Assets	9,069,426	10,282,295	(1,212,869)
Restricted	336,151	384,967	(48,816)
Unrestricted	19,695,820	19,750,535	(54,715)
Total Net Position	$29,101,397	$30,417,797	($1,316,400)

The net pension liability (NPL) is the largest single liability reported by the Center at June 30, 2021. GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange; however, the Center is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require the retirement systems to provide health care to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

By comparing assets, deferred outflows of resources, liabilities, and deferred inflows of resources, one can see the overall position of the Center has worsened as evidenced by the decrease in net position, primarily unrestricted net position. The decrease in net position is mainly related to the decrease in capital assets, due to annual depreciation, and an increase in current liabilities, specifically contracts payable related to capital assets. Net pension liability decreased due to changes in assumptions.

Table 2 shows the changes in net position for fiscal year 2021 compared to fiscal year 2020.

Table 2
Change in Net Position
Governmental Activities

	2021	2020	Change
Revenues			
Program Revenues			
Charges for Services	$666,347	$694,153	($27,806)
Operating Grants and Interest	1,813,959	1,550,689	263,270
Total Program Revenues	2,480,306	2,244,842	235,464
General Revenues			
Property Taxes	6,443,631	7,034,567	(590,936)
Grants and Entitlements	4,822,997	4,797,195	25,802
Unrestricted Contributions	0	17,921	(17,921)
Investment Earnings	97,772	1,038,512	(940,740)
Miscellaneous	94,176	52,942	41,234
Total General Revenues	11,458,576	12,941,137	(1,482,561)
Total Revenues	$13,938,882	$15,185,979	($1,247,097)

(continued)

Table 2
Change in Net Position
Governmental Activities
(continued)

	2021	2020	Change
Program Expenses			
Instruction:			
Regular	$1,364,587	$1,289,235	($75,352)
Vocational	6,620,911	6,614,418	(6,493)
Adult/Continuing	314,787	257,287	(57,500)
Support Services:			
Pupil	1,500,220	1,408,943	(91,277)
Instructional Staff	858,948	749,434	(109,514)
Board of Education	61,506	108,504	46,998
Administration	1,014,211	1,025,778	11,567
Fiscal	629,484	639,739	10,255
Business	287,640	283,330	(4,310)
Operation and Maintenance of Plant	1,879,705	1,619,280	(260,425)
Pupil Transportation	17,702	22,388	4,686
Central	282,079	304,085	22,006
Operation of Non-Instructional Services	25,014	51,800	26,786
Operation of Food Services	369,874	379,645	9,771
Extracurricular Activities	28,614	34,801	6,187
Total Program Expenses	15,255,282	14,788,667	(466,615)
Change in Net Position	(1,316,400)	397,312	(1,713,712)
Net Position Beginning of Year	30,417,797	30,020,485	397,312
Net Position End of Year	$29,101,397	$30,417,797	($1,316,400)

Governmental Activities

Net position of the Center's governmental activities decreased in fiscal year 2021 due to a decrease in revenues and an increase in expenses. The decrease in revenues is due to lower investment earnings related to the fair value market recognition on investments and the amount available as an advance related to property taxes compared to the prior fiscal year. The increase in 2021 program expenses was mainly due to an increase in liabilities related to contracts payable, which increased operation and maintenance of plant expenses, and ongoing depreciation.

The decrease in revenues was primarily due to decreases in property taxes and investment earnings. Property taxes decreased due to the timing of advance settlements. Investment earnings went down comparatively to abnormally high interest earnings in fiscal year 2020.

The primary sources of revenue for the Center are derived from property taxes and grants and entitlements revenue. These two revenue sources represent a majority of the total revenue. Property taxes, alone, represent close to half of total revenues. The remaining revenue is from program revenues, investment earnings and miscellaneous local sources.

A State law, enacted in 1976, does not allow for tax revenue increases caused by inflationary growth of real property. Increases in valuation prompt corresponding annual reductions in the "effective millage," the tax rates applied to real property. The Center operates on voted millage of 4 mills. The reduced or effective millage in fiscal year 2021 was 2.804311 mills for Residential/Agricultural property and 3.268645 mills for Commercial/Industrial property. The following table illustrates the rate of growth in property values in the past ten years which has positively impacted the Center:

Table 3

Year Ending	Portage County	Summit County	Total Valuation	Growth Rate
2021	$2,613,402,910	$65,388,880	$2,678,791,790	2.23 %
2020	2,561,603,380	58,699,510	2,620,302,890	1.21
2019	2,528,785,580	60,214,600	2,589,000,180	8.51
2018	2,325,824,500	60,051,030	2,385,875,530	2.05
2017	2,281,276,630	56,628,760	2,337,905,390	1.25
2016	2,252,618,385	56,343,540	2,308,961,925	2.72
2015	2,190,879,120	56,869,740	2,247,748,860	0.44
2014	2,181,580,620	56,230,880	2,237,811,500	1.21
2013	2,154,881,120	56,190,650	2,211,071,770	(3.76)
2012	2,241,339,510	56,110,980	2,297,450,490	(0.62)

Although the amount of State funding per pupil has risen slightly over the past several years, the Center has not received this increase due in part to the funding formula called transitional aid guarantee. Being on the transitional aid guarantee means that the Center is guaranteed not to go below a certain amount of Foundation funding and thus the number of pupils and funding per pupil is no longer impacting the funding equation. Career Technical Educational Funding is part of restricted funding and is calculated outside the transitional guarantee. This will account for some fluctuations in State funding depending on enrollment of students in the various programs offered.

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

Table 4
Total and Net Cost of Program Services
Governmental Activities

	Total Cost of Services 2021	Net Cost of Services 2021	Total Cost of Services 2020	Net Cost of Services 2020
Program Expenses				
Instruction:				
Regular	$1,364,587	$1,321,804	$1,289,235	$1,258,516
Vocational	6,620,911	5,482,767	6,614,418	5,425,088
Adult/Continuing	314,787	127,516	257,287	(25,275)
Support Services:				
Pupil	1,500,220	1,208,460	1,408,943	1,227,929
Instructional Staff	858,948	750,007	749,434	722,927
Board of Education	61,506	59,460	108,504	105,734
Administration	1,014,211	901,055	1,025,778	852,634
Fiscal	629,484	596,997	639,739	605,118
Business	287,640	277,744	283,330	276,402
Operation and Maintenance of Plant	1,879,705	1,714,946	1,619,280	1,572,293
Pupil Transportation	17,702	17,676	22,388	22,172
Central	282,079	270,088	304,085	294,276
Operation of Non-Instructional Services	25,014	25,014	51,800	51,180
Operation of Food Services	369,874	15,142	379,645	147,889
Extracurricular Activities	28,614	6,300	34,801	6,942
Total	$15,255,282	$12,774,976	$14,788,667	$12,543,825

As one can see, the reliance upon local tax revenues for the governmental activities is crucial. Fiscal year 2021 program revenues covered only a small portion of program expenses overall, while the majority of program expenses are supported through tax revenues and other general revenues. Grants and entitlements not restricted to specific programs support a smaller portion than tax revenues, but still support a significant portion of program expenses. Program revenues, investment earnings and other miscellaneous revenues support the remaining activity costs. In fiscal year 2021, expenses exceeded revenues, resulting in a decrease in net position.

The Center's Funds

The Center's governmental funds, as presented on the balance sheet, reported a combined fund balance decrease from fiscal year 2021 due to a decrease in revenues, primarily interest and property taxes.

General Fund

The general fund balance decreased in fiscal year 2021. The decrease in fund balance can be attributed to a decrease in property tax and interest revenues. Property taxes decreased due to the timing of advance settlements. Interest revenues decreased, comparatively, to abnormally high interest earnings in fiscal year 2020.

Budgeting Highlights

The Center's appropriations are prepared according to Ohio law and are based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. In fiscal year 2021, all funds were appropriated at the fund level.

In fiscal year 2021, the Center adopted its appropriations prior to October 1, 2020, and amended those appropriations several times prior to fiscal year end. For the general fund, final amended estimated revenues, including other financing sources, were a little higher than the original estimate. Total actual revenues were more than final estimated revenues mainly due to higher than expected property taxes and intergovernmental revenues.

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

Capital Assets and Debt Administration

Capital Assets

Capital assets net of depreciation decreased from fiscal year 2020 due to annual depreciation and current year deletions outpacing current year additions. Some of the capital asset additions for fiscal year 2021 included the purchase of an X-ray system, culinary program equipment, a CNC machine, and transit vans.

The Center's capitalization threshold for capital assets was set at $5,000. For additional information on capital assets, see Note 9 to the basic financial statements.

Debt Administration

At June 30, 2021, the Center had no outstanding bonded long-term debt. The long-term liabilities listed in Table 1 are those accumulated for compensated absences and for the Center's net pension liability and net OPEB liability. For additional information on long-term obligations, see Note 15 to the basic financial statements.

Challenges and Opportunities

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

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

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

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

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

Contacting the Center's Financial Management Personnel

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

Maplewood Career Center

Statement of Net Position

June 30, 2021

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	$33,506,706
Accounts Receivable	22,304
Intergovernmental Receivable	95,220
Accrued Interest Receivable	40,926
Prepaid Items	4,010
Materials and Supplies Inventory	2,332
Inventory Held for Resale	3,751
Property Taxes Receivable	7,264,762
Assets Held for Resale	16,800
Net OPEB Asset (See Note 13)	703,866
Nondepreciable Capital Assets	847,976
Depreciable Capital Assets, Net	8,928,826
Total Assets	51,437,479
Deferred Outflows of Resources	
Pension	2,183,871
OPEB	278,731
Total Deferred Outflows of Resources	2,462,602
Liabilities	
Accounts Payable	211,910
Contracts Payable	707,376
Accrued Wages and Benefits Payable	770,556
Vacation Benefits Payable	82,552
Intergovernmental Payable	126,082
Long-Term Liabilities:	
Due Within One Year	67,515
Due in More Than One Year:	
Net Pension Liability (See Note 12)	12,536,266
Net OPEB Liability (See Note 13)	897,534
Other Amounts Due in More Than One Year	1,332,996
Total Liabilities	16,732,787
Deferred Inflows of Resources	
Property Taxes	6,176,942
Pension	426,817
OPEB	1,462,138
Total Deferred Inflows of Resources	8,065,897
Net Position	
Net Investment in Capital Assets	9,069,426
Restricted for:	
Vocational Education	6,733
Scholarships	41,862
Student Activities	110,475
Student Wellness Services	175,713
Other Purposes	1,368
Unrestricted	19,695,820
Total Net Position	$29,101,397

See accompanying notes to the basic financial statements

Maplewood Career Center

Statement of Activities

For the Fiscal Year Ended June 30, 2021

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Interest	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental Activities:				
Instruction:				
Regular	$1,364,587	$42,783	$0	($1,321,804)
Vocational	6,620,911	277,923	860,221	(5,482,767)
Adult/Continuing	314,787	22,988	164,283	(127,516)
Support Services:				
Pupil	1,500,220	42,587	249,173	(1,208,460)
Instructional Staff	858,948	24,693	84,248	(750,007)
Board of Education	61,506	2,046	0	(59,460)
Administration	1,014,211	66,162	46,994	(901,055)
Fiscal	629,484	20,893	11,594	(596,997)
Business	287,640	9,896	0	(277,744)
Operation and Maintenance of Plant	1,879,705	75,090	89,669	(1,714,946)
Pupil Transportation	17,702	26	0	(17,676)
Central	282,079	10,030	1,961	(270,088)
Operation of Non-Instructional Services	25,014	0	0	(25,014)
Operation of Food Services	369,874	48,916	305,816	(15,142)
Extracurricular Activities	28,614	22,314	0	(6,300)
Total	$15,255,282	$666,347	$1,813,959	(12,774,976)

General Revenues	
Property Taxes Levied for General Purposes	6,443,631
Grants and Entitlements not Restricted to Specific Programs	4,822,997
Investment Earnings	97,772
Miscellaneous	94,176
Total General Revenues	11,458,576
Change in Net Position	(1,316,400)
Net Position Beginning of Year	30,417,797
Net Position End of Year	$29,101,397

See accompanying notes to the basic financial statements

Maplewood Career Center
Balance Sheet
Governmental Funds
June 30, 2021

	General	Other Governmental Funds	Total Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	$32,866,229	$415,747	$33,281,976
Restricted Assets:			
Equity in Pooled Cash and Cash Equivalents	224,730	0	224,730
Accounts Receivable	22,289	15	22,304
Interfund Receivable	202,145	0	202,145
Accrued Interest Receivable	40,926	0	40,926
Intergovernmental Receivable	23,896	71,324	95,220
Prepaid Items	3,747	263	4,010
Materials and Supplies Inventory	0	2,332	2,332
Inventory Held for Resale	0	3,751	3,751
Property Taxes Receivable	7,264,762	0	7,264,762
Assets Held for Resale	16,800	0	16,800
Total Assets	$40,665,524	$493,432	$41,158,956
Liabilities			
Accounts Payable	$203,757	$8,153	$211,910
Contracts Payable	707,376	0	707,376
Accrued Wages and Benefits Payable	713,388	57,168	770,556
Intergovernmental Payable	110,285	15,797	126,082
Interfund Payable	0	202,145	202,145
Total Liabilities	1,734,806	283,263	2,018,069
Deferred Inflows of Resources			
Property Taxes	6,176,942	0	6,176,942
Unavailable Revenue	226,941	0	226,941
Total Deferred Inflows of Resources	6,403,883	0	6,403,883
Fund Balances			
Nonspendable	21,915	2,595	24,510
Restricted	0	334,783	334,783
Committed	4,412,548	0	4,412,548
Assigned	4,706,906	0	4,706,906
Unassigned (Deficit)	23,385,466	(127,209)	23,258,257
Total Fund Balances	32,526,835	210,169	32,737,004
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$40,665,524	$493,432	$41,158,956

See accompanying notes to the basic financial statements

Maplewood Career Center

Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
June 30, 2021

Total Governmental Funds Balances		$32,737,004
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		9,776,802
Other long-term assets are not available to pay for current-period expenditures and therefore are reported as unavailable revenue in the funds:		
Delinquent Property Taxes	226,795	
Intergovernmental	146	
Total		226,941
Vacation benefits payable is a contractually required benefit not expected to be paid with expendable available financial resources and therefore not reported in the funds.		(82,552)
Long-term liabilities, such as compensated absences, are not due and payable in the current period and therefore are not reported in the funds.		(1,400,511)
The net OPEB asset and net pension/OPEB liability are not due and payable in the current period; therefore, the asset, liabilities and related deferred outflows/inflows are not reported in the funds:		
Net OPEB Asset	703,866	
Deferred Outflows - Pension	2,183,871	
Deferred Outflows - OPEB	278,731	
Net Pension Liability	(12,536,266)	
Net OPEB Liability	(897,534)	
Deferred Inflows - Pension	(426,817)	
Deferred Inflows - OPEB	(1,462,138)	
Total		(12,156,287)
Net Position of Governmental Activities		$29,101,397

See accompanying notes to the basic financial statements

Maplewood Career Center

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2021

	General	Other Governmental Funds	Total Governmental Funds
Revenues			
Property Taxes	$6,416,508	$0	$6,416,508
Intergovernmental	5,509,161	1,265,522	6,774,683
Interest	97,727	46	97,773
Tuition and Fees	439,774	52,048	491,822
Rentals	6,900	0	6,900
Extracurricular Activities	0	21,928	21,928
Contributions and Donations	0	5,000	5,000
Charges for Services	96,781	48,916	145,697
Miscellaneous	85,442	8,734	94,176
Total Revenues	12,652,293	1,402,194	14,054,487
Expenditures			
Current:			
Instruction:			
Regular	1,222,413	0	1,222,413
Vocational	4,645,197	173,965	4,819,162
Adult/Continuing	11,592	280,843	292,435
Support Services:			
Pupil	1,239,129	194,339	1,433,468
Instructional Staff	722,692	85,722	808,414
Board of Education	60,162	0	60,162
Administration	832,716	183,954	1,016,670
Fiscal	611,703	17,058	628,761
Business	287,599	0	287,599
Operation and Maintenance of Plant	1,995,651	90,500	2,086,151
Pupil Transportation	774	0	774
Central	276,336	3,399	279,735
Operation of Food Services	0	381,962	381,962
Extracurricular Activities	11,344	0	11,344
Capital Outlay	1,052,583	0	1,052,583
Total Expenditures	12,969,891	1,411,742	14,381,633
Net Change in Fund Balances	(317,598)	(9,548)	(327,146)
Fund Balances Beginning of Year	32,844,433	219,717	33,064,150
Fund Balances End of Year	$32,526,835	$210,169	$32,737,004

