OHIO AUDITOR OF STATE
KEITH FABER

MAPLEWOOD CAREER CENTER
PORTAGE COUNTY
JUNE 30, 2022

TABLE OF CONTENTS

MAPLEWOOD CAREER CENTER
PORTAGE COUNTY
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TABLE OF CONTENTS
(Continued)

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 Audit of the Financial Statements

Opinions

We have audited the 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 year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Center's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 23 to the 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 this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Center's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Center's basic financial statements. The Schedule of Expenditures of Federal Awards 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 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 27, 2023, 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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Center's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Center's internal control over financial reporting and compliance.

Keith Faber
Auditor of State
Columbus, Ohio

February 27, 2023

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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, 2022. 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 2022 fiscal year are as follows:

- Certified, classified, and administrative staffs received a 0 percent salary increase in fiscal year 2022.
- Projects completed in fiscal year 2022 included the roof replacement along with new lightning protections, wireless network upgrades, new flooring in various parts of the building, and the remodel of both cosmetology labs.
- Annually, the Center reviews the needs of the programs and purchases equipment. A significant purchase for fiscal year 2022 included a shelving carousel for the graphics communications program. A new Chevrolet Silverado 3500 was purchased to replace an older plow truck.
- The Center was open for in-person learning during the 2021-2022 school 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 is starting an HVAC program in the 2022-2023 school year and is researching the possibility of adding an Optical Technician program in the 2023-2024 school year.
- A new front entrance remodel is being completed over the summer of 2022. New windows with protective film are anticipated for the summer of 2023.

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 2022?" 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 2022 compared to 2021:

Table 1
Net Position

	Governmental Activities		
	2022	Restated 2021	Change
Assets			
Current and Other Assets	$38,953,053	$40,956,811	($2,003,758)
Net OPEB Asset	874,155	703,866	170,289
Capital Assets, Net	10,895,761	9,883,808	1,011,953
Total Assets	50,722,969	51,544,485	(821,516)
Deferred Outflows of Resources			
Pension	2,941,993	2,183,871	758,122
OPEB	290,348	278,731	11,617
Total Deferred Outflows of Resources	3,232,341	2,462,602	769,739
Liabilities			
Current Liabilities	1,759,052	1,898,476	139,424
Long-Term Liabilities:			
Due Within One Year	93,834	86,434	(7,400)
Due in More Than One Year:			
Net Pension Liability	7,005,315	12,536,266	5,530,951
Net OPEB Liability	828,052	897,534	69,482
Other Amounts	1,270,485	1,421,083	150,598
Total Liabilities	10,956,738	16,839,793	5,883,055
Deferred Inflows of Resources			
Property Taxes	6,325,454	6,176,942	(148,512)
Payments in Lieu of Taxes	22,709	0	(22,709)
Pension	5,715,077	426,817	(5,288,260)
OPEB	1,603,985	1,462,138	(141,847)
Total Deferred Inflows of Resources	13,667,225	8,065,897	(5,601,328)
Net Position			
Net Investment in Capital Assets	10,116,465	9,069,426	1,047,039
Restricted	504,586	336,151	168,435
Unrestricted	18,710,296	19,695,820	(985,524)
Total Net Position	$29,331,347	$29,101,397	$229,950

The net pension liability (NPL) is the largest single liability reported by the Center at June 30, 2022. 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 the net investment in capital assets. The increase in net position is mainly related to the increase in capital assets, due to capital asset additions. The increase in capital assets and the significant decrease in the net pension liability both had a positive impact on the Center's net position but were partly offset by a decrease in current and other assets. A decrease in equity in pooled cash and cash equivalents primarily caused the decrease in current and other assets as the Center paid for significant capital improvements, including the roof replacement, new flooring in parts of the building, and the remodel of the new front entrance.

Table 2 shows the changes in net position for fiscal year 2022 compared to fiscal year 2021.