See accompanying notes to the basic financial statements

Maplewood Career Center

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the Fiscal Year Ended June 30, 2021

Net Change in Fund Balances - Total Governmental Funds		($327,146)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period:		
Capital Outlay	1,432,860	
Depreciation	(1,942,861)	
Total		(510,001)
Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.		(9,629)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:		
Property Taxes	27,123	
Intergovernmental	(142,728)	
Total		(115,605)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:		
Compensated Absences	(82,694)	
Vacation Benefits Payable	(6,254)	
Total		(88,948)
Contractually required contributions are reported as expenditures in the governmental funds; however, the statement of net position reports these amounts as deferred outflows:		
Pension	949,599	
OPEB	10,216	
Total		959,815
Except for amounts reported as deferred outflows/inflows, changes in the net pension/OPEB asset or liability are reported as pension/OPEB expense in the statement of activities:		
Pension	(1,307,608)	
OPEB	82,722	
Total		(1,224,886)
Change in Net Position of Governmental Activities		($1,316,400)

See accompanying notes to the basic financial statements

Maplewood Career Center
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2021

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Property Taxes	$6,820,614	$6,891,576	$7,025,958	$134,382
Intergovernmental	5,355,001	5,355,001	5,485,411	130,410
Interest	251,275	251,275	359,405	108,130
Tuition and Fees	285,000	285,000	403,741	118,741
Rentals	18,000	7,000	6,900	(100)
Contributions and Donations	1,000	0	0	0
Charges for Services	4,500	0	8,529	8,529
Miscellaneous	3,750	250	62,875	62,625
Total Revenues	12,739,140	12,790,102	13,352,819	562,717
Expenditures				
Current:				
Instruction:				
Regular	1,584,133	1,584,133	1,225,774	358,359
Vocational	5,269,610	5,202,501	4,903,722	298,779
Support Services:				
Pupil	1,402,248	1,402,918	1,250,002	152,916
Instructional Staff	765,100	785,100	762,551	22,549
Board of Education	236,285	236,285	68,931	167,354
Administration	917,841	918,541	846,925	71,616
Fiscal	814,091	814,091	697,376	116,715
Business	283,119	288,921	288,921	0
Operation and Maintenance of Plant	2,562,716	2,676,667	2,676,667	0
Pupil Transportation	25,427	25,427	7,361	18,066
Central	466,733	466,875	304,381	162,494
Operation of Non-Instructional Services	24,506	350	0	350
Operation of Food Services	5,000	5,000	0	5,000
Extracurricular Activities	44,030	44,030	12,005	32,025
Capital Outlay	3,014,561	4,464,561	4,430,008	34,553
Total Expenditures	17,415,400	18,915,400	17,474,624	1,440,776
Excess of Revenues Under Expenditures	(4,676,260)	(6,125,298)	(4,121,805)	2,003,493
Other Financing Sources (Uses)				
Advances In	120,000	120,000	90,000	(30,000)
Advances Out	(250,000)	(250,000)	(202,145)	47,855
Transfers In	100,000	120,000	0	(120,000)
Transfers Out	(150,000)	(150,000)	(8,134)	141,866
Total Other Financing Sources (Uses)	(180,000)	(160,000)	(120,279)	39,721
Net Change in Fund Balance	(4,856,260)	(6,285,298)	(4,242,084)	2,043,214
Fund Balance Beginning of Year	30,118,255	30,118,255	30,118,255	0
Prior Year Encumbrances Appropriated	1,241,880	1,241,880	1,241,880	0
Fund Balance End of Year	$26,503,875	$25,074,837	$27,118,051	$2,043,214

See accompanying notes to the basic financial statements

Note 1 – Description of the Center and Reporting Entity

The Maplewood Career Center (the "Center") is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the Constitution and laws of the State of Ohio. The Center is a joint vocational center as defined by Section 3311.18 of the Ohio Revised Code. The Center operates under a Board of Education consisting of eleven members appointed for three year terms. Each Board member is selected in their home district and then appointed to the Center's board. The Center provides educational services as authorized by State statute and Federal guidelines to the following school districts: Crestwood Local School District, Field Local School District, James A. Garfield Local School District, Mogadore Local School District, Ravenna Schools, Rootstown Local School District, Southeast Local School District, Streetsboro City School District, Waterloo Local School District, and Windham Exempted Village School District. Each of these school districts has one board member on the Center's Board of Education, except for Ravenna Schools which has two members. The Center employs 65 certified employees and 27 non-certified employees who provide services to 661 students and other community members.

Reporting Entity

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

Component units are legally separate organizations for which the Center is financially accountable. The Center is financially accountable for an organization if the Center appoints a voting majority of the organization's governing board and (1) the Center is able to significantly influence the programs or services performed or provided by the organization; or (2) the Center is legally entitled to or can otherwise access the organization's resources; the Center is legally obligated or has otherwise assumed the responsibility to finance deficits of, or provide financial support to, the organization; or the Center is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Center in that the Center approves the budget, the issuance of debt or the levying of taxes and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. The Center has no component units.

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

Note 2 – Summary of Significant Accounting Policies

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

Basis of Presentation

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

Government-wide Financial Statements The statement of net position and the statement of activities display information about the Center as a whole. These statements include the financial activities of the primary government. These statements usually distinguish between those activities of the Center that are governmental and those that are considered business-type. The Center, however, has no business-type activities.

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

Fund Financial Statements During the year, the Center segregates transactions related to certain Center functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Center at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

Fund Accounting

The Center uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. All of the Center's funds are governmental funds.

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

> ***General Fund*** The general fund is the general operating fund of the Center and is used to account for and report all financial resources except those required to be accounted for and reported in another fund. The general fund balance is available to the Center for any purpose provided it is expended or transferred according to the general laws of Ohio.

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

Measurement Focus

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

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

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. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows of resources and in the presentation of expenses versus expenditures.

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

Nonexchange transactions, in which the Center receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (see Note 8). Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the Center must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the Center on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

Deferred Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the Center, deferred outflows of resources are reported on the government-wide statement of net position for pension and OPEB plans. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 12 and 13.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the Center, deferred inflows of resources include property taxes, pension, OPEB plans, and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2021, but which were levied to finance fiscal year 2022 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the Center, unavailable revenue includes delinquent property taxes, intergovernmental grants, and miscellaneous revenue. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the reconciliation of total governmental fund balances to net position of governmental activities found on page 17. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 12 and 13.)

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

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

Budgetary Process

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

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

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

Cash and Cash Equivalents

To improve cash management, cash received by the Center is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the Center's records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the financial statements.

During fiscal year 2021, investments were limited to STAR Ohio, a money market account, negotiable certificates of deposit, commercial paper, US treasury notes, municipal bonds, federal national mortgage association notes, federal home loan mortgage corporation notes and federal home loan bank notes. Except for STAR Ohio, investments are reported at fair value.

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

For fiscal year 2021, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, 24 hours advance notice is appreciated for deposits and withdrawals of $100 million or more. STAR Ohio reserves the right to limit the transaction to $250 million per day, 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.

By Ohio statutes, the Board of Education has specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2021 amounted to $97,727, which includes $1,674 assigned from other Center funds.

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

Restricted Assets

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

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2021, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

Inventory

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

Assets Held for Resale

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

Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and reductions during the year. The Center was able to estimate the historical cost for the initial reporting of assets by backtrending (i.e., estimating the current replacement cost of the asset to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year.) Donated capital assets are recorded at their acquisition values as of the date received. The Center maintains a capitalization threshold of five thousand dollars. The Center does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

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

Description	Governmental Activities Estimated Lives
Buildings and Improvements	40-60 years
Furniture, Fixtures and Equipment	5-25 years
Vehicles	5-15 years

Interfund Balances

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

Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. The Center records a liability for accumulated unused vacation time when earned for all employees with more than one year of service. Since the Center's policy limits the accrual of vacation time to one year from the employee's anniversary date, the outstanding liability is recorded as "vacation benefits payable" on the statement of net position rather than as a long-term liability.

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

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

Accrued Liabilities and Long-Term Obligations

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

Pensions/Other Postemployment Benefits (OPEB)

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

Fund Balance

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

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

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

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

Assigned Amounts in the assigned fund balance classification are intended to be used by the Center for specific purposes but do not meet the criteria to be classified as restricted or committed. These amounts are assigned by the Center Board of Education. In the general fund, assigned amounts represent intended uses established by policies of the Center Board of Education or by a Center official delegated that authority by State statute. State statue authorizes the Treasurer to assign fund balances for purchases on order provided such amounts have been lawfully appropriated. The Center Board of Education also assigned fund balance for public school support, summer school and to cover a gap between estimated revenue and appropriations in the fiscal year 2022 budget.

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

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

Net Position

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

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

Estimates

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

Note 3 – Fund Balances

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

Fund Balances	General	Other Governmental Funds	Total Governmental Funds
Nonspendable:			
Unclaimed Monies	$1,368	$0	$1,368
Materials and Supplies Inventory	0	2,332	2,332
Prepaids	3,747	263	4,010
Assets Held for Resale	16,800	0	16,800
Total Nonspendable	21,915	2,595	24,510
Restricted for:			
Scholarships	0	41,862	41,862
Student Activities	0	110,475	110,475
Student Wellness Services	0	175,713	175,713
Vocational Education	0	6,733	6,733
Total Restricted	0	334,783	334,783
Committed to:			
Compensated Absences	553,141	0	553,141
Purchases on Order:			
Capital Improvements	3,859,407	0	3,859,407
Total Committed	4,412,548	0	4,412,548
Assigned to:			
Public School Support	5,252	0	5,252
Purchases on Order:			
Student Instruction	333,589	0	333,589
Support Services	443,520	0	443,520
Extracurricular Activities	150	0	150
Fiscal Year 2021 Operations	3,924,395	0	3,924,395
Total Assigned	4,706,906	0	4,706,906
Unassigned (Deficit)	23,385,466	(127,209)	23,258,257
Total Fund Balances	$32,526,835	$210,169	$32,737,004

Note 4 – Fund Deficits

Fund balances at June 30, 2021, included individual fund deficits in the following funds:

	Amount
Special Revenue:	
Food Service	$25,124
Adult Education	100,816
Adult Basic Education	1,269

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

Note 5 – Budgetary Basis of Accounting

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

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

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

2. Advances In and Advances Out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).

3. Investments are reported at cost (budget basis) rather than fair value (GAAP basis).

4. Expenditures are recorded when paid in cash (budget basis) as opposed to when the fund liability is incurred (GAAP basis).

5. Budgetary revenues and expenditures of the uniform school supplies, rotary – special services, and public school support funds are reclassified to the general fund for GAAP reporting.

6. Encumbrances are treated as expenditures (budget basis) rather than as a restricted, committed, or assigned fund balance (GAAP basis).

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

Net Change in Fund Balance	
GAAP Basis	($317,598)
Net Adjustment for Revenue Accruals	598,014
Advances In	90,000
Beginning Fair Value Adjustment for Investments	482,724
Ending Fair Value Adjustment for Investments	(246,851)
Net Adjustment for Expenditure Accruals	880,276
Advances Out	(202,145)
Perspective Differences:	
Uniform School Supplies	31,715
Rotary – Special Services	(6,247)
Public School Support	223
Encumbrances	(5,552,195)
Budget Basis	($4,242,084)

Note 6 – Deposits and Investments

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Investments

As of June 30, 2021, the Center had the following investments:

Measurement/Investment	Measurement Amount	Maturity	Standard & Poor's Rating	Percent of Total Investments
Net Asset Value Per Share:				
STAR Ohio	$11,229,840	Average 54.5 days	AAAm	N/A
Fair Value - Level 1 Inputs:				
Money Market Account	2,972	Less than one year	AAAm	N/A
Fair Value - Level 2 Inputs:				
Negotiable Certificates of Deposit	9,391,030	Less than four years	N/A	27.99 %
Commercial Paper	6,695,961	Less than one year	A-1 or A-1+	19.96
US Treasury Notes	499,160	Less than two years	AA+	N/A
Municipal Bonds	1,493,308	Less than four years	AA+	N/A
Federal National Mortgage Association Notes	390,004	Less than two years	AA+	N/A
Federal Home Loan Mortgage Corporation Notes	1,204,944	Less than five years	AA+	N/A
Federal Home Loan Bank Notes	2,642,980	Less than five years	AA+	7.88
Total Fair Value - Level 2 Inputs	22,317,387			
Total Investments	$33,550,199			

The Center categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The preceding chart identifies the Center's recurring fair value measurements as of June 30, 2021. The money market account is measured at fair value and is valued using quoted market prices (Level 1 inputs). The Center's investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided marts, benchmark securities, bids, offers and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data (level 2 inputs).

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

Custodial Credit Risk For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Center will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The negotiable certificates of deposit, commercial paper, US Treasury Notes, Federal National Mortgage Association Notes, Federal Home Loan Mortgage Corporation Notes and Federal Farm Credit Bank Notes are exposed to custodial credit risk in that they are uninsured, unregistered, and held by the counterparty. The Center has no investment policy dealing with the investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

Credit Risk All investments of the Center carry a rating of AAAm, AA+, A-1+, or A-1 by Standard and Poor's. The Center does not have an investment policy that addresses credit risk.

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

Note 7 – Receivables

Receivables at June 30, 2021, consisted of taxes, accounts, accrued interest, interfund and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current fiscal year guarantee of Federal funds. All receivables except for delinquent property taxes are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

A summary of the principal items of intergovernmental receivables follows:

Governmental Activities	Amounts
Vocational Education Grant	$40,640
Adult Basic Education Grant	30,684
Foundation	23,896
Total	$95,220

Note 8 – Property Taxes

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

Property taxes include amounts levied against all real and public utility property located in the Center's parameters. Real property tax revenue received in calendar year 2021 represents collections of calendar year 2020 taxes. Real property taxes received in calendar year 2021 were levied after April 1, 2020, on the assessed value listed as of January 1, 2020, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2021 represents collections of calendar year 2020 taxes. Public utility real and tangible personal property taxes received in calendar year 2021 became a lien December 31, 2019, were levied after April 1, 2020, and are collected in calendar year 2021 with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The Center receives property taxes from Portage and Summit Counties. The County Auditor and Fiscal Officer periodically advance to the Center its portion of the taxes collected. Second-half real property tax payments collected by the counties by June 30, 2021, are available to finance fiscal year 2021 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2021, and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset to deferred inflows of resources – property taxes.

The amount available as an advance in the general fund was $861,025 at June 30, 2021, and $1,470,475 at June 30, 2020. The difference was in the timing and collection by the County Auditor and Fiscal Officer.

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

The assessed values upon which the fiscal year 2021 taxes were collected are as follows:

	2020 Second Half Collections		2021 First Half Collections	
	Amount	Percent	Amount	Percent
Real Property:				
Residential/Agricultural	$2,026,223,020	77.33 %	$2,057,709,920	76.81 %
Commercial/Industrial/Public Utility	461,626,420	17.63	479,101,180	17.89
Tangible Personal Property:				
Public Utility	132,453,450	5.05	141,980,690	5.30
Total	$2,620,302,890	100.00 %	$2,678,791,790	100.00 %
Tax rate per $1,000 of assessed valuation	$4.00		$4.00	

Tax Abatements

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

Overlapping Government	Amount of Fiscal Year 2021 Taxes Abated
Community Reinvestment Areas:	
City of Ravenna	$6,041
Brimfield Township	2,767
Rootstown Township	1,079
Suffield Township	580
Nelson Township	28
Total	$10,495
Enterprise Zone Tax Exemptions:	
City of Ravenna	$2,657

Note 9 – Capital Assets

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

	Balance 6/30/20	Additions	Reductions	Balance 6/30/21
Governmental Activities:				
Capital assets not being depreciated				
Land	$140,600	$0	$0	$140,600
Construction in progress	0	707,376	0	707,376
Total capital assets not being depreciated	140,600	707,376	0	847,976
Capital assets being depreciated				
Buildings and improvements	25,387,080	159,594	0	25,546,674
Furniture, fixtures and equipment	3,994,431	478,029	(157,761)	4,314,699
Vehicles	584,135	87,861	(36,254)	635,742
Total capital assets being depreciated	29,965,646	725,484	(194,015)	30,497,115
Accumulated depreciation				
Buildings and improvements	(16,361,527)	(1,603,257)	0	(17,964,784)
Furniture, fixtures and equipment	(2,952,409)	(288,968)	148,434	(3,092,943)
Vehicles	(495,878)	(50,636)	35,952	(510,562)
Total accumulated depreciation	(19,809,814)	(1,942,861) *	184,386	(21,568,289)
Capital assets being depreciated, net	10,155,832	(1,217,377)	(9,629)	8,928,826
Governmental activities capital assets, net	$10,296,432	($510,001)	($9,629)	$9,776,802

* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	$64,935
Vocational	1,740,255
Adult/Continuing	12,096
Support Services:	
Pupil	12,887
Instructional Staff	26,438
Board of Education	1,677
Administration	9,327
Fiscal	3,456
Operation and Maintenance of Plant	26,137
Pupil Transportation	16,928
Operation of Non-Instructional Services	24,422
Operation of Food Services	4,303
Total Depreciation Expense	$1,942,861

Note 10 – Assets Held for Resale

Assets held for resale represents home lots purchased by and donated to the Center, which will be sold with student-built houses. At June 30, 2021, the Center had two lots held for resale with a value of $16,800.

Note 11 – Risk Management

Property and Liability Insurance

The Center maintains comprehensive insurance coverage with a private carrier, Hylant Administrative Services, LLC. Hylant Administrative Services is the insurer for the Ohio School Plan, an insurance pool of nearly 300 members. Real property, building contents and vehicles are also maintained with Hylant Administrative Services and the Ohio School Plan. Payments for coverages are made directly to Hylant Administrative Services. Settled claims have not exceeded commercial coverage in any of the past three years and there have been no significant reductions in insurance coverage from last year.

Workers' Compensation

For fiscal year 2021, the Center participated in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (See Note 21). The intent of the GRP is to achieve the benefit of a reduced premium for the Center by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participants is calculated as one experience and a common premium rate is applied to all participants in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Participation in the GRP is limited to participants that can meet the GRP's selection criteria. The firm of Comp Management, A Sedgwick CMS Company, provides administrative, cost control and actuarial services to the GRP.

Employee Medical Benefits

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

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

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

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

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also 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 health care to eligible benefit recipients.

The proportionate share of each plan's unfunded benefits is presented as a *net OPEB asset* or long-term *net pension/OPEB liability* on the accrual basis of accounting. Any liability for the contractually-required pension/OPEB contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting. The remainder of this note includes the required pension disclosures. See Note 13 for the required OPEB disclosures.

School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

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

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

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

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost of living adjustment (COLA) on the first anniversary date of the benefit. Beginning April 1, 2018, new benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. A three-year COLA suspension is in effect for all benefit recipients for the years 2018, 2019, and 2020. Upon resumption of the COLA, it will be indexed to the percentage increase in the CPI-W, not to exceed 2.5 percent and with a floor of 0 percent. In 2020, the Board of Trustees approved a 0.5 percent cost of living adjustment (COLA) for eligible retirees and beneficiaries in 2021.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the Center is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2021, the allocation to pension, death benefits, and Medicare B was 14.0 percent. For fiscal year 2021, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The Center's contractually required contribution to SERS was $223,980 for fiscal year 2021. Of this amount $5,200 is reported as an intergovernmental payable.

State Teachers Retirement System (STRS)

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

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

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost of living increases are not affected by this change. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be 5 years of service credit and age 65, or 35 years of service credit and at least age 60.

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

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

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

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

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

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The fiscal year 2021 employer and employee contribution rate of 14 percent was equal to the statutory maximum rates. For fiscal year 2021, the full employer contribution was allocated to pension.

The Center's contractually required contribution to STRS was $725,619 for fiscal year 2021. Of this amount $96,155 is reported as an intergovernmental payable.

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

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Center's proportion of the net pension liability was based on the Center's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	SERS	STRS	Total
Proportion of the Net Pension Liability:			
Current Measurement Date	0.04302490%	0.04004931%	
Prior Measurement Date	0.04541190%	0.03992687%	
Change in Proportionate Share	-0.00238700%	0.00012244%	
Proportionate Share of the Net Pension Liability	$2,845,758	$9,690,508	$12,536,266
Pension Expense	$236,277	$1,071,331	$1,307,608

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

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	$5,527	$21,743	$27,270
Changes of assumptions	0	520,193	520,193
Net difference between projected and actual earnings on pension plan investments	180,648	471,250	651,898
Changes in proportionate share and difference between Center contributions and proportionate share of contributions	0	34,911	34,911
Center contributions subsequent to the measurement date	223,980	725,619	949,599
Total Deferred Outflows of Resources	$410,155	$1,773,716	$2,183,871
Deferred Inflows of Resources			
Differences between expected and actual experience	$0	$61,964	$61,964
Changes in proportionate share and difference between Center contributions and proportionate share of contributions	96,759	268,094	364,853
Total Deferred Inflows of Resources	$96,759	$330,058	$426,817

$949,599 reported as deferred outflows of resources related to pension resulting from Center contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2022	($64,834)	$241,136	$176,302
2023	22,395	44,600	66,995
2024	75,298	217,154	292,452
2025	56,557	215,149	271,706
Total	$89,416	$718,039	$807,455

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, 2020, are presented as follows:

Inflation	3.00 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent
COLA or Ad Hoc COLA	2.5 percent
Investment Rate of Return	7.50 percent net of investment expense, including inflation
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)

Mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females. Mortality among service retired members, and beneficiaries were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120 percent of male rates, and 110 percent of female rates. Mortality among disabled members were based upon the RP-2000 Disabled Mortality Table, 90 percent for male rates and 100 percent for female rates, set back five years is used for the period after disability retirement.

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

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

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

Discount Rate The total pension liability was calculated using the discount rate of 7.50 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.50 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the Center's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the Center's proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the Center's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Center's proportionate share of the net pension liability	$3,898,340	$2,845,758	$1,962,621

Actuarial Assumptions – STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2020, actuarial valuation, are presented as follows:

Inflation	2.50 percent
Projected Salary Increases	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation
Discount Rate of Return	7.45 percent
Payroll Increases	3 percent
Cost of Living Adjustments (COLA)	0.0 percent, effective July 1, 2017

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

Actuarial assumptions used in the July 1, 2020, valuation are based on the results of an actuarial experience study for the period July 1, 2011, through June 30, 2016.

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

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

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

Discount Rate The discount rate used to measure the total pension liability was 7.45 percent as of June 30, 2020. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described previously. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2020. Therefore, the long-term expected rate of return on pension plan investments of 7.45 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2020.

Sensitivity of the Center's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the Center's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.45 percent, as well as what the Center's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.45 percent) or one percentage point higher (8.45 percent) than the current rate:

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
Center's proportionate share of the net pension liability	$13,797,596	$9,690,508	$6,210,093

Note 13 – Defined Benefit OPEB Plans

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

School Employees Retirement System (SERS)

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

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

Funding Policy – State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2021, no allocation was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned.

For fiscal year 2021, this amount was $23,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2021, the Center's surcharge obligation was $10,216.

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The Center's contractually required contribution to SERS was $10,216 for fiscal year, which is reported as an intergovernmental payable.

State Teachers Retirement System (STRS)

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

Funding Policy – The Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. All benefit recipients pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for postemployment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2021, STRS did not allocate any employer contributions to postemployment health care.

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

The net OPEB liability (asset) was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of that date. The Center's proportion of the net OPEB liability (asset) was based on the Center's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	SERS	STRS	Total
Proportion of the Net OPEB Liability/Asset:			
Current Measurement Date	0.04129770%	0.04004931%	
Prior Measurement Date	0.04363290%	0.03992687%	
Change in Proportionate Share	-0.00233520%	0.00012244%	
Proportionate Share of the:			
Net OPEB Liability	$897,534	$0	$897,534
Net OPEB (Asset)	$0	$703,866	$703,866
OPEB Expense	($35,387)	($47,335)	($82,722)

At June 30, 2021, the 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	$11,788	$45,100	$56,888
Changes of assumptions	152,998	11,619	164,617
Net difference between projected and actual earnings on OPEB plan investments	10,113	24,668	34,781
Changes in proportionate share and difference between Center contributions and proportionate share of contributions	0	12,229	12,229
Center contributions subsequent to the measurement date	10,216	0	10,216
Total Deferred Outflows of Resources	$185,115	$93,616	$278,731
Deferred Inflows of Resources			
Differences between expected and actual experience	$456,458	$140,200	$596,658
Changes of assumptions	22,606	668,555	691,161
Changes in proportionate share and difference between Center contributions and proportionate share of contributions	134,636	39,683	174,319
Total Deferred Inflows of Resources	$613,700	$848,438	$1,462,138

$10,216 reported as deferred outflows of resources related to OPEB resulting from Center contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability or an increase in the net OPEB asset in the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30:	SERS	STRS	Total
2022	($89,701)	($187,243)	($276,944)
2023	(88,970)	(170,546)	(259,516)
2024	(89,089)	(164,687)	(253,776)
2025	(84,066)	(165,091)	(249,157)
2026	(63,616)	(33,273)	(96,889)
Thereafter	(23,359)	(33,982)	(57,341)
Total	($438,801)	($754,822)	($1,193,623)

Actuarial Assumptions – SERS

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

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

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

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2020, are presented as follows:

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

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

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

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2010 through 2015, and was adopted by the Board on April 21, 2016. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.50 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The SERS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan (see Note 12).

Discount Rate The discount rate used to measure the total OPEB liability at June 30, 2020, was 2.63 percent. The discount rate used to measure the total OPEB liability at June 30, 2019, was 3.22 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the State statute contribution rate of 1.50 percent of projected covered employee payroll each year, which includes a 1.50 percent payroll surcharge and no contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2034. Therefore, the long-term expected rate of return on OPEB plan assets was used to present value the projected benefit payments through the fiscal year ending June 30, 2024, and the Fidelity General Obligation 20-year Municipal Bond Index rate of 2.45 percent, as of June 30, 2020 (i.e. municipal bond rate), was used to present value the projected benefit payments for the remaining years in the projection. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The projection of future benefit payments for all current plan members was until the benefit payments ran out.

Sensitivity of the Center's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the Center's proportionate share of the net OPEB liability for SERS and what the Center's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.63 percent) and higher (3.63 percent) than the current discount rate (2.63 percent). Also shown is what the Center's proportionate share of the net OPEB liability would be based on health care cost trend rates that are one percentage point lower (6.00 percent decreasing to 3.75 percent) and higher (8.00 percent decreasing to 5.75 percent) than the current rate.

	1% Decrease (1.63%)	Current Discount Rate (2.63%)	1% Increase (3.63%)
Center's proportionate share of the net OPEB liability	$1,098,560	$897,534	$737,719

	1% Decrease (6.00 % decreasing to 3.75%)	Current Trend Rate (7.00 % decreasing to 4.75%)	1% Increase (8.00 % decreasing to 5.75%)
Center's proportionate share of the net OPEB liability	$706,740	$897,534	$1,152,675

Actuarial Assumptions – STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2020, actuarial valuation are presented as follows:

Projected Salary Increases	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation
Payroll Increases	3 percent
Discount Rate of Return	7.45 percent
Health Care Cost Trends:	
Medical:	
Pre-Medicare	5.00 percent initial, 4 percent ultimate
Medicare	-6.69 percent initial, 4 percent ultimate
Prescription Drug:	
Pre-Medicare	6.50 percent initial, 4 percent ultimate
Medicare	11.87 percent initial, 4 percent ultimate

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

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

Actuarial assumptions used in the June 30, 2020, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

Since the prior measurement date, there was no change to the claims costs process. Claim curves were updated to reflect the projected fiscal year ending June 30, 2021 premium based on June 30, 2020 enrollment distribution. The non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984 percent to 2.055 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021, to 2.1 percent for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

The STRS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan (see Note 12).

Discount Rate The discount rate used to measure the total OPEB liability was 7.45 percent as of June 30, 2020. The projection of cash flows used to determine the discount rate assumes STRS continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2020. Therefore, the long-term expected rate of return on health care plan investments of 7.45 percent was used to measure the total OPEB liability as of June 30, 2020.

Sensitivity of the Center's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate The following table represents the Center's proportionate share of the net OPEB asset as of June 30, 2020, calculated using the current period discount rate assumption of 7.45 percent, as well as what the Center's proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.45 percent) or one percentage point higher (8.45 percent) than the current assumption. Also shown is the Center's proportionate share of the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
Center's proportionate share of the net OPEB asset	($612,409)	($703,866)	($781,464)

	1% Decrease	Current Trend Rate	1% Increase
Center's proportionate share of the net OPEB asset	($776,647)	($703,866)	($615,208)

Note 14 – Compensated Absences

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

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

Note 15 – Long-Term Obligations

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

	Amount Outstanding 06/30/20	Additions	Reductions	Amount Outstanding 06/30/21	Amount Due in One Year
Governmental Activities					
Net Pension Liability:					
SERS	$2,717,074	$128,684	$0	$2,845,758	$0
STRS	8,829,587	860,921	0	9,690,508	0
Total Net Pension Liability	11,546,661	989,605	0	12,536,266	0
Net OPEB Liability:					
SERS	1,097,276	0	(199,742)	897,534	0
Compensated Absences	1,317,817	152,768	(70,074)	1,400,511	67,515
Total Governmental Activities Long-Term Liabilities	$13,961,754	$1,142,373	($269,816)	$14,834,311	$67,515

There is no repayment schedule for the net pension liability and the net OPEB liability; however, employer pension and OPEB contributions are made from the following funds: the general fund, the food service, adult education, adult basic education, and vocational education special revenue funds. For additional information related to the net pension liability and the net OPEB liability, see Notes 12 and 13. Compensated absences will be paid from the general fund and the food service and adult education special revenue funds.

The Center's overall legal debt margin was $241,091,261 with an unvoted debt margin of $2,678,792 at June 30, 2021.

Note 16 – Operating Lease

During fiscal year 2017, the Center entered into an operating lease with Lake Business Products for ten copiers. The Center paid $27,015 in fiscal year 2021, the final year of the lease.

Note 17 – Contingencies

Grants

The Center received financial assistance from Federal and State agencies in the form of grants. The disbursements of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds; however, in the opinion of management, the effect of any such disallowed claims on the overall financial position of the Center at June 30, 2020, if applicable, cannot be determined at this time.

Foundation Funding

In fiscal year 2021, Center Foundation funding was based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. ODE has finalized the impact of enrollment adjustments to the June 30, 2021 Foundation funding for the Center. The Center has determined that these adjustments are immaterial.

Litigation

The Center is not party to legal proceedings as of June 30, 2021.

Note 18 – Interfund Balances

Interfund balances at June 30, 2021, consisted of the following:

Interfund Payable	Interfund Receivable General
Other Governmental Funds:	
Food Service	$4,145
Adult Education	106,000
Adult Basic Education	52,000
Vocational Education	40,000
Total	$202,145

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

Note 19 – Set-Asides

The Center is required by State statute to annually set aside in the general fund an amount based on a statutory formula for the acquisition and construction of capital improvements. Amounts not spent by the end of the fiscal year or offset by similarly restricted resources received during the year must be held in cash at year end. These amounts must be carried forward to be used for the same purposes in future years. In prior years, the Center was also required to set aside money for budget stabilization. At June 30, 2021, all funds placed in the budget stabilization fund since its inception in 1998 continue to be set-aside.

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

	Budget Stabilization	Capital Improvements
Set-Aside Balance as of June 30, 2020	$223,362	$0
Current Year Set-Aside Requirement	0	108,499
Qualifying Disbursements	0	(108,499)
Total	$223,362	$0
Set-Aside Balance Carried Forward to Future Fiscal Years	$223,362	$0
Set-Aside Balance as of June 30, 2021	$223,362	$0

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

Note 20 – Jointly Governed Organization

Northeast Ohio Network for Educational Technology

The Northeast Ohio Network for Educational Technology (NEONet) is the computer service organization or Data Acquisition Site (DAS) used by the Center. NEONet is a jointly governed organization among twenty-seven school districts, three career centers, and the Summit and Medina County Educational Service Centers. The Metropolitan Regional Service Council acts as the fiscal agent for the consortium. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The Board of Directors consists of member district superintendents and treasurers. The manager/director is a permanent, non-voting member of the Board of Directors. Each school district's control is limited to its representation on the board. The Board of Directors exercise total control over the operations of the association including budgeting, appropriating, contracting and designating management. All association revenues are generated from charges for services and State funding. The Career Center does not retain an ongoing financial interest or an ongoing financial responsibility in NEONet. During the current fiscal year, the Career Center made $62,440 in payments to NEONet. Financial information can be obtained by writing to the Northeast Ohio Network for Educational Technology, 700 Graham Road, Cuyahoga Falls, Ohio 44221.