Table 2
Change in Net Position
Governmental Activities

	2022	2021	Change
Revenues			
Program Revenues			
Charges for Services	$350,999	$666,347	($315,348)
Operating Grants and Interest	1,804,524	1,813,959	(9,435)
Total Program Revenues	2,155,523	2,480,306	(324,783)
General Revenues			
Property Taxes	7,012,326	6,443,631	568,695
Payments in Lieu of Taxes	26,199	0	26,199
Grants and Entitlements	5,355,823	4,822,997	532,826
Unrestricted Contributions	34,220	0	34,220
Investment Earnings	(368,040)	97,772	(465,812)
Gain on Sale of Capital Assets	16,452	0	16,452
Miscellaneous	41,522	94,176	(52,654)
Total General Revenues	12,118,502	11,458,576	659,926
Total Revenues	$14,274,025	$13,938,882	$335,143

(continued)

Table 2
Change in Net Position
Governmental Activities
(continued)

	2022	2021	Change
Program Expenses			
Instruction:			
Regular	$1,272,734	$1,364,587	$91,853
Vocational	6,116,247	6,620,911	504,664
Adult/Continuing	228,563	314,787	86,224
Support Services:			
Pupil	1,286,004	1,500,220	214,216
Instructional Staff	733,394	858,948	125,554
Board of Education	106,481	61,506	(44,975)
Administration	884,342	1,014,211	129,869
Fiscal	623,285	629,484	6,199
Business	232,663	287,640	54,977
Operation and Maintenance of Plant	1,817,350	1,879,705	62,355
Pupil Transportation	25,004	17,702	(7,302)
Central	252,939	282,079	29,140
Operation of Non-Instructional Services	24,283	25,014	731
Operation of Food Services	400,717	369,874	(30,843)
Extracurricular Activities	32,583	28,614	(3,969)
Interest and Fiscal Charges	7,486	0	(7,486)
Total Program Expenses	14,044,075	15,255,282	1,211,207
Change in Net Position	229,950	(1,316,400)	1,546,350
Net Position Beginning of Year	29,101,397	30,417,797	(1,316,400)
Net Position End of Year	$29,331,347	$29,101,397	$229,950

Governmental Activities

Net position of the Center's governmental activities increased in fiscal year 2022 due to a decrease in program expenses and an increase in revenues. The decrease in program expenses was primarily due to a decrease in pension expense. The increase in revenues was mainly a result of an increase in property taxes due to the prior fiscal year's large decrease in the amount available as an advance. An increase was also seen for grants and entitlements due to changes in the State Foundation funding.

Beginning in fiscal year 2022, Foundation funding received from the State of Ohio was funded using a direct funding model, under which open enrollment funding is directly funded by the State to the respective educating schools. For fiscal years 2021 and prior, the amounts related to students who were residents of a school were funded to the school who, in turn, made the payment to the educating school. For fiscal year 2021, the Center reported tuition and fees from the resident school district which was direct funded to the Center in fiscal year 2022 and is included in grants and entitlements. The new funding system calculates a unique base cost for each school. Any change in funding was subject to a phase in percentage of 16.67 percent for fiscal year 2022. Also for fiscal year 2022, the student wellness and success funding was receipted to the general fund rather than a special revenue fund as it was in fiscal years 2021 and prior, resulting in these monies being classified as grants and entitlements rather than operating grants for fiscal year 2022.

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, payments in lieu of taxes, unrestricted contributions, investment earnings, gain on sale of capital assets, 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 2022 was 2.430486 mills for Residential/Agricultural property and 3.264444 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
2022	$2,951,797,580	$65,852,580	$3,017,650,160	15.16 %
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)

State funding per pupil increased over the past year due to changes in the State funding model. The Center has received increases in both unrestricted and restricted funding. Fluctuations in State funding are also dependent upon the 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 2022	Net Cost of Services 2022	Total Cost of Services 2021	Net Cost of Services 2021
Program Expenses				
Instruction:				
Regular	$1,272,734	$1,272,734	$1,364,587	$1,321,804
Vocational	6,116,247	5,021,762	6,620,911	5,482,767
Adult/Continuing	228,563	9,414	314,787	127,516
Support Services:				
Pupil	1,286,004	1,178,146	1,500,220	1,208,460
Instructional Staff	733,394	733,368	858,948	750,007
Board of Education	106,481	106,481	61,506	59,460
Administration	884,342	785,576	1,014,211	901,055
Fiscal	623,285	617,372	629,484	596,997
Business	232,663	232,663	287,640	277,744
Operation and Maintenance of Plant	1,817,350	1,804,679	1,879,705	1,714,946
Pupil Transportation	25,004	25,004	17,702	17,676
Central	252,939	250,450	282,079	270,088
Operation of Non-Instructional Services	24,283	24,283	25,014	25,014
Operation of Food Services	400,717	(185,953)	369,874	15,142
Extracurricular Activities	32,583	5,087	28,614	6,300
Interest and Fiscal Charges	7,486	7,486	0	0
Total	$14,044,075	$11,888,552	$15,255,282	$12,774,976