Note 21 – Insurance Purchasing Pools

Ohio School Boards Association Workers' Compensation Group Rating Program

The Center participates in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by a three member Board of Directors consisting of the President, the President-Elect and the Immediate Past President of the OSBA. The Executive Director of the OSBA, or his designee, serves as coordinator of the program. Each year, the participating Centers pay an enrollment fee to the GRP to cover the costs of administering the program.

Portage Area Schools Consortium

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

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

Note 22 – Significant Commitments

Contractual Commitments

The Center had the following contractual commitments outstanding at June 30, 2021:

Vendor	Contract Amount	Amount Paid	Remaining on Contract
Greenspace Construction	$3,765,277	$707,376	$3,057,901

Encumbrances

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

General Fund	$5,552,195
Other Governmental Funds	39,439
Total Governmental Funds	$5,591,634

Note 23 – 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 of 2021 while the national state of emergency continues. During fiscal year 2021, the Center received Coronavirus Aid, Relief, and Economic Security (CARES) Act funding. The Center's investment portfolio and the investments of the pension and other employee benefit plans in which the Center participates fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the Center's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated. Additional funding has been made available through the Consolidated Appropriations Act, 2021, passed by Congress on December 21, 2020 and/or the American Rescue Plan Act, passed by Congress on March 11, 2021.

Note 24 – Change in Accounting Principle

For fiscal year 2021, the Center implemented the Governmental Accounting Standards Board's (GASB) Implementation Guide No. 2019-1. These changes were incorporated in the Center's 2021 financial statements; however, there was no effect on beginning net position/fund balance.

Note 25 – Subsequent Event

For fiscal year 2022, Center foundation funding received from the State of Ohio will be funded using a direct funding model. Under this new model, open enrollment funding will be directly funded by the State of Ohio to the respective educating schools. For fiscal year 2021 and prior, the amounts related to students who were residents of the Center were funded to the Center who, in turn, made the payment to the educating school.

For fiscal year 2021, the Center reported $357,618 in tuition and fees from the resident school district which will be direct funded to the Center in fiscal year 2022. This new funding system calculates a unique base cost for each Center. Any change in funding will be subject to a phase in percentage of 16.67 percent for fiscal year 2022 and 33.33 percent for fiscal year 2023.

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Required Supplementary Information

Maplewood Career Center

Required Supplementary Information

Schedule of the Center's Proportionate Share of the Net Pension Liability

School Employees Retirement System of Ohio

*Last Eight Fiscal Years (1) **

	2021	2020	2019
Center's Proportion of the Net Pension Liability	0.04302490%	0.04541190%	0.04635450%
Center's Proportionate Share of the Net Pension Liability	$2,845,758	$2,717,074	$2,654,808
Center's Covered Payroll	$1,510,914	$1,559,052	$1,568,800
Center's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	188.35%	174.28%	169.23%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.55%	70.85%	71.36%

(1) Although this schedule is intended to reflect information for ten years, information prior to fiscal year 2014 is not available. An additional column will be added each

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

See accompanying notes to the required supplementary information

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

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

	2021	2020	2019	2018	2017
Center's Proportion of the Net OPEB Liability	0.04129770%	0.04363290%	0.04474200%	0.04545950%	0.04689280%
Center's Proportionate Share of the Net OPEB Liability	$897,534	$1,097,276	$1,241,264	$1,220,014	$1,336,618
Center's Covered Payroll	$1,510,914	$1,559,052	$1,568,800	$1,475,507	$1,489,814
Center's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	59.40%	70.38%	79.12%	82.68%	89.72%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	18.17%	15.57%	13.57%	12.46%	11.49%

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

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

See accompanying notes to the required supplementary information

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Maplewood Career Center

Required Supplementary Information
Schedule of the Center's Proportionate Share of the Net Pension Liability
State Teachers Retirement System of Ohio
*Last Eight Fiscal Years (1) **

	2021	2020	2019
Center's Proportion of the Net Pension Liability	0.04004931%	0.03992687%	0.04117158%
Center's Proportionate Share of the Net Pension Liability	$9,690,508	$8,829,587	$9,052,706
Center's Covered Payroll	$4,856,886	$4,745,864	$4,609,557
Center's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	199.52%	186.05%	196.39%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.50%	77.40%	77.30%

(1) Although this schedule is intended to reflect information for ten years, information prior to fiscal year 2014 is not available. An additional column will be added each

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

See accompanying notes to the required supplementary information

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

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

	2021	2020	2019	2018	2017
Center's Proportion of the Net OPEB Asset/Liability	0.04004931%	0.03992687%	0.04117158%	0.04259038%	0.04206433%
Center's Proportionate Share of the:					
Net OPEB Asset	$703,866	$661,285	$661,585	$0	$0
Net OPEB Liability	0	0	0	1,661,719	2,249,611
Center's Covered Payroll	$4,856,886	$4,745,864	$4,609,557	$4,700,086	$4,504,000
Center's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	-14.49%	-13.93%	-14.35%	35.36%	49.95%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	182.10%	174.70%	176.00%	47.10%	37.30%

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

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

See accompanying notes to the required supplementary information

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Maplewood Career Center

Required Supplementary Information

Schedule of the Center's Contributions

School Employees Retirement System of Ohio

Last Ten Fiscal Years

	2021	2020	2019	2018
Net Pension Liability				
Contractually Required Contribution	$223,980	$211,528	$210,472	$211,788
Contributions in Relation to the Contractually Required Contribution	(223,980)	(211,528)	(210,472)	(211,788)
Contribution Deficiency (Excess)	$0	$0	$0	$0
Center Covered Payroll (1)	$1,599,857	$1,510,914	$1,559,052	$1,568,800
Pension Contributions as a Percentage of Covered Payroll	14.00%	14.00%	13.50%	13.50%
Net OPEB Liability				
Contractually Required Contribution (2)	$10,216	$10,690	$20,811	$21,869
Contributions in Relation to the Contractually Required Contribution	(10,216)	(10,690)	(20,811)	(21,869)
Contribution Deficiency (Excess)	$0	$0	$0	$0
OPEB Contributions as a Percentage of Covered Payroll	0.64%	0.71%	1.33%	1.39%
Total Contributions as a Percentage of Covered Payroll (2)	14.64%	14.71%	14.83%	14.89%

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

See accompanying notes to the required supplementary information

2017	2016	2015	2014	2013	2012
$206,571	$208,574	$177,491	$190,387	$195,383	$194,140
(206,571)	(208,574)	(177,491)	(190,387)	(195,383)	(194,140)
$0	$0	$0	$0	$0	$0
$1,475,507	$1,489,814	$1,346,671	$1,373,643	$1,411,725	$1,443,417
14.00%	14.00%	13.18%	13.86%	13.84%	13.45%
$18,144	$17,215	$24,908	$14,440	$14,825	$27,972
(18,144)	(17,215)	(24,908)	(14,440)	(14,825)	(27,972)
$0	$0	$0	$0	$0	$0
1.23%	1.16%	1.85%	1.05%	1.05%	1.94%
15.23%	15.16%	15.03%	14.91%	14.89%	15.39%

Maplewood Career Center

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

	2021	2020	2019	2018
Net Pension Liability				
Contractually Required Contribution	$725,619	$679,964	$664,421	$645,338
Contributions in Relation to the Contractually Required Contribution	(725,619)	(679,964)	(664,421)	(645,338)
Contribution Deficiency (Excess)	$0	$0	$0	$0
Center Covered Payroll (1)	$5,182,993	$4,856,886	$4,745,864	$4,609,557
Pension Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%
Net OPEB Asset/Liability				
Contractually Required Contribution	$0	$0	$0	$0
Contributions in Relation to the Contractually Required Contribution	0	0	0	0
Contribution Deficiency (Excess)	$0	$0	$0	$0
OPEB Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%
Total Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%

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

See accompanying notes to the required supplementary information

2017	2016	2015	2014	2013	2012
$658,012	$630,560	$626,071	$585,118	$619,771	$665,640
(658,012)	(630,560)	(626,071)	(585,118)	(619,771)	(665,640)
$0	$0	$0	$0	$0	$0
$4,700,086	$4,504,000	$4,471,936	$4,500,907	$4,767,469	$5,120,308
14.00%	14.00%	14.00%	13.00%	13.00%	13.00%
$0	$0	$0	$45,009	$47,675	$51,203
0	0	0	(45,009)	(47,675)	(51,203)
$0	$0	$0	$0	$0	$0
0.00%	0.00%	0.00%	1.00%	1.00%	1.00%
14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

Net Pension Liability

Changes in Assumptions – SERS

Beginning in fiscal year 2018, an assumption of 2.5 percent was used for COLA or Ad Hoc COLA. Prior to 2018, an assumption of 3 percent was used.

Beginning with fiscal year 2017, amounts reported incorporate changes in assumptions used by SERS in calculating the total pension liability in the latest actuarial valuation. These assumptions compared with those used in fiscal year 2016 and prior are presented as follows:

	Beginning in Fiscal Year 2017	Fiscal Year 2016 and Prior
Wage Inflation	3.00 percent	3.25 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent	4.00 percent to 22.00 percent
Investment Rate of Return	7.50 percent net of investments expense, including inflation	7.75 percent net of investments expense, including inflation

Beginning with fiscal year 2017, mortality assumptions use mortality rates that are based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females. Amounts reported for fiscal year 2016 and prior, use mortality assumptions that are based on the 1994 Group Annuity Mortality Table set back one year for both men and women. Special mortality tables were used for the period after disability retirement.

Changes in Assumptions – STRS

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

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

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

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

Net OPEB Liability (Asset)

Changes in Assumptions – SERS

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

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

Changes in Assumptions – STRS

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

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

Changes in Benefit Terms – STRS

For fiscal year 2018, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1 percent to 1.9 percent per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2020.

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

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

For fiscal year 2021, there was no change to the claims costs process. Claim curves were updated to reflect the projected fiscal year ending June 30, 2021 premium based on June 30, 2020 enrollment distribution. The non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984 percent to 2.055 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1 percent for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

It is a privilege to present to you the financial picture of the Maplewood Career Center. This discussion and analysis of the Center's financial performance provides an overall review of the Center's financial activities for the fiscal year ended June 30, 2020. The intent of this discussion and analysis is to look at the Center's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the Center's financial performance.

Financial Highlights

Key financial highlights for the 2020 fiscal year are as follows:

- Certified, classified, and administrative staffs received a 2.5 percent salary increase in fiscal year 2020.

- Projects completed in fiscal year 2020 included renovations to the information technology laboratory, the robotics laboratory, the marketing laboratory, the MapleLeaf restaurant and the resource center. Bullet-proof glass was installed in the front windows. The interior brick was resurfaced and updated. The front office and guidance areas were carpeted and repainted. The sign at the front of the facility was replaced with more modern version with an updated digital message center. New entrances were installed in the front offices and MapleLeaf restaurant. New wash fountains were installed in six program areas. New combi ovens were installed in the cafeteria.

- Annually, the Center reviews the needs of the programs and purchases equipment. Significant purchases for fiscal year 2020 were five lifts for the auto service program, a plasma cutter for the welding program, a dynameter for the power equipment mechanics program and a new dishwasher and steamer for the culinary arts program.

- The Center continues to research new programming options, but is limited by the availability of high bay laboratory space. New programming options are also limited to those that would lead to the opportunity for immediate work or pursuit of additional education.

- Renovations to be completed over the summer of 2020 include the replacement of the cafeteria and culinary arts program kitchen floors and electrical upgrades throughout the building.

Using this Financial Report

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

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

Notes to the Basic Financial Statements

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

Reporting the Center as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the Center to provide programs and activities, the view of the Center as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2020?" The statement of net position and the statement of activities answer this question. These statements include *all non-fiduciary assets, deferred outflows of resources, liabilities, and deferred inflows of resources* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. Accrual accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

Reporting the Center's Most Significant Funds

Fund Financial Statements

The analysis of the Center's major governmental fund begins on page 82. Fund financial reports provide detailed information about the Center's major fund. The Center uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the Center's most significant fund. The Center's only major governmental fund is the general fund.

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

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

The Center as a Whole

You may recall that the statement of net position provides the perspective of the Center as a whole. Table 1 provides a comparison of the Center's net position for fiscal year 2020 compared to 2019:

Table 1
Net Position

	Governmental Activities		
	2020	Restated 2019	Change
Assets			
Current and Other Assets	$39,804,008	$38,391,297	$1,412,711
Net OPEB Asset	661,285	661,585	(300)
Capital Assets, Net	10,296,432	11,017,810	(721,378)
Total Assets	50,761,725	50,070,692	691,033
Deferred Outflows of Resources			
Pension	2,133,906	3,029,109	(895,203)
OPEB	199,502	138,443	61,059
Total Deferred Outflows of Resources	2,333,408	3,167,552	(834,144)
Liabilities			
Current Liabilities	1,039,535	1,230,578	191,043
Long-Term Liabilities:			
Due Within One Year	70,074	73,578	3,504
Due in More Than One Year:			
Net Pension Liability	11,546,661	11,707,514	160,853
Net OPEB Liability	1,097,276	1,241,264	143,988
Other Amounts	1,247,743	1,102,530	(145,213)
Total Liabilities	15,001,289	15,355,464	354,175
Deferred Inflows of Resources			
Property Taxes	5,434,075	5,474,668	40,593
Pension	1,008,448	1,146,471	138,023
OPEB	1,233,524	1,241,156	7,632
Total Deferred Inflows of Resources	7,676,047	7,862,295	186,248
Net Position			
Net Investment in Capital Assets	10,282,295	10,776,400	(494,105)
Restricted	384,967	178,125	206,842
Unrestricted	19,750,535	19,065,960	684,575
Total Net Position	$30,417,797	$30,020,485	$397,312

The net pension liability (NPL) is the largest single liability reported by the Center at June 30, 2020. GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange; however, the Center is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require the retirement systems to provide health care to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

By comparing assets, deferred outflows of resources, liabilities, and deferred inflows of resources, one can see the overall position of the Center has improved as evidenced by the increase in net position, primarily unrestricted net position. The increase in net position is mainly related to the increase in current and other assets, most specifically cash and cash equivalents, which went up due to higher property tax revenues and investment earnings. Net position also increased due to a reduction in current liabilities, specifically contracts and retainage payable as a result of the Center completing various construction projects during fiscal year 2020.

Table 2 shows the changes in net position for fiscal year 2020 compared to fiscal year 2019.

Table 2
Change in Net Position
Governmental Activities

	2020	Restated 2019	Change
Revenues			
Program Revenues			
Charges for Services	$694,153	$785,194	($91,041)
Operating Grants and Interest	1,550,689	1,471,838	78,851
Total Program Revenues	2,244,842	2,257,032	(12,190)
General Revenues			
Property Taxes	7,034,567	6,601,083	433,484
Grants and Entitlements	4,797,195	4,809,041	(11,846)
Unrestricted Contributions	17,921	1,248	16,673
Investment Earnings	1,038,512	898,519	139,993
Miscellaneous	52,942	325,668	(272,726)
Total General Revenues	12,941,137	12,635,559	305,578
Total Revenues	15,185,979	14,892,591	293,388
Program Expenses			
Instruction:			
Regular	1,289,235	1,094,969	(194,266)
Vocational	6,614,418	5,572,864	(1,041,554)
Adult/Continuing	257,287	251,571	(5,716)
Support Services:			
Pupil	1,408,943	1,131,140	(277,803)
Instructional Staff	749,434	551,283	(198,151)
Board of Education	108,504	97,228	(11,276)
Administration	1,025,778	870,852	(154,926)
Fiscal	639,739	614,649	(25,090)
Business	283,330	325,535	42,205
Operation and Maintenance of Plant	1,619,280	1,503,813	(115,467)
Pupil Transportation	22,388	19,095	(3,293)
Central	304,085	360,213	56,128
Operation of Non-Instructional Services	51,800	49,809	(1,991)
Operation of Food Services	379,645	301,243	(78,402)
Extracurricular Activities	34,801	26,171	(8,630)
Total Program Expenses	14,788,667	12,770,435	(2,018,232)
Change in Net Position	397,312	2,122,156	(1,724,844)
Net Position Beginning of Year - Restated	30,020,485	27,898,329	2,122,156
Net Position End of Year	$30,417,797	$30,020,485	$397,312

Governmental Activities

Net position of the Center's governmental activities increased in fiscal year 2020 despite the large increase in program expenses, which was seen in most functions. The smaller increase in revenues helped offset the increase in program expenses. The increase in 2020 program expenses was mainly due to an increase in pension and OPEB expenses. The combined pension and OPEB expense for fiscal year 2020 was $1,286,130 versus a negative expense of $479,749 in fiscal year 2019, resulting in an increase of $1,765,879.