As one can see, the reliance upon local tax revenues for the governmental activities is crucial. Fiscal year 2022 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, payments in lieu of taxes, unrestricted contributions, investment earnings, gain on sale of capital assets, and other miscellaneous revenues support the remaining activity costs. In fiscal year 2022, 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 decrease from fiscal year 2021 due to an increase in expenditures, primarily capital outlay.

General Fund

Despite an increase in revenues, the general fund balance decreased in fiscal year 2022. The decrease in fund balance can be primarily attributed to the increase in capital outlay expenditures for various improvement projects. Revenues increased due to the increase in property taxes discussed previously.

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 2022, all funds were appropriated at the fund level.

In fiscal year 2022, the Center adopted its appropriations prior to October 1, 2021, 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 lower than the original estimate. Total actual revenues were more than final estimated revenues mainly due to higher than expected intergovernmental revenues.

Total general fund final appropriations, including other financing uses, were equal 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 projects that had been started but not completed 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 increased from fiscal year 2021 due to current year additions outpacing annual depreciation and current year deletions. Some of the capital asset additions for fiscal year 2022 included a roof replacement along with new lightning protections, wireless network upgrades, new flooring in various parts of the building, the remodel of both cosmetology labs, the ongoing front entrance remodel project, a shelving carousel for the graphics communications program, and a new Chevrolet Silverado 3500.

The Center's capitalization threshold for capital assets was set at $5,000. For additional information on capital assets, see Note 10 to the basic financial statements.

Debt

At June 30, 2022, the Center had no outstanding bonded long-term debt. The long-term liabilities listed in Table 1 are those accumulated for leases, compensated absences, and the Center's net pension liability and net OPEB liability. For additional information on long-term obligations, see Note 16 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. HVAC will be added for the 2022-2023 school year. Marketing Management will close at the end of the 2022-2023 school 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 Optical Technician 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 and the US Department of 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, 2022

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	$31,413,746
Accounts Receivable	9,693
Intergovernmental Receivable	121,663
Accrued Interest Receivable	35,803
Prepaid Items	7,372
Materials and Supplies Inventory	2,947
Inventory Held for Resale	6,115
Property Taxes Receivable	7,316,205
Payments in Lieu of Taxes Receivable	22,709
Assets Held for Resale	16,800
Net OPEB Asset (See Note 14)	874,155
Nondepreciable Capital Assets	759,561
Depreciable Capital Assets, Net	10,136,200
Total Assets	50,722,969
Deferred Outflows of Resources	
Pension	2,941,993
OPEB	290,348
Total Deferred Outflows of Resources	3,232,341
Liabilities	
Accounts Payable	152,450
Contracts Payable	618,961
Accrued Wages and Benefits Payable	700,733
Matured Compensated Absences Payable	85,958
Vacation Benefits Payable	73,656
Intergovernmental Payable	126,731
Accrued Interest Payable	563
Long-Term Liabilities:	
Due Within One Year	93,834
Due in More Than One Year:	
Net Pension Liability (See Note 13)	7,005,315
Net OPEB Liability (See Note 14)	828,052
Other Amounts Due in More Than One Year	1,270,485
Total Liabilities	10,956,738
Deferred Inflows of Resources	
Property Taxes	6,325,454
Payments in Lieu of Taxes	22,709
Pension	5,715,077
OPEB	1,603,985
Total Deferred Inflows of Resources	13,667,225
Net Position	
Net Investment in Capital Assets	10,116,465
Restricted for:	
Vocational Education	65,879
Food Service Operations	135,689
Scholarships	35,867
Student Activities	117,573
Student Wellness Services	148,630
Other Purposes	948
Unrestricted	18,710,296
Total Net Position	$29,331,347