Besides the changes related to pension and OPEB expenses, operation and maintenance of plant expenses increased mainly due to increases in purchased services and materials and supplies expenses related to the care and upkeep of buildings.

The increase in revenues was primarily due to increases in property taxes and investment earnings. Property taxes increased due to higher assessed values as well as to the timing of advance settlements. Investment earnings went up due to higher interest rates, higher cash balances and increases in the fair value of investments.

The primary sources of revenue for the Center are derived from property taxes and grants and entitlements revenue. These two revenue sources represent a majority of the total revenue. Property taxes, alone, represent close to half of total revenues. The remaining revenue is from program revenues, unrestricted donations, investment earnings and miscellaneous local sources.

A State law, enacted in 1976, does not allow for tax revenue increases caused by inflationary growth of real property. Increases in valuation prompt corresponding annual reductions in the "effective millage," the tax rates applied to real property. The Center operates on voted millage of 4 mills. The reduced or effective millage in fiscal year 2020 was 2.817167 mills for Residential/Agricultural property and 3.302336 mills for Commercial/Industrial property. The following table illustrates the rate of growth in property values in the past ten years which has positively impacted the Center:

Table 3

Year Ending	Portage County	Summit County	Total Valuation	Growth Rate
2020	$2,561,603,380	$58,699,510	$2,620,302,890	1.21 %
2019	2,528,785,580	60,214,600	2,589,000,180	8.51
2018	2,325,824,500	60,051,030	2,385,875,530	2.05
2017	2,281,276,630	56,628,760	2,337,905,390	1.25
2016	2,252,618,385	56,343,540	2,308,961,925	2.72
2015	2,190,879,120	56,869,740	2,247,748,860	0.44
2014	2,181,580,620	56,230,880	2,237,811,500	1.21
2013	2,154,881,120	56,190,650	2,211,071,770	(3.76)
2012	2,241,339,510	56,110,980	2,297,450,490	(0.62)
2011	2,249,316,830	62,353,560	2,311,670,390	(2.09)

Although the amount of State funding per pupil has risen slightly over the past several years, the Center has not received this increase due in part to the funding formula called transitional aid guarantee. Being on the transitional aid guarantee means that the Center is guaranteed not to go below a certain amount of Foundation funding and thus the number of pupils and funding per pupil is no longer impacting the funding equation. Career Technical Educational Funding is part of restricted funding and is calculated outside the transitional guarantee. This will account for some fluctuations in State funding depending on enrollment of students in the various programs offered.

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

Table 4
Total and Net Cost of Program Services
Governmental Activities

	Total Cost of Services 2020	Net Cost of Services 2020	Total Cost of Services 2019	Net Cost of Services 2019
Program Expenses				
Instruction:				
Regular	$1,289,235	$1,258,516	$1,094,969	$1,013,100
Vocational	6,614,418	5,425,088	5,572,864	4,398,294
Adult/Continuing	257,287	(25,275)	251,571	(2,215)
Support Services:				
Pupil	1,408,943	1,227,929	1,131,140	985,639
Instructional Staff	749,434	722,927	551,283	530,926
Board of Education	108,504	105,734	97,228	94,580
Administration	1,025,778	852,634	870,852	717,087
Fiscal	639,739	605,118	614,649	584,243
Business	283,330	276,402	325,535	316,525
Operation and Maintenance of Plant	1,619,280	1,572,293	1,503,813	1,453,591
Pupil Transportation	22,388	22,172	19,095	18,944
Central	304,085	294,276	360,213	343,789
Operation of Non-Instructional Services	51,800	51,180	49,809	49,809
Operation of Food Services	379,645	147,889	301,243	1,565
Extracurricular Activities	34,801	6,942	26,171	7,526
Total	$14,788,667	$12,543,825	$12,770,435	$10,513,403

As one can see, the reliance upon local tax revenues for the governmental activities is crucial. Fiscal year 2020 program revenues covered only a small portion of program expenses overall, while the majority of program expenses are supported through tax revenues and other general revenues. Grants and entitlements not restricted to specific programs support a smaller portion than tax revenues, but still support a significant portion of program expenses. Program revenues, unrestricted contributions, investment earnings and other miscellaneous revenues support the remaining activity costs. In fiscal year 2020, revenues exceeded expenses, resulting in an increase in net position.

The Center's Funds

The Center's governmental funds, as presented on the balance sheet, reported a combined fund balance increase from fiscal year 2020 due to an increase in revenues, primarily interest and property taxes.

General Fund

The general fund balance increased in fiscal year 2020. The increase in fund balance can be attributed to an increase in property tax and interest revenues. Property taxes increased due to higher assessed values and also due to the timing of advance settlements. Interest revenues increased due to higher interest rates, higher cash balances and increases in the fair value of investments.

Budgeting Highlights

The Center's appropriations are prepared according to Ohio law and are based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. In fiscal year 2020, all funds were appropriated at the fund level.

In fiscal year 2020, the Center adopted its appropriations prior to October 1, 2019, and amended those appropriations several times prior to fiscal year end. For the general fund, final amended estimated revenues, including other financing sources, were a little higher than the original estimate. Total actual revenues were more than final estimated revenues mainly due to higher than expected interest earnings, property taxes and intergovernmental revenues.

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

Capital Assets and Debt Administration

Capital Assets

Capital assets net of depreciation decreased from fiscal year 2019 due to annual depreciation and current year deletions outpacing current year additions. Some of the capital asset additions for fiscal year 2020 included the purchase of lifts for the auto service program, new dishwashers and combi ovens, carpet installation and the completion of renovations to the information technology, robotics, and marketing laboratories.

The Center's capitalization threshold for capital assets was set at $5,000. For additional information on capital assets, see Note 9 to the basic financial statements.

Debt Administration

At June 30, 2020, the Center had no outstanding bonded long-term debt. The long-term liabilities listed in Table 1 are those accumulated for compensated absences and for the Center's net pension liability and net OPEB liability. For additional information on long-term obligations, see Note 15 to the basic financial statements.

Challenges and Opportunities

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

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

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

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

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

Contacting the Center's Financial Management Personnel

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

Basic Financial Statements

Maplewood Career Center

Statement of Net Position

June 30, 2020

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	$32,358,519
Accounts Receivable	15,384
Intergovernmental Receivable	178,961
Accrued Interest Receivable	66,731
Prepaid Items	55,099
Materials and Supplies Inventory	2,122
Inventory Held for Resale	6,170
Property Taxes Receivable	7,104,222
Assets Held for Resale	16,800
Net OPEB Asset	661,285
Nondepreciable Capital Assets	140,600
Depreciable Capital Assets, Net	10,155,832
Total Assets	50,761,725
Deferred Outflows of Resources	
Pension	2,133,906
OPEB	199,502
Total Deferred Outflows of Resources	2,333,408
Liabilities	
Accounts Payable	75,301
Accrued Wages and Benefits Payable	758,044
Vacation Benefits Payable	76,298
Intergovernmental Payable	129,892
Long-Term Liabilities:	
Due Within One Year	70,074
Due in More Than One Year:	
Net Pension Liability (See Note 12)	11,546,661
Net OPEB Liability (See Note 13)	1,097,276
Other Amounts Due in More Than One Year	1,247,743
Total Liabilities	15,001,289
Deferred Inflows of Resources	
Property Taxes	5,434,075
Pension	1,008,448
OPEB	1,233,524
Total Deferred Inflows of Resources	7,676,047
Net Position	
Net Investment in Capital Assets	10,282,295
Restricted for:	
Vocational Education	19,011
Scholarships	40,817
Student Activities	105,817
Adult Education	119,295
Student Wellness Services	98,894
Other Purposes	1,133
Unrestricted	19,750,535
Total Net Position	$30,417,797

See accompanying notes to the basic financial statements

Maplewood Career Center
Statement of Activities
For the Fiscal Year Ended June 30, 2020

		Program Revenues		Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Interest	Governmental Activities
Governmental Activities:				
Instruction:				
Regular	$1,289,235	$30,719	$0	($1,258,516)
Vocational	6,614,418	249,246	940,084	(5,425,088)
Adult/Continuing	257,287	39,889	242,673	25,275
Support Services:				
Pupil	1,408,943	32,240	148,774	(1,227,929)
Instructional Staff	749,434	18,588	7,919	(722,927)
Board of Education	108,504	2,770	0	(105,734)
Administration	1,025,778	106,991	66,153	(852,634)
Fiscal	639,739	16,069	18,552	(605,118)
Business	283,330	6,928	0	(276,402)
Operation and Maintenance of Plant	1,619,280	40,990	5,997	(1,572,293)
Pupil Transportation	22,388	216	0	(22,172)
Central	304,085	7,971	1,838	(294,276)
Operation of Non-Instructional Services	51,800	620	0	(51,180)
Operation of Food Services	379,645	113,057	118,699	(147,889)
Extracurricular Activities	34,801	27,859	0	(6,942)
Total	$14,788,667	$694,153	$1,550,689	(12,543,825)

General Revenues	
Property Taxes Levied for General Purposes	7,034,567
Grants and Entitlements not Restricted to Specific Programs	4,797,195
Unrestricted Contributions	17,921
Investment Earnings	1,038,512
Miscellaneous	52,942
Total General Revenues	12,941,137
Change in Net Position	397,312
Net Position Beginning of Year - Restated (See Note 24)	30,020,485
Net Position End of Year	$30,417,797

See accompanying notes to the basic financial statements

Maplewood Career Center

Balance Sheet

Governmental Funds

June 30, 2020

	General	Other Governmental Funds	Total Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	$31,787,917	$346,107	$32,134,024
Restricted Assets:			
Equity in Pooled Cash and Cash Equivalents	224,495	0	224,495
Accounts Receivable	15,134	250	15,384
Interfund Receivable	90,000	0	90,000
Accrued Interest Receivable	66,731	0	66,731
Intergovernmental Receivable	587	178,374	178,961
Prepaid Items	54,733	366	55,099
Materials and Supplies Inventory	0	2,122	2,122
Inventory Held for Resale	0	6,170	6,170
Property Taxes Receivable	7,104,222	0	7,104,222
Assets Held for Resale	16,800	0	16,800
Total Assets	$39,360,619	$533,389	$39,894,008
Liabilities			
Accounts Payable	$59,279	$16,022	$75,301
Accrued Wages and Benefits Payable	707,146	50,898	758,044
Intergovernmental Payable	115,427	14,465	129,892
Interfund Payable	0	90,000	90,000
Total Liabilities	881,852	171,385	1,053,237
Deferred Inflows of Resources			
Property Taxes	5,434,075	0	5,434,075
Unavailable Revenue	200,259	142,287	342,546
Total Deferred Inflows of Resources	5,634,334	142,287	5,776,621
Fund Balances			
Nonspendable	72,666	2,488	75,154
Restricted	0	253,996	253,996
Committed	426,903	0	426,903
Assigned	4,743,976	0	4,743,976
Unassigned (Deficit)	27,600,888	(36,767)	27,564,121
Total Fund Balances (Deficit)	32,844,433	219,717	33,064,150
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$39,360,619	$533,389	$39,894,008

See accompanying notes to the basic financial statements

Maplewood Career Center

Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
June 30, 2020

Total Governmental Funds Balances		$33,064,150
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		10,296,432
Other long-term assets are not available to pay for current-period expenditures and therefore are reported as unavailable revenue in the funds:		
Delinquent Property Taxes	199,672	
Intergovernmental	142,874	
Total		342,546
Vacation benefits payable is a contractually required benefit not expected to be paid with expendable available financial resources and therefore not reported in the funds.		(76,298)
Long-term liabilities, such as compensated absences, are not due and payable in the current period and therefore are not reported in the funds.		(1,317,817)
The net OPEB asset and net pension/OPEB liability are not due and payable in the current period; therefore, the asset, liabilities and related deferred outflows/inflows are not reported in the funds:		
Net OPEB Asset	661,285	
Deferred Outflows - Pension	2,133,906	
Deferred Outflows - OPEB	199,502	
Net Pension Liability	(11,546,661)	
Net OPEB Liability	(1,097,276)	
Deferred Inflows - Pension	(1,008,448)	
Deferred Inflows - OPEB	(1,233,524)	
Total		(11,891,216)
Net Position of Governmental Activities		$30,417,797

See accompanying notes to the basic financial statements

Maplewood Career Center

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Fiscal Year Ended June 30, 2020

	General	Other Governmental Funds	Total Governmental Funds
Revenues			
Property Taxes	$7,059,310	$0	$7,059,310
Intergovernmental	5,482,331	763,821	6,246,152
Interest	1,038,034	784	1,038,818
Tuition and Fees	311,629	118,926	430,555
Rentals	17,853	0	17,853
Extracurricular Activities	0	27,491	27,491
Contributions and Donations	17,921	0	17,921
Charges for Services	105,197	113,057	218,254
Miscellaneous	46,904	18,336	65,240
Total Revenues	14,079,179	1,042,415	15,121,594
Expenditures			
Current:			
Instruction:			
Regular	1,150,485	0	1,150,485
Vocational	4,323,396	163,206	4,486,602
Adult/Continuing	9,037	230,841	239,878
Support Services:			
Pupil	1,211,677	128,379	1,340,056
Instructional Staff	715,471	5,752	721,223
Board of Education	107,115	0	107,115
Administration	807,264	192,131	999,395
Fiscal	615,796	13,476	629,272
Business	265,682	0	265,682
Operation and Maintenance of Plant	1,578,957	4,356	1,583,313
Pupil Transportation	8,369	0	8,369
Central	292,604	2,381	294,985
Operation of Non-Instructional Services	23,958	0	23,958
Operation of Food Services	0	263,900	263,900
Extracurricular Activities	14,246	20,555	34,801
Capital Outlay	1,384,001	0	1,384,001
Total Expenditures	12,508,058	1,024,977	13,533,035
Excess of Revenues Over (Under) Expenditures	1,571,121	17,438	1,588,559
Other Financing Sources (Uses)			
Transfers In	0	316,000	316,000
Transfers Out	(316,000)	0	(316,000)
Total Other Financing Sources (Uses)	(316,000)	316,000	0
Net Change in Fund Balances	1,255,121	333,438	1,588,559
Fund Balances (Deficit)			
Beginning of Year - Restated (See Note 24)	31,589,312	(113,721)	31,475,591
Fund Balances End of Year	$32,844,433	$219,717	$33,064,150

See accompanying notes to the basic financial statements

Maplewood Career Center

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the Fiscal Year Ended June 30, 2020

Net Change in Fund Balances - Total Governmental Funds		$1,588,559
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period:		
Capital Outlay	1,377,997	
Depreciation	(2,092,830)	
Total		(714,833)
Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.		(6,545)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:		
Property Taxes	(24,743)	
Intergovernmental	101,426	
Miscellaneous	(12,298)	
Total		64,385
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:		
Compensated Absences	(141,709)	
Vacation Benefits Payable	(8,597)	
Total		(150,306)
Contractually required contributions are reported as expenditures in the governmental funds; however, the statement of net position reports these amounts as deferred outflows:		
Pension	891,492	
OPEB	10,690	
Total		902,182
Except for amounts reported as deferred outflows/inflows, changes in the net pension/OPEB asset or liability are reported as pension/OPEB expense in the statement of activities:		
Pension	(1,487,819)	
OPEB	201,689	
Total		(1,286,130)
Change in Net Position of Governmental Activities		$397,312