See accompanying notes to the basic financial statements

Maplewood Career Center

Statement of Activities

For the Fiscal Year Ended June 30, 2022

	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	$1,272,734	$0	$0	($1,272,734)
Vocational	6,116,247	173,514	920,971	(5,021,762)
Adult/Continuing	228,563	25,095	194,054	(9,414)
Support Services:				
Pupil	1,286,004	0	107,858	(1,178,146)
Instructional Staff	733,394	0	26	(733,368)
Board of Education	106,481	0	0	(106,481)
Administration	884,342	46,016	52,750	(785,576)
Fiscal	623,285	0	5,913	(617,372)
Business	232,663	0	0	(232,663)
Operation and Maintenance of Plant	1,817,350	6,900	5,771	(1,804,679)
Pupil Transportation	25,004	0	0	(25,004)
Central	252,939	495	1,994	(250,450)
Operation of Non-Instructional Services	24,283	0	0	(24,283)
Operation of Food Services	400,717	71,483	515,187	185,953
Extracurricular Activities	32,583	27,496	0	(5,087)
Interest and Fiscal Charges	7,486	0	0	(7,486)
Total	$14,044,075	$350,999	$1,804,524	(11,888,552)

General Revenues	
Property Taxes Levied for General Purposes	7,012,326
Payments in Lieu of Taxes	26,199
Grants and Entitlements not Restricted to Specific Programs	5,355,823
Unrestricted Contributions	34,220
Investment Earnings	(368,040)
Gain on Sale of Capital Assets	16,452
Miscellaneous	41,522
Total General Revenues	12,118,502
Change in Net Position	229,950
Net Position Beginning of Year	29,101,397
Net Position End of Year	$29,331,347

See accompanying notes to the basic financial statements

Maplewood Career Center
Balance Sheet
Governmental Funds
June 30, 2022

	General	Other Governmental Funds	Total Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	$30,349,014	$840,422	$31,189,436
Restricted Assets:			
Equity in Pooled Cash and Cash Equivalents	224,310	0	224,310
Accounts Receivable	9,693	0	9,693
Interfund Receivable	445,374	147	445,521
Accrued Interest Receivable	35,803	0	35,803
Intergovernmental Receivable	1,364	120,299	121,663
Prepaid Items	6,856	516	7,372
Materials and Supplies Inventory	0	2,947	2,947
Inventory Held for Resale	0	6,115	6,115
Property Taxes Receivable	7,316,205	0	7,316,205
Payments in Lieu of Taxes Receivable	22,709	0	22,709
Assets Held for Resale	16,800	0	16,800
Total Assets	$38,428,128	$970,446	$39,398,574
Liabilities			
Accounts Payable	$81,445	$71,005	$152,450
Contracts Payable	618,961	0	618,961
Accrued Wages and Benefits Payable	652,302	48,431	700,733
Matured Compensated Absences Payable	85,958	0	85,958
Intergovernmental Payable	111,279	15,452	126,731
Interfund Payable	147	445,374	445,521
Total Liabilities	1,550,092	580,262	2,130,354
Deferred Inflows of Resources			
Property Taxes	6,325,454	0	6,325,454
Payments in Lieu of Taxes	22,709	0	22,709
Unavailable Revenue	208,994	0	208,994
Total Deferred Inflows of Resources	6,557,157	0	6,557,157
Fund Balances			
Nonspendable	24,604	3,463	28,067
Restricted	0	434,767	434,767
Committed	1,765,661	0	1,765,661
Assigned	5,037,143	0	5,037,143
Unassigned (Deficit)	23,493,471	(48,046)	23,445,425
Total Fund Balances	30,320,879	390,184	30,711,063
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$38,428,128	$970,446	$39,398,574

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, 2022

Total Governmental Funds Balances		$30,711,063
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.		10,895,761
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	207,630	
Intergovernmental	1,364	
Total		208,994
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.		(73,656)
In the statement of activities, interest is accrued on outstanding leases payable whereas in the funds, an interest expenditure is reported when due.		(563)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Lease Payable	(88,087)	
Compensated Absences	(1,276,232)	
Total		(1,364,319)
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	874,155	
Deferred Outflows - Pension	2,941,993	
Deferred Outflows - OPEB	290,348	
Net Pension Liability	(7,005,315)	
Net OPEB Liability	(828,052)	
Deferred Inflows - Pension	(5,715,077)	
Deferred Inflows - OPEB	(1,603,985)	
Total		(11,045,933)
Net Position of Governmental Activities		$29,331,347

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, 2022

	General	Other Governmental Funds	Total Governmental Funds
Revenues			
Property Taxes	$7,031,491	$0	$7,031,491
Payments in Lieu of Taxes	26,199	0	26,199
Intergovernmental	6,088,382	1,070,461	7,158,843
Interest	(368,109)	355	(367,754)
Tuition and Fees	52,175	67,316	119,491
Rentals	6,900	0	6,900
Extracurricular Activities	0	27,496	27,496
Contributions and Donations	34,220	0	34,220
Charges for Services	125,629	71,483	197,112
Miscellaneous	38,498	3,024	41,522
Total Revenues	13,035,385	1,240,135	14,275,520
Expenditures			
Current:			
Instruction:			
Regular	1,294,498	0	1,294,498
Vocational	4,833,589	192,224	5,025,813
Adult/Continuing	4,078	242,819	246,897
Support Services:			
Pupil	1,293,417	136,503	1,429,920
Instructional Staff	765,740	26	765,766
Board of Education	109,505	0	109,505
Administration	816,323	173,631	989,954
Fiscal	656,352	5,809	662,161
Business	260,553	0	260,553
Operation and Maintenance of Plant	1,881,105	5,697	1,886,802
Pupil Transportation	5,117	0	5,117
Central	274,870	3,232	278,102
Operation of Food Services	0	428,158	428,158
Extracurricular Activities	12,185	20,398	32,583
Capital Outlay	2,892,190	0	2,892,190
Debt Service:			
Principal Retirement	17,731	1,188	18,919
Interest and Fiscal Charges	6,488	435	6,923
Total Expenditures	15,123,741	1,210,120	16,333,861
Excess of Revenues Over (Under) Expenditures	(2,088,356)	30,015	(2,058,341)
Other Financing Sources (Uses)			
Sale of Capital Assets	32,400	0	32,400
Transfers In	0	150,000	150,000
Transfers Out	(150,000)	0	(150,000)
Total Other Financing Sources (Uses)	(117,600)	150,000	32,400
Net Change in Fund Balances	(2,205,956)	180,015	(2,025,941)
Fund Balances Beginning of Year	32,526,835	210,169	32,737,004
Fund Balances End of Year	$30,320,879	$390,184	$30,711,063

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, 2022

Net Change in Fund Balances - Total Governmental Funds		($2,025,941)
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 capital outlay exceeded depreciation in the current period:		
Capital Outlay	2,962,657	
Depreciation	(1,934,756)	
Total		1,027,901
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.		(15,948)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:		
Property Taxes	(19,165)	
Intergovernmental	1,218	
Total		(17,947)
Accrued interest reported in the statement of activities does not require the use of current financial resources and therefore is not reported as an expenditure in the governmental funds.		(563)
Repayment of principal for the lease payable is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		18,919
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	124,279	
Vacation Benefits Payable	8,896	
Total		133,175
Contractually required contributions are reported as expenditures in the governmental funds; however, the statement of net position reports these amounts as deferred outflows:		
Pension	919,018	
OPEB	13,748	
Total		932,766
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	81,795	
OPEB	95,793	
Total		177,588
Change in Net Position of Governmental Activities		$229,950