See accompanying notes to the basic financial statements

Maplewood Career Center

Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	$6,753,875	$6,791,645	$6,928,631	$136,986
Intergovernmental	5,381,201	5,381,201	5,482,242	101,041
Interest	30,684	30,684	625,466	594,782
Tuition and Fees	282,500	282,500	257,470	(25,030)
Rentals	10,000	10,000	17,853	7,853
Contributions and Donations	1,000	1,000	17,921	16,921
Charges for Services	4,500	4,500	11,322	6,822
Miscellaneous	6,250	5,789	46,839	41,050
Total Revenues	12,470,010	12,507,319	13,387,744	880,425
Expenditures				
Current:				
Instruction:				
Regular	1,537,694	1,537,694	1,174,923	362,771
Vocational	5,289,498	5,277,652	4,361,830	915,822
Support Services:				
Pupil	1,341,634	1,344,464	1,216,919	127,545
Instructional Staff	732,375	741,250	722,667	18,583
Board of Education	240,088	240,088	130,071	110,017
Administration	921,668	921,667	817,340	104,327
Fiscal	821,375	821,374	689,332	132,042
Business	366,797	366,796	269,990	96,806
Operation and Maintenance of Plant	2,299,588	2,299,586	2,299,586	0
Pupil Transportation	22,656	22,656	17,796	4,860
Central	394,848	394,994	307,744	87,250
Operation of Non-Instructional Services	23,506	24,307	23,958	349
Operation of Food Services	5,000	5,000	0	5,000
Extracurricular Activities	40,425	40,425	19,031	21,394
Capital Outlay	4,189,185	4,189,185	1,731,192	2,457,993
Total Expenditures	18,226,337	18,227,138	13,782,379	4,444,759
Excess of Revenues Over (Under) Expenditures	(5,756,327)	(5,719,819)	(394,635)	5,325,184
Other Financing Sources (Uses)				
Advances In	320,000	320,000	397,632	77,632
Advances Out	(470,000)	(211,000)	(90,000)	121,000
Transfers Out	(50,000)	(314,000)	(325,536)	(11,536)
Total Other Financing Sources (Uses)	(200,000)	(205,000)	(17,904)	187,096
Net Change in Fund Balance	(5,956,327)	(5,924,819)	(412,539)	5,512,280
Fund Balance Beginning of Year - Restated (See Note 24)	28,260,443	28,260,443	28,260,443	0
Prior Year Encumbrances Appropriated	2,270,351	2,270,351	2,270,351	0
Fund Balance End of Year	$24,574,467	$24,605,975	$30,118,255	$5,512,280

See accompanying notes to the basic financial statements

Note 1 – Description of the Center and Reporting Entity

The Maplewood Career Center (the "Center") is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the Constitution and laws of the State of Ohio. The Center is a joint vocational center as defined by Section 3311.18 of the Ohio Revised Code. The Center operates under a Board of Education consisting of eleven members appointed for three year terms. Each Board member is selected in their home district and then appointed to the Center's board. The Center provides educational services as authorized by State statute and Federal guidelines to the following school districts: Crestwood Local School District, Field Local School District, James A. Garfield Local School District, Mogadore Local School District, Ravenna Schools, Rootstown Local School District, Southeast Local School District, Streetsboro City School District, Waterloo Local School District, and Windham Exempted Village School District. Each of these school districts has one board member on the Center's Board of Education, except for Ravenna Schools which has two members. The Center employs 65 certified employees and 26 non-certified employees who provide services to 643 students and other community members.

Reporting Entity

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

Component units are legally separate organizations for which the Center is financially accountable. The Center is financially accountable for an organization if the Center appoints a voting majority of the organization's governing board and (1) the Center is able to significantly influence the programs or services performed or provided by the organization; or (2) the Center is legally entitled to or can otherwise access the organization's resources; the Center is legally obligated or has otherwise assumed the responsibility to finance deficits of, or provide financial support to, the organization; or the Center is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Center in that the Center approves the budget, the issuance of debt or the levying of taxes and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. The Center has no component units.

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

Note 2 – Summary of Significant Accounting Policies

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

Basis of Presentation

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

Government-wide Financial Statements The statement of net position and the statement of activities display information about the Center as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. These statements usually distinguish between those activities of the Center that are governmental and those that are considered business-type. The Center, however, has no business-type activities.

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

Fund Financial Statements During the year, the Center segregates transactions related to certain Center functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Center at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

Fund Accounting

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

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

> ***General Fund*** The general fund is the general operating fund of the Center and is used to account for and report all financial resources except those required to be accounted for and reported in another fund. The general fund balance is available to the Center for any purpose provided it is expended or transferred according to the general laws of Ohio.

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

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

Measurement Focus

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

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

Basis of Accounting

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

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

Nonexchange transactions, in which the Center receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (see Note 8). Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the Center must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the Center on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

Deferred Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the Center, deferred outflows of resources are reported on the government-wide statement of net position for pension and OPEB plans. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 12 and 13.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the Center, deferred inflows of resources include property taxes, pension, OPEB plans, and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2020, but which were levied to finance fiscal year 2021 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the Center, unavailable revenue includes delinquent property taxes, intergovernmental grants, and miscellaneous revenue. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the reconciliation of total governmental fund balances to net position of governmental activities found on page 89. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 12 and 13.)

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

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

Budgetary Process

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

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

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

Cash and Cash Equivalents

To improve cash management, cash received by the Center is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the Center's records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the financial statements.

During fiscal year 2020, investments were limited to STAR Ohio, first American treasury obligations fund, negotiable certificates of deposit, commercial paper, US treasury notes, federal national mortgage association notes, federal home loan mortgage corporation notes and federal farm credit bank notes. Except for STAR Ohio and the first American treasury obligations fund, investments are reported at fair value.

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

For the fiscal year 2020, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, twenty-four hours advance notice is appreciated for deposits and withdrawals of $100 million or more. STAR Ohio reserves the right to limit the transactions to $100 million per day, requiring the excess amount to be transacted the following business day(s), but only to the $100 million limit. All accounts of the participant will be combined for these purposes.

The Center measures its investment in the first American treasury obligations fund at the net asset value (NAV) per share provided by First American Funds. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

By Ohio statutes, the Board of Education has specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2020 amounted to $1,038,034, which includes $10,327 assigned from other Center funds.

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

Restricted Assets

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

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2020, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

Inventory

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

Assets Held for Resale

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

Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and reductions during the year. The Center was able to estimate the historical cost for the initial reporting of assets by backtrending (i.e., estimating the current replacement cost of the asset to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year.) Donated capital assets are recorded at their acquisition values as of the date received. The Center maintains a capitalization threshold of five thousand dollars. The Center does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

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

Description	Governmental Activities Estimated Lives
Buildings and Improvements	40-60 years
Furniture, Fixtures and Equipment	5-25 years
Vehicles	5-15 years

Interfund Balances

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

Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. The Center records a liability for accumulated unused vacation time when earned for all employees with more than one year of service. Since the Center's policy limits the accrual of vacation time to one year from the employee's anniversary date, the outstanding liability is recorded as "vacation benefits payable" on the statement of net position rather than as a long-term liability.

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

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

Accrued Liabilities and Long-Term Obligations

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

Pensions/Other Postemployment Benefits (OPEB)

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

Fund Balance

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

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

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

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

Assigned Amounts in the assigned fund balance classification are intended to be used by the Center for specific purposes but do not meet the criteria to be classified as restricted or committed. These amounts are assigned by the Center Board of Education. In the general fund, assigned amounts represent intended uses established by policies of the Center Board of Education or by a Center official delegated that authority by State statute. State statue authorizes the Treasurer to assign fund balances for purchases on order provided such amounts have been lawfully appropriated. The Center Board of Education also assigned fund balance for public school support, summer school and to cover a gap between estimated revenue and appropriations in the fiscal year 2021 budget.

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

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

Net Position

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

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

Estimates

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

Note 3 – Fund Balances

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

Fund Balances	General	Other Governmental Funds	Total Governmental Funds
Nonspendable:			
Unclaimed Monies	$1,133	$0	$1,133
Materials and Supplies Inventory	0	2,122	2,122
Prepaids	54,733	366	55,099
Assets Held for Resale	16,800	0	16,800
Total Nonspendable	72,666	2,488	75,154
Restricted for:			
Scholarships	0	40,817	40,817
Adult Education	0	8,468	8,468
Student Activities	0	105,817	105,817
Student Wellness Services	0	98,894	98,894
Total Restricted	0	253,996	253,996
Committed to:			
Compensated Absences	426,903	0	426,903
Assigned to:			
Public School Support	5,475	0	5,475
Summer School/Student Programs	12,587	0	12,587
Purchases on Order:			
Student Instruction	161,688	0	161,688
Support Services	840,687	0	840,687
Extracurricular Activities	4,569	0	4,569
Capital Improvements	170,440	0	170,440
Fiscal Year 2021 Operations	3,548,530	0	3,548,530
Total Assigned	4,743,976	0	4,743,976
Unassigned (Deficit)	27,600,888	(36,767)	27,564,121
Total Fund Balances (Deficit)	$32,844,433	$219,717	$33,064,150

Note 4 – Fund Deficits

Fund balances at June 30, 2020, included individual fund deficits in the following funds:

	Amount
Special Revenue:	
Food Service	$12,775
Adult Basic Education	1,762
Vocational Education	19,889

The food service special revenue fund deficit balance resulted from adjustments for accrued liabilities. The deficits in the adult basic education and vocational education special revenue funds resulted from unavailable revenue related to intergovernmental grants receivable. The general fund is liable for any deficit in these funds and will provide transfers when cash is required, not when accruals occur.

Note 5 – Budgetary Basis of Accounting

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

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

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

2. Advances In and Advances Out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).

3. Investments are reported at cost (budget basis) rather than fair value (GAAP basis).

4. Expenditures are recorded when paid in cash (budget basis) as opposed to when the fund liability is incurred (GAAP basis).

5. Budgetary revenues and expenditures of the uniform school supplies, rotary – special services, and public school support funds are reclassified to the general fund for GAAP reporting.

6. Encumbrances are treated as expenditures (budget basis) rather than as a restricted, committed, or assigned fund balance (GAAP basis).

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

Net Change in Fund Balance	
GAAP Basis	$1,255,121
Net Adjustment for Revenue Accruals	(88,133)
Advances In	397,632
Beginning Fair Value Adjustment for Investments	67,255
Ending Fair Value Adjustment for Investments	(482,724)
Net Adjustment for Expenditure Accruals	(254,810)
Advances Out	(90,000)
Perspective Differences:	
Uniform School Supplies	1,255
Rotary – Special Services	23,994
Public School Support	(249)
Encumbrances	(1,241,880)
Budget Basis	($412,539)

Note 6 – Deposits and Investments

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the Center will not be able to recover deposits or collateral securities that are in possession of an outside party. At June 30, 2020, $42,355 of the Center's total bank balance of $353,935 was exposed to custodial credit risk because those deposits were uninsured and uncollateralized. The Center's financial institution participates in the Ohio Pooled Collateral System (OPCS) and was approved for a reduced collateral floor of 50 percent resulting in the uninsured and uncollateralized balance.

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

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

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

Investments

As of June 30, 2020, the Center had the following investments:

Measurement/Investment	Measurement Amount	Maturity	Standard & Poor's Rating	Percent of Total Investments
Net Asset Value Per Share:				
STAR Ohio	$9,997,377	Average 41.5 days	AAAm	N/A
First American Treasury Obligations Fund	3,445	Less than one year	AAAm	N/A
Total Net Asset Value Per Share	10,000,822			
Fair Value - Level 2 Inputs:				
Negotiable Certificates of Deposit	12,791,444	Less than four years	N/A	39.67 %
Commercial Paper	2,531,341	Less than one year	A-1 or A-1+	7.85
US Treasury Notes	1,666,360	Less than one year	AA+	5.17
Federal National Mortgage Association Notes	699,265	Less than three years	AA+	2.17
Federal Home Loan Mortgage Corporation Notes	841,637	Less than five years	AA+	2.61
Federal Farm Credit Bank Notes	3,710,632	Less than five years	AA+	11.51
Total Fair Value - Level 2 Inputs	22,240,679			
Total Investments	$32,241,501			

The Center categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The preceding chart identifies the Center’s recurring fair value measurements as of June 30, 2020. The Center’s investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided marts, benchmark securities, bids, offers and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data (level 2 inputs).

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

Custodial Credit Risk For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Center will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The negotiable certificates of deposit, commercial paper, US Treasury Notes, Federal National Mortgage Association Notes, Federal Home Loan Mortgage Corporation Notes and Federal Farm Credit Bank Notes are exposed to custodial credit risk in that they are uninsured, unregistered, and held by the counterparty. The Center has no investment policy dealing with the investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

Credit Risk All investments of the Center carry a rating of AAAm, AA+, A-1+, or A-1 by Standard and Poor's. The Center does not have an investment policy that addresses credit risk.

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

Note 7 – Receivables

Receivables at June 30, 2020, consisted of taxes, accounts, accrued interest, interfund and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current fiscal year guarantee of Federal funds. All receivables except for delinquent property taxes are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

A summary of the principal items of intergovernmental receivables follows:

Governmental Activities	Amounts
Adult Basic Education Grant	$132,907
Vocational Education Grant	45,467
Prior Year Foundation Adjustments	587
Total	$178,961

Note 8 – Property Taxes

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

Property taxes include amounts levied against all real and public utility property located in the Center's parameters. Real property tax revenue received in calendar year 2020 represents collections of calendar year 2019 taxes. Real property taxes received in calendar year 2020 were levied after April 1, 2019, on the assessed value listed as of January 1, 2019, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2020 represents collections of calendar year 2019 taxes. Public utility real and tangible personal property taxes received in calendar year 2020 became a lien December 31, 2018, were levied after April 1, 2019, and are collected in calendar year 2020 with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The Center receives property taxes from Portage and Summit Counties. The County Auditor and Fiscal Officer periodically advance to the Center its portion of the taxes collected. Second-half real property tax payments collected by the counties by June 30, 2020, are available to finance fiscal year 2020 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2020, and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset to deferred inflows of resources – property taxes.

The amount available as an advance in the general fund was $1,470,475 at June 30, 2020, and $1,339,796 at June 30, 2019. The difference was in the timing and collection by the County Auditor and Fiscal Officer.

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

The assessed values upon which the fiscal year 2020 taxes were collected are as follows:

	2019 Second Half Collections		2020 First Half Collections	
	Amount	Percent	Amount	Percent
Real Property:				
Residential/Agricultural	$2,005,266,540	77.45 %	$2,026,223,020	77.33 %
Commercial/Industrial/Public Utility	456,557,760	17.64	461,626,420	17.62
Tangible Personal Property:				
Public Utility	127,175,880	4.91	132,453,450	5.05
Total	$2,589,000,180	100.00 %	$2,620,302,890	100.00 %
Tax rate per $1,000 of assessed valuation	$4.00		$4.00	

Tax Abatements

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

Overlapping Government	Amount of Fiscal Year 2020 Taxes Abated
Community Reinvestment Areas:	
City of Tallmadge	$9,508
Suffield Township	468
City of Ravenna	2,685
Total	$12,661
Enterprise Zone Tax Exemptions:	
City of Streetsboro	$14,533
Brimfield Township	9,151
City of Ravenna	6,103
Total	$29,787

Note 9 – Capital Assets

Capital asset activity for the fiscal year ended June 30, 2020, was as follows:

	Balance 6/30/19	Additions	Reductions	Balance 6/30/20
Governmental Activities:				
Capital assets not being depreciated				
Land	$140,600	$0	$0	$140,600
Construction in progress	168,958	862,510	(1,031,468)	0
Total capital assets not being depreciated	309,558	862,510	(1,031,468)	140,600
Capital assets being depreciated				
Buildings and improvements	24,166,426	1,235,629	(14,975)	25,387,080
Furniture, fixtures and equipment	3,785,346	311,326	(102,241)	3,994,431
Vehicles	584,135	0	0	584,135
Total capital assets being depreciated	28,535,907	1,546,955	(117,216)	29,965,646
Accumulated depreciation				
Buildings and improvements	(14,630,817)	(1,745,343)	14,633	(16,361,527)
Furniture, fixtures and equipment	(2,769,505)	(278,942)	96,038	(2,952,409)
Vehicles	(427,333)	(68,545)	0	(495,878)
Total accumulated depreciation	(17,827,655)	(2,092,830) *	110,671	(19,809,814)
Capital assets being depreciated, net	10,708,252	(545,875)	(6,545)	10,155,832
Governmental activities capital assets, net	$11,017,810	$316,635	($1,038,013)	$10,296,432

* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	$73,033
Vocational	1,898,512
Adult/Continuing	13,605
Support Services:	
Pupil	10,674
Instructional Staff	21,895
Board of Education	1,389
Administration	7,724
Fiscal	2,862
Operation and Maintenance of Plant	21,646
Pupil Transportation	14,019
Operation of Non-Instructional Services	23,033
Operation of Food Services	4,438
Total Depreciation Expense	$2,092,830

Note 10 – Assets Held for Resale

Assets held for resale represents home lots purchased by and donated to the Center, which will be sold with student-built houses. At June 30, 2020, the Center had two lots held for resale with a value of $16,800.

Note 11 – Risk Management

Property and Liability Insurance

The Center maintains comprehensive insurance coverage with a private carrier, Hylant Administrative Services, LLC. Hylant Administrative Services is the insurer for the Ohio School Plan, an insurance pool of nearly 300 members. Real property, building contents and vehicles are also maintained with Hylant Administrative Services and the Ohio School Plan. Payments for coverages are made directly to Hylant Administrative Services. Settled claims have not exceeded commercial coverage in any of the past three years and there have been no significant reductions in insurance coverage from last year.

Workers' Compensation

For fiscal year 2020, the Center participated in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (See Note 21). The intent of the GRP is to achieve the benefit of a reduced premium for the Center by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participants is calculated as one experience and a common premium rate is applied to all participants in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Participation in the GRP is limited to participants that can meet the GRP's selection criteria. The firm of Comp Management, A Sedgwick CMS Company, provides administrative, cost control and actuarial services to the GRP.

Employee Medical Benefits

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

Note 12 – Defined Benefit Pension Plans

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

Net Pension Liability/Net OPEB Liability

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

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

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

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also 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 proportionate share of each plan's unfunded benefits is presented as a *net OPEB asset* or long-term *net pension/OPEB liability* on the accrual basis of accounting. Any liability for the contractually-required pension/OPEB contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting. The remainder of this note includes the required pension disclosures. See Note 13 for the required OPEB disclosures.

Plan Description - School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

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

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

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

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

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the Center is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2020, the allocation to pension, death benefits, and Medicare B was 14.0 percent. For fiscal year 2020, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The Center's contractually required contribution to SERS was $211,528 for fiscal year 2020. Of this amount $4,427 is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

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

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

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of living increases are not affected by this change. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five year 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 at any age.

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

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

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

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

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The fiscal year 2020 employer and employee contribution rate of 14 percent was equal to the statutory maximum rates. For fiscal year 2020, the full employer contribution was allocated to pension.

The Center's contractually required contribution to STRS was $679,964 for fiscal year 2020. Of this amount $86,765 is reported as an intergovernmental payable.

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

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Center's proportion of the net pension liability was based on the Center's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	SERS	STRS	Total
Proportion of the Net Pension Liability:			
Prior Measurement Date	0.04635450%	0.04117158%	
Current Measurement Date	0.04541190%	0.03992687%	
Change in Proportionate Share	-0.00094260%	-0.00124471%	
Proportionate Share of the Net Pension Liability	$2,717,074	$8,829,587	$11,546,661
Pension Expense	$409,891	$1,077,928	$1,487,819

At June 30, 2020, the Center reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	$68,899	$71,888	$140,787
Changes of assumptions	0	1,037,205	1,037,205
Changes in proportionate Share and difference between Center contributions and proportionate share of contributions	3,752	60,670	64,422
Center contributions subsequent to the measurement date	211,528	679,964	891,492
Total Deferred Outflows of Resources	$284,179	$1,849,727	$2,133,906
Deferred Inflows of Resources			
Differences between expected and actual experience	$0	$38,221	$38,221
Net difference between projected and actual earnings on pension plan investments	34,877	431,542	466,419
Changes in Proportionate Share and Difference between Center contributions and proportionate share of contributions	52,293	451,515	503,808
Total Deferred Inflows of Resources	$87,170	$921,278	$1,008,448

$891,492 is reported as deferred outflows of resources related to pension resulting from Center contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2021. 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:			
2021	$38,399	$391,327	$429,726
2022	(70,377)	25,669	(44,708)
2023	(2,321)	(170,359)	(172,680)
2024	19,780	1,848	21,628
Total	($14,519)	$248,485	$233,966

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, 2019, are presented below:

Inflation	3.00 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent
COLA or Ad Hoc COLA	2.5 percent
Investment Rate of Return	7.50 percent net of investment expense, including inflation
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)

Mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females. Mortality among service retired members, and beneficiaries were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120 percent of male rates, and 110 percent of female rates. Mortality among disabled members were based upon the RP-2000 Disabled Mortality Table, 90 percent for male rates and 100 percent for female rates, set back five years is used for the period after disability retirement.

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	1.00 %	0.50 %
US Stocks	22.50	4.75
Non-US Stocks	22.50	7.00
Fixed Income	19.00	1.50
Private Equity	10.00	8.00
Real Assets	15.00	5.00
Multi-Asset Strategies	10.00	3.00
Total	100.00 %	

Discount Rate The total pension liability was calculated using the discount rate of 7.50 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.50 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the Center's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.50 percent, 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 (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Center's proportionate share of the net pension liability	$3,807,591	$2,717,074	$1,802,538

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2019, actuarial valuation are presented below:

Inflation	2.50 percent
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation
Discount Rate of Return	7.45 percent
Payroll Increases	3 percent
Cost-of-Living Adjustments (COLA)	0.0 percent, effective July 1, 2017

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

Actuarial assumptions used in the July 1, 2019, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

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

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

* Target weights will be phased in over a 24-month period concluding on July1, 2019.
** 10 year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent and does not include investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Discount Rate The discount rate used to measure the total pension liability was 7.45 percent as of June 30, 2019. 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 rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2019. Therefore, the long-term expected rate of return on pension plan investments of 7.45 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2019.

Sensitivity of the Center's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the Center's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.45 percent, as well as what the Center's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.45 percent) or one-percentage-point higher (8.45 percent) than the current rate:

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
Center's proportionate share of the net pension liability	$12,903,458	$8,829,587	$5,380,847

Note 13 – Defined Benefit OPEB Plans

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

Plan Description - School Employees Retirement System (SERS)

Health Care Plan Description - The Center contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides 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 Comprehensive Annual Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2020, no allocation was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2020, this amount was $19,600. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge.

For fiscal year 2020, the Center's surcharge obligation was $10,690.

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The Center's contractually required contribution to SERS was $10,690 for fiscal year 2020. Of this amount $10,690 is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

Plan Description – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Medicare Part B premium reimbursements will be discontinued effective January 1, 2021. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. All benefit recipients pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For fiscal year ended June 30, 2020, STRS did not allocate any employer contributions to post-employment health care.

OPEB Liabilities, 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, 2019, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of that date. The Center's proportion of the net OPEB liability (asset) was based on the Center's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	SERS	STRS	Total
Proportion of the Net OPEB Liability:			
Prior Measurement Date	0.04474200%	0.04117158%	
Current Measurement Date	0.04363290%	0.03992687%	
Change in Proportionate Share	-0.00110910%	-0.00124471%	
Proportionate Share of the:			
Net OPEB Liability	$1,097,276	$0	$1,097,276
Net OPEB (Asset)	$0	($661,285)	($661,285)
OPEB Expense	$7,213	($208,902)	($201,689)

At June 30, 2020, the 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	$16,108	$59,950	$76,058
Changes of assumptions	80,143	13,900	94,043
Net difference between projected and actual earnings on OPEB plan investments	2,634	0	2,634
Changes in proportionate Share and difference between Center contributions and proportionate share of contributions	0	16,077	16,077
Center contributions subsequent to the measurement date	10,690	0	10,690
Total Deferred Outflows of Resources	$109,575	$89,927	$199,502
Deferred Inflows of Resources			
Differences between expected and actual experience	$241,064	$33,644	$274,708
Changes of assumptions	61,488	725,021	786,509
Net difference between projected and actual earnings on OPEB plan investments	0	41,534	41,534
Changes in Proportionate Share and Difference between Center contributions and proportionate share of contributions	81,469	49,304	130,773
Total Deferred Inflows of Resources	$384,021	$849,503	$1,233,524

$10,690 reported as deferred outflows of resources related to OPEB resulting from Center contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2021. 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:			
2021	($87,857)	($164,297)	($252,154)
2022	(46,693)	(164,297)	(210,990)
2023	(45,920)	(147,651)	(193,571)
2024	(46,046)	(141,811)	(187,857)
2025	(40,969)	(142,225)	(183,194)
Thereafter	(17,651)	705	(16,946)
Total	($285,136)	($759,576)	($1,044,712)

Actuarial Assumptions - SERS

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

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

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

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2019, are presented below:

Inflation	3.00 percent
Wage Increases	3.50 percent to 18.20 percent
Investment Rate of Return	7.50 percent net of investment expense, including inflation
Municipal Bond Index Rate:	
Measurement Date	3.13 percent
Prior Measurement Date	3.62 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation	
Measurement Date	3.22 percent
Prior Measurement Date	3.70 percent
Medical Trend Assumption	
Medicare	5.25 to 4.75 percent
Pre-Medicare	7.00 to 4.75 percent

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

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

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2010 through 2015, and was adopted by the Board on April 21, 2016. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.50 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The SERS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 12.

Discount Rate The discount rate used to measure the total OPEB liability at June 30, 2019 was 3.22 percent. The discount rate used to measure total OPEB liability prior to June 30, 2019, was 3.70 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the state statute contribution rate of 2.00 percent of projected covered employee payroll each year, which includes a 1.50 percent payroll surcharge and 0.50 percent of contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2025. Therefore, the long-term expected rate of return on OPEB plan assets was used to present value the projected benefit payments through the fiscal year ending June 30, 2024 and the Fidelity General Obligation 20-year Municipal Bond Index rate of 3.13 percent, as of June 30, 2019 (i.e. municipal bond rate), was used to present value the projected benefit payments for the remaining years in the projection. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The projection of future benefit payments for all current plan members was until the benefit payments ran out.

Sensitivity of the Center's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.22 percent) and higher (4.22 percent) than the current discount rate (3.22 percent). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.00 percent decreasing to 3.75 percent) and higher (8.00 percent decreasing to 5.75 percent) than the current rate.

	1% Decrease (2.22%)	Current Discount Rate (3.22%)	1% Increase (4.22%)
Center's proportionate share of the net OPEB liability	$1,331,885	$1,097,276	$910,734

	1% Decrease (6.00% decreasing to 3.75%)	Current Trend Rate (7.00% decreasing to 4.75%)	1% Increase (8.00% decreasing to 5.75%)
Center's proportionate share of the net OPEB liability	$879,140	$1,097,276	$1,386,689

Actuarial Assumptions – STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2019, actuarial valuation are presented below:

Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation
Payroll Increases	3 percent
Discount Rate of Return	7.45 percent
Health Care Cost Trends	
Medical	
Pre-Medicare	5.87 percent initial, 4 percent ultimate
Medicare	4.93 percent initial, 4 percent ultimate
Prescription Drug	
Pre-Medicare	7.73 percent initial, 4 percent ultimate
Medicare	9.62 initial, 4 percent ultimate

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

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

Actuarial assumptions used in the June 30, 2019, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

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

The STRS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 12.

Discount Rate The discount rate used to measure the total OPEB liability was 7.45 percent as of June 30, 2019. The projection of cash flows used to determine the discount rate assumes STRS continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2019. Therefore, the long-term expected rate of return on health care plan investments of 7.45 percent was used to measure the total OPEB liability as of June 30, 2019.

Sensitivity of the Center's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate The following table represents the net OPEB asset as of June 30, 2019, calculated using the current period discount rate assumption of 7.45 percent, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.45 percent) or one percentage point higher (8.45 percent) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
Center's proportionate share of the net OPEB asset	($564,275)	($661,285)	($742,847)

	1% Decrease	Current Trend Rate	1% Increase
Center's proportionate share of the net OPEB asset	($749,867)	($661,285)	($552,794)

Note 14 – Compensated Absences

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

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

Note 15 – Long-Term Obligations

The changes in the Center's long-term obligations during fiscal year 2020 were as follows:

	Amount Outstanding 06/30/19	Additions	Reductions	Amount Outstanding 06/30/20	Amount Due in One Year
Governmental Activities					
Net Pension Liability:					
SERS	$2,654,808	$62,266	$0	$2,717,074	$0
STRS	9,052,706	0	(223,119)	8,829,587	0
Total Net Pension Liability	11,707,514	62,266	(223,119)	11,546,661	0
Net OPEB Liability:					
SERS	1,241,264	0	(143,988)	1,097,276	0
Compensated Absences	1,176,108	215,287	(73,578)	1,317,817	70,074
Total Governmental Activities Long-Term Liabilities	$14,124,886	$277,553	($440,685)	$13,961,754	$70,074

There is no repayment schedule for the net pension liability and the net OPEB liability; however, employer pension and OPEB contributions are made from the following funds: the general fund, the food service, adult education, adult basic education, and vocational education special revenue funds. For additional information related to the net pension liability and the net OPEB liability, see Notes 12 and 13. Compensated absences will be paid from the general fund and the food service and adult education special revenue funds.

The Center's overall legal debt margin was $235,827,260 with an unvoted debt margin of $2,620,303 at June 30, 2020.

Note 16 – Operating Lease

During fiscal year 2017, the Center entered into an operating lease with Lake Business Products for ten copiers. The Center paid $27,015 for the lease in fiscal year 2020. As of June 30, 2020, the remaining future minimum lease payments were $27,015, all to be paid in fiscal year 2021.

Note 17 – Contingencies

Grants

The Center received financial assistance from Federal and State agencies in the form of grants. The disbursements of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds; however, in the opinion of management, the effect of any such disallowed claims on the overall financial position of the Center at June 30, 2020, if applicable, cannot be determined at this time.

Foundation Funding

Center Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, additional ODE adjustments for fiscal year 2020 are not finalized. ODE has finalized the impact of enrollment adjustments to the June 30, 2020 Foundation funding for the Center. The Center has determined that these adjustments are immaterial.

Litigation

The Center is not party to legal proceedings as of June 30, 2020.

Note 18 – Interfund Transactions

Interfund Balances

Interfund balances at June 30, 2020, consisted of the following:

Interfund Payable	Interfund Receivable General
Other Governmental Funds:	
Adult Basic Education	$50,000
Vocational Education	40,000
Total	$90,000

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

Interfund Transfers

The general fund transferred $316,000 to the adult education special revenue fund to help fund programs.

Note 19 – Set-Asides

The Center is required by State statute to annually set aside in the general fund an amount based on a statutory formula for the acquisition and construction of capital improvements. Amounts not spent by the end of the fiscal year or offset by similarly restricted resources received during the year must be held in cash at year end. These amounts must be carried forward to be used for the same purposes in future years. In prior years, the Center was also required to set aside money for budget stabilization. At June 30, 2020, all funds placed in the budget stabilization fund since its inception in 1998 continue to be set-aside.

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

	Budget Stabilization	Capital Improvements
Set-Aside Balance as of June 30, 2019	$223,362	$0
Current Year Set-Aside Requirement	0	114,806
Qualifying Disbursements	0	(114,806)
Total	$223,362	$0
Set-Aside Balance Carried Forward to Future Fiscal Years	$223,362	$0
Set-Aside Balance as of June 30, 2020	$223,362	$0

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

Note 20 – Jointly Governed Organization

Northeast Ohio Network for Educational Technology

The Northeast Ohio Network for Educational Technology (NEONet) is the computer service organization or Data Acquisition Site (DAS) used by the Center. NEONet is a jointly governed organization among twenty-seven school districts, three career centers, and the Summit and Medina County Educational Service Centers. The Metropolitan Regional Service Council acts as the fiscal agent for the consortium. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The Board of Directors consists of member district superintendents and treasurers. The manager/director is a permanent, non-voting member of the Board of Directors. Each school district's control is limited to its representation on the board. The Board of Directors exercise total control over the operations of the association including budgeting, appropriating, contracting and designating management. All association revenues are generated from charges for services and State funding. The Career Center does not retain an ongoing financial interest or an ongoing financial responsibility in NEONet. During the current fiscal year, the Career Center made $71,736 in payments to NEONet. Financial information can be obtained by writing to the Northeast Ohio Network for Educational Technology, 700 Graham Road, Cuyahoga Falls, Ohio 44221.

Note 21 – Insurance Purchasing Pools

Ohio School Boards Association Workers' Compensation Group Rating Program

The Center participates in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by a three member Board of Directors consisting of the President, the President-Elect and the Immediate Past President of the OSBA. The Executive Director of the OSBA, or his designee, serves as coordinator of the program. Each year, the participating Centers pay an enrollment fee to the GRP to cover the costs of administering the program.