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, 2022

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Property Taxes	$6,952,267	$6,983,064	$7,109,395	$126,331
Payments in Lieu of Taxes	0	0	26,199	26,199
Intergovernmental	5,365,273	5,365,273	6,112,132	746,859
Interest	48,196	48,196	268,187	219,991
Tuition and Fees	235,000	235,000	150	(234,850)
Rentals	18,600	6,600	6,900	300
Contributions and Donations	1,000	0	24,428	24,428
Charges for Services	4,000	0	2,905	2,905
Miscellaneous	8,250	250	50,941	50,691
Total Revenues	12,632,586	12,638,383	13,601,237	962,854
Expenditures				
Current:				
Instruction:				
Regular	1,572,072	1,573,814	1,298,768	275,046
Vocational	5,597,176	5,390,029	5,088,633	301,396
Support Services:				
Pupil	1,424,857	1,425,761	1,330,171	95,590
Instructional Staff	815,679	815,679	786,919	28,760
Board of Education	232,143	232,143	130,287	101,856
Administration	950,149	951,053	835,974	115,079
Fiscal	867,302	867,302	809,454	57,848
Business	286,269	286,269	270,947	15,322
Operation and Maintenance of Plant	2,757,009	2,757,009	2,504,820	252,189
Pupil Transportation	22,588	22,588	12,320	10,268
Central	508,623	509,165	298,275	210,890
Operation of Non-Instructional Services	350	350	0	350
Operation of Food Services	5,000	5,000	0	5,000
Extracurricular Activities	44,300	44,300	12,720	31,580
Capital Outlay	6,845,040	6,845,040	5,185,290	1,659,750
Debt Service:				
Principal Retirement	17,731	17,731	17,731	0
Interest and Fiscal Charges	6,488	6,488	6,488	0
Total Expenditures	21,952,776	21,749,721	18,588,797	3,160,924
Excess of Revenues Under Expenditures	(9,320,190)	(9,111,338)	(4,987,560)	4,123,778
Other Financing Sources (Uses)				
Sale of Capital Assets	0	0	32,250	32,250
Advances In	120,000	120,000	202,145	82,145
Advances Out	(250,000)	(445,374)	(445,374)	0
Transfers In	100,000	50,000	0	(50,000)
Transfers Out	(150,000)	(157,681)	(157,681)	0
Total Other Financing Sources (Uses)	(180,000)	(433,055)	(368,660)	64,395
Net Change in Fund Balance	(9,500,190)	(9,544,393)	(5,356,220)	4,188,173
Fund Balance Beginning of Year	27,118,051	27,118,051	27,118,051	0
Prior Year Encumbrances Appropriated	5,552,195	5,552,195	5,552,195	0
Fund Balance End of Year	$23,170,056	$23,125,853	$27,314,026	$4,188,173

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 28 non-certified employees who provide services to 726 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 ensure 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 Schools Council Workers' Compensation Group Retrospective 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, payments in lieu of taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes and payments in lieu of taxes is recognized in the fiscal year for which the taxes are levied (see Note 9). 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, and other revenue.

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 assets 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 13 and 14.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the Center, deferred inflows of resources include property taxes, payments in lieu of taxes, pension, OPEB plans, and unavailable revenue. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of June 30, 2022, but which were levied to finance fiscal year 2023 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and 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 and intergovernmental grants. 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 19. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 13 and 14.)

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 2022, investments were limited to STAR Ohio, a money market account, negotiable certificates of deposit, commercial paper, US treasury notes, municipal bonds, federal farm credit bank 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 2022, 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 for deposits and withdrawals of $100 million or more is encouraged. 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 2022 amounted to ($368,109), which includes ($10,194) 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, 2022, 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 (except for intangible right to use lease assets, which are discussed below) 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 and construction in progress, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

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

The Center is reporting intangible right to use assets related to leased equipment. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, these intangible assets are being amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

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.

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

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. Leases are recognized as a liability on the governmental fund financial statements when due.

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 and summer school and to cover a gap between estimated revenue and appropriations in the fiscal year 2023 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 – Changes in Accounting Principles

For fiscal year 2022, the Center implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases* and related guidance from (GASB) Implementation Guide No. 2019-3, *Leases*.

GASB Statement 87 enhances the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. These changes were incorporated in the Center's fiscal year 2022 financial statements. The Center recognized $107,006 in leases payable at July 1, 2021, which was offset by the intangible asset, right to use lease - equipment.

The Center is also implementing *Implementation Guide No. 2020-1,* GASB Statement No. 92*, Omnibus 2020,* and GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. These changes were incorporated in the Center's fiscal year 2022 financial statements; however, there was no effect on beginning net position/fund balance.