Portage Area Schools Consortium

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

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

Note 22 – Significant Commitments

Contractual Commitments

The Center had the following contractual commitments outstanding at June 30, 2020:

Vendor	Contract Amount	Amount Paid	Remaining on Contract
TeamOne BEC LLC	$31,500	$1,440	$30,060
Troy Construction	44,354	0	44,354
Emerald Finishing Group LLC	16,700	0	16,700
Owens Flooring Company	68,300	0	68,300
Total	$160,854	$1,440	$159,414

Encumbrances

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

General Fund	$1,241,880
Other Governmental Funds	20,966
Total Governmental Funds	$1,262,846

Note 23 – 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. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Center. The Center's investment portfolio and the investments of the pension and other employee benefit plans in which the Center participates fluctuate with market conditions, and due to market volatility, the amount of gains or losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the Center's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

Note 24 – Change in Accounting Principle and Restatement of Fund Balances and Net Position

Change in Accounting Principles

The Governmental Accounting Standards Board (GASB) recently issued GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The School District evaluated implementing these certain GASB pronouncements based on the guidance in GASB 95.

For fiscal year 2020, the Center implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities* and related guidance from (GASB) Implementation Guide No. 2019-2, *Fiduciary Activities.*

For fiscal year 2020, the Center also implemented the Governmental Accounting Standards Board's (GASB) *Implementation Guide No. 2018-1*. These changes were incorporated in the Center's fiscal year 2020 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 84 established specific criteria for identifying activities that should be reported as fiduciary activities and clarifies whether and how business type activities should report their fiduciary activities. Due to the implementation of GASB Statement No. 84, the Center will no longer be reporting agency funds. The Center reviewed its private purpose trust fund and its agency funds and these funds have been reclassified as governmental funds. GASB Statement 84 was incorporated into the Center's fiscal year 2020 financial statements.

Restatement of Fund Balances and Net Position

The implementation of GASB Statement No. 84 had the following effect on fund balance as of June 30, 2019:

	General	Other Governmental Funds	Total Governmental Funds
Fund Balances, June 30, 2019	$31,588,463	($249,327)	$31,339,136
Adjustments: GASB Statement 84	849	135,606	136,455
Restated Fund Balances, June 30, 2019	$31,589,312	($113,721)	$31,475,591

The implementation of GASB Statement No. 84 had the following effect on governmental and fiduciary net position as of June 30, 2019:

	Governmental Activities	Private Purpose	Agency
Net Position June 30, 2019	$29,884,030	$36,861	$0
Adjustments:			
GASB Statement 84	136,455	0	0
Assets	0	(36,861)	(99,594)
Liabilities	0	0	99,594
Restated Net Position, June 30, 2019	$30,020,485	$0	$0

The implementation of GASB Statement No. 84 also had the impact on the Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual for general fund, increasing beginning fund balance of $28,259,594 to $28,260,443.

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Required Supplementary Information

Maplewood Career Center

Required Supplementary Information

Schedule of the Center's Proportionate Share of the Net Pension Liability

School Employees Retirement System of Ohio

*Last Seven Fiscal Years (1) **

	2020	2019	2018
Center's Proportion of the Net Pension Liability	0.0454119%	0.0463545%	0.0462109%
Center's Proportionate Share of the Net Pension Liability	$2,717,074	$2,654,808	$2,760,999
Center's Covered Payroll	$1,559,052	$1,568,800	$1,475,507
Center's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	174.28%	169.23%	187.12%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.85%	71.36%	69.50%

(1) Although this schedule is intended to reflect information for ten years, information prior to fiscal year 2014 is not available. An additional column will be added each

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

See accompanying notes to the required supplementary information

2017	2016	2015	2014
0.0477711%	0.0447851%	0.0472210%	0.0472210%
$3,496,404	$2,555,481	$2,389,827	$2,808,081
$1,489,814	$1,346,671	$1,373,643	$1,411,725
234.69%	189.76%	173.98%	198.91%
62.98%	69.16%	71.70%	65.52%

Maplewood Career Center

Required Supplementary Information

Schedule of the Center's Proportionate Share of the Net OPEB Liability

School Employees Retirement System of Ohio

*Last Four Fiscal Years (1) **

	2020	2019	2018	2017
Center's Proportion of the Net OPEB Liability	0.0436329%	0.0447420%	0.0454595%	0.0468928%
Center's Proportionate Share of the Net OPEB Liability	$1,097,276	$1,241,264	$1,220,014	$1,336,618
Center's Covered Payroll	$1,559,052	$1,568,800	$1,475,507	$1,489,814
Center's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	70.38%	79.12%	82.68%	89.72%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	15.57%	13.57%	12.46%	11.49%

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

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

See accompanying notes to the required supplementary information

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Maplewood Career Center

Required Supplementary Information

Schedule of the Center's Proportionate Share of the Net Pension Liability

State Teachers Retirement System of Ohio

*Last Seven Fiscal Years (1) **

	2020	2019	2018
Center's Proportion of the Net Pension Liability	0.03992687%	0.04117158%	0.04259038%
Center's Proportionate Share of the Net Pension Liability	$8,829,587	$9,052,706	$10,117,436
Center's Covered Payroll	$4,745,864	$4,609,557	$4,700,086
Center's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	186.05%	196.39%	215.26%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.40%	77.30%	75.30%

(1) Although this schedule is intended to reflect information for ten years, information prior to fiscal year 2014 is not available. An additional column will be added each

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

See accompanying notes to the required supplementary information

2017	2016	2015	2014
0.04206433%	0.04337660%	0.04381959%	0.04381959%
$14,080,199	$11,988,023	$10,658,441	$12,696,265
$4,504,000	$4,471,936	$4,500,907	$4,767,469
312.62%	268.07%	236.81%	266.31%
66.80%	72.10%	74.70%	69.30%

Maplewood Career Center

Required Supplementary Information

Schedule of the Center's Proportionate Share of the Net OPEB Asset/Liability

State Teachers Retirement System of Ohio

*Last Four Fiscal Years (1) **

	2020	2019	2018	2017
Center's Proportion of the Net OPEB Asset/Liability	0.03992687%	0.04117158%	0.04259038%	0.04206433%
Center's Proportionate Share of the:				
Net OPEB Asset	$661,285	$661,585	$0	$0
Net OPEB Liability	0	0	1,661,719	2,249,611
Center's Covered Payroll	$4,745,864	$4,609,557	$4,700,086	$4,504,000
Center's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	-13.93%	-14.35%	35.36%	49.95%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	174.70%	176.00%	47.10%	37.30%

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

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

See accompanying notes to the required supplementary information

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Maplewood Career Center

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

	2020	2019	2018	2017
Net Pension Liability				
Contractually Required Contribution	$211,528	$210,472	$211,788	$206,571
Contributions in Relation to the Contractually Required Contribution	(211,528)	(210,472)	(211,788)	(206,571)
Contribution Deficiency (Excess)	$0	$0	$0	$0
Center Covered Payroll (1)	$1,510,914	$1,559,052	$1,568,800	$1,475,507
Pension Contributions as a Percentage of Covered Payroll	14.00%	13.50%	13.50%	14.00%
Net OPEB Liability				
Contractually Required Contribution (2)	$10,690	$20,811	$21,869	$18,144
Contributions in Relation to the Contractually Required Contribution	(10,690)	(20,811)	(21,869)	(18,144)
Contribution Deficiency (Excess)	$0	$0	$0	$0
OPEB Contributions as a Percentage of Covered Payroll	0.71%	1.33%	1.39%	1.23%
Total Contributions as a Percentage of Covered Payroll (2)	14.71%	14.83%	14.89%	15.23%

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

See accompanying notes to the required supplementary information

2016	2015	2014	2013	2012	2011
$208,574	$177,491	$190,387	$195,383	$194,140	$178,324
(208,574)	(177,491)	(190,387)	(195,383)	(194,140)	(178,324)
$0	$0	$0	$0	$0	$0
$1,489,814	$1,346,671	$1,373,643	$1,411,725	$1,443,417	$1,418,645
14.00%	13.18%	13.86%	13.84%	13.45%	12.57%
$17,215	$24,908	$14,440	$14,825	$27,972	$39,506
(17,215)	(24,908)	(14,440)	(14,825)	(27,972)	(39,506)
$0	$0	$0	$0	$0	$0
1.16%	1.85%	1.05%	1.05%	1.94%	2.78%
15.16%	15.03%	14.91%	14.89%	15.39%	15.35%

Maplewood Career Center

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

	2020	2019	2018	2017
Net Pension Liability				
Contractually Required Contribution	$679,964	$664,421	$645,338	$658,012
Contributions in Relation to the Contractually Required Contribution	(679,964)	(664,421)	(645,338)	(658,012)
Contribution Deficiency (Excess)	$0	$0	$0	$0
Center Covered Payroll (1)	$4,856,886	$4,745,864	$4,609,557	$4,700,086
Pension Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%
Net OPEB Asset/Liability				
Contractually Required Contribution	$0	$0	$0	$0
Contributions in Relation to the Contractually Required Contribution	0	0	0	0
Contribution Deficiency (Excess)	$0	$0	$0	$0
OPEB Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%
Total Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%

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

See accompanying notes to the required supplementary information

2016	2015	2014	2013	2012	2011
$630,560	$626,071	$585,118	$619,771	$665,640	$660,085
(630,560)	(626,071)	(585,118)	(619,771)	(665,640)	(660,085)
$0	$0	$0	$0	$0	$0
$4,504,000	$4,471,936	$4,500,907	$4,767,469	$5,120,308	$5,077,577
14.00%	14.00%	13.00%	13.00%	13.00%	13.00%
$0	$0	$45,009	$47,675	$51,203	$50,776
0	0	(45,009)	(47,675)	(51,203)	(50,776)
$0	$0	$0	$0	$0	$0
0.00%	0.00%	1.00%	1.00%	1.00%	1.00%
14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

Net Pension Liability

Changes in Assumptions – SERS

Beginning in fiscal year 2018, an assumption of 2.5 percent was used for COLA or Ad Hoc Cola. Prior to 2018, an assumption of 3 percent was used.

Beginning with fiscal year 2017, amounts reported incorporate changes in assumptions used by SERS in calculating the total pension liability in the latest actuarial valuation. These assumptions compared with those used in fiscal year 2016 and prior are presented below:

	Fiscal Year 2017	Fiscal Year 2016 and Prior
Wage Inflation	3.00 percent	3.25 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent	4.00 percent to 22.00 percent
Investment Rate of Return	7.50 percent net of investments expense, including inflation	7.75 percent net of investments expense, including inflation

Beginning with fiscal year 2017, mortality assumptions use mortality rates that are based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females. Amounts reported for fiscal year 2016 and prior, use mortality assumptions that are based on the 1994 Group Annuity Mortality Table set back one year for both men and women. Special mortality tables were used for the period after disability retirement.

Changes in Assumptions - STRS

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

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

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

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

Net OPEB Liability

Changes in Assumptions – SERS

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

Municipal Bond Index Rate:	
Fiscal year 2020	3.13 percent
Fiscal year 2019	3.62 percent
Fiscal year 2018	3.56 percent
Fiscal year 2017	2.92 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation	
Fiscal year 2020	3.22 percent
Fiscal year 2019	3.70 percent
Fiscal year 2018	3.63 percent
Fiscal year 2017	2.98 percent

Changes in Assumptions – STRS

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

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

Changes in Benefit Terms – STRS OPEB

For fiscal year 2018, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1 percent to 1.9 percent per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2020.

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

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

MAPLEWOOD CAREER CENTER
PORTAGE COUNTY, OHIO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through Ohio Department of Education:			
Child Nutrition Cluster:			
Cash Assistance:			
School Breakfast Program	051391-3L70-21	10.553	$ 36,248
COVID-19 School Breakfast Program	051391-3L70-21	10.553	2,368
National School Lunch Program	051391-3L60-21	10.555	214,446
COVID-19 National School Lunch Program	051391-3L60-21	10.555	18,042
Cash Assistance Subtotal			271,104
Non-Cash Assistance (Food Distribution):			
National School Lunch Program	N/A	10.555	34,806
Non-Cash Assistance Subtotal			34,806
Total U.S. Department of Agriculture			**305,910**
U.S. DEPARTMENT OF EDUCATION			
Passed Through Ohio Department of Education:			
Adult Education, Basic Grants to States	051391-ABS1-21	84.002	248,820
Career and Technical Education, Basic Grants to States	051391-3L90-20	84.048	38,508
Career and Technical Education, Basic Grants to States	051391-3L90-21	84.048	202,247
Total Career and Technical Education, Basic Grants to States			240,755
COVID-19 Governor's Emergency Education Relief Fund	051391-3HS0-21	84.425C	132,530
Total U.S. Department of Education			**622,105**
U.S. DEPARTMENT OF TREASURY			
Passed Through Ohio Department of Higher Education:			
COVID-19 Coronavirus Relief Funds - Higher Education	2020 CRF - HigherEd	21.019	1,418
Passed Through Ohio Department of Education:			
COVID-19 Coronavirus Relief Funds	051391-5CV1-21	21.019	31,384
COVID-19 Coronavirus Relief Funds - Broadband Ohio Connectivity	051391-5CV1-21	21.019	509
Total COVID-19 Coronavirus Relief Funds			33,311
Total U.S. Department of Treasury			**33,311**
Total Federal Financial Assistance			**$ 961,326**

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

MAPLEWOOD CAREER CENTER
PORTAGE COUNTY

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED JUNE 30, 2021

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Maplewood Career Center (the Center) under programs of the federal government for the year ended June 30, 2021. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Center, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Center.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

The Center has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D - CHILD NUTRITION CLUSTER

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

NOTE E – FOOD DONATION PROGRAM

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

NOTE F - TRANSFERS BETWEEN PROGRAM YEARS

Federal regulations require schools to obligate certain federal awards by June 30. However, with ODE's consent, schools can transfer unobligated amounts to the subsequent fiscal year's program. The Center transferred the following amounts from 2021 to 2022 programs:

Program Title	CFDA Number	Amt. Transferred
Governor's Emergency Education Relief Fund	84.425C	$ 89,850

OHIO AUDITOR OF STATE
KEITH FABER

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

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

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Maplewood Career Center, Portage County, (the Center) as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Center's basic financial statements and have issued our report thereon dated February 25, 2022, wherein we noted the Center adopted Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities* for the year end June 30, 2020 and we noted the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Center.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Center's internal control over financial reporting (internal control) as a basis for designing audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Center's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Center's financial statements. 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 internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

As part of reasonably assuring whether the Center's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the financial statements. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Center's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Center's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

Keith Faber
Auditor of State
Columbus, Ohio

February 25, 2022

OHIO AUDITOR OF STATE
KEITH FABER

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

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

To the Board of Education:

Report on Compliance for the Major Federal Programs

We have audited Maplewood Career Center's (the Center) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect Maplewood Career Center's major federal programs for the year ended June 30, 2021. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the Center's major federal programs.

Management's Responsibility

The Center's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to opine on the Center's compliance for each of the Center's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the Center's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on each of the Center's major programs. However, our audit does not provide a legal determination of the Center's compliance.

Opinion on the Major Federal Programs

In our opinion, Maplewood Career Center complied, in all material respects with the compliance requirements referred to above that could directly and materially affect each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

The Center's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the Center's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the Center's 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, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement 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 first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.

Keith Faber
Auditor of State
Columbus, Ohio

February 25, 2022

MAPLEWOOD CAREER CENTER
PORTAGE COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2021 AND 2020

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	**Type of Financial Statement Opinion**	Unmodified
(d)(1)(ii)	**Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(ii)	**Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(iii)	**Was there any reported material noncompliance at the financial statement level (GAGAS)?**	No
(d)(1)(iv)	**Were there any material weaknesses in internal control reported for major federal programs?**	No
(d)(1)(iv)	**Were there any significant deficiencies in internal control reported for major federal programs?**	No
(d)(1)(v)	**Type of Major Programs' Compliance Opinion**	Unmodified
(d)(1)(vi)	**Are there any reportable findings under 2 CFR § 200.516(a)?**	No
(d)(1)(vii)	**Major Programs (list):**	Child Nutrition Cluster Career and Technical Education – Basic Grants to States (CFDA #84.048)
(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?**	No

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

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OHIO AUDITOR OF STATE
KEITH FABER

MAPLEWOOD CAREER CENTER

PORTAGE COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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

Certified for Release 3/15/2022

88 East Broad Street, Columbus, Ohio 43215
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