Note 4 – 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	($2,205,956)
Net Adjustment for Revenue Accruals	119,520
Advances In	202,145
Beginning Fair Value Adjustment for Investments	246,851
Ending Fair Value Adjustment for Investments	384,175
Net Adjustment for Expenditure Accruals	(187,970)
Advances Out	(445,374)
Perspective Differences:	
Uniform School Supplies	(15,047)
Rotary – Special Services	(8,659)
Public School Support	(214)
Encumbrances	(3,445,691)
Budget Basis	($5,356,220)

Note 5 – Fund Deficits

Fund balances at June 30, 2022, included individual fund deficits in the following funds:

	Amount
Special Revenue:	
Adult Education	$46,922
Adult Basic Education	744

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 6 – 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	$948	$0	$948
Materials and Supplies Inventory	0	2,947	2,947
Prepaids	6,856	516	7,372
Assets Held for Resale	16,800	0	16,800
Total Nonspendable	24,604	3,463	28,067
Restricted for:			
Food Service Operations	0	132,697	132,697
Scholarships	0	35,867	35,867
Student Activities	0	117,573	117,573
Student Wellness Services	0	148,630	148,630
Total Restricted	0	434,767	434,767
Committed to:			
Compensated Absences	335,109	0	335,109
Purchases on Order:			
Capital Improvements	1,430,552	0	1,430,552
Total Committed	1,765,661	0	1,765,661
Assigned to:			
Public School Support	5,466	0	5,466
Summer School/Student Programs	12,589	0	12,589
Purchases on Order:			
Student Instruction	478,667	0	478,667
Support Services	688,012	0	688,012
Extracurricular Activities	535	0	535
Capital Improvements	155,172	0	155,172
Fiscal Year 2023 Operations	3,696,702	0	3,696,702
Total Assigned	5,037,143	0	5,037,143
Unassigned (Deficit)	23,493,471	(48,046)	23,445,425
Total Fund Balances	$30,320,879	$390,184	$30,711,063

Note 7 – 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, 2022, $42,272 of the Center's total bank balance of $346,615 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, 2022, 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	$9,474,755	Average 35.3 days	AAAm	N/A
Fair Value - Level 1 Inputs:				
Money Market Account	15,072	Less than one year	AAAm	N/A
Fair Value - Level 2 Inputs:				
Negotiable Certificates of Deposit	6,369,357	Less than four years	N/A	20.30 %
Commercial Paper	7,355,888	Less than one year	A-1 or A-1+	23.45
US Treasury Notes	1,621,375	Less than three years	AA+	5.17
Municipal Bonds	1,790,617	Less than three years	AA or AAA	5.71
Federal Home Loan Mortgage Corporation Notes	1,146,368	Less than four years	AA+	N/A
Federal Home Loan Bank Notes	3,318,452	Less than three years	AA+ or AAA	10.58
Federal Farm Credit Bank Notes	283,023	Less than four years	AA+	N/A
Total Fair Value - Level 2 Inputs	21,885,080			
Total Investments	$31,374,907			

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, 2022. The money market account is measured at fair value and is valued using quoted market prices (Level 1 inputs). The Center's remaining 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 Home Loan Mortgage Corporation Notes, Federal Home Loan Bank 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 Investments of the Center carry ratings as indicated in the previous table. 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 8 – Receivables

Receivables at June 30, 2022, consisted of taxes, payments in lieu 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	$96,179
Adult Basic Education Grant	24,120
Foundation	1,364
Total	$121,663

Note 9 – 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 2022 represents collections of calendar year 2021 taxes. Real property taxes received in calendar year 2022 were levied after April 1, 2021, on the assessed value listed as of January 1, 2021, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid 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 2022 represents collections of calendar year 2021 taxes. Public utility real and tangible personal property taxes received in calendar year 2022 became a lien December 31, 2020, were levied after April 1, 2021, and are collected in calendar year 2022 with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The 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, 2022, are available to finance fiscal year 2022 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, 2022, and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset to deferred inflows of resources – property taxes.

The amount available as an advance in the general fund was $783,121 at June 30, 2022, and $861,025 at June 30, 2021. 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 2022 taxes were collected are as follows:

	2021 Second Half Collections		2022 First Half Collections	
	Amount	Percent	Amount	Percent
Real Property:				
Residential/Agricultural	$2,057,709,920	76.81 %	$2,391,081,020	79.24 %
Commercial/Industrial/Public Utility	479,101,180	17.89	478,248,050	15.85
Tangible Personal Property:				
Public Utility	141,980,690	5.30	148,321,090	4.92
Total	$2,678,791,790	100.00 %	$3,017,650,160	100.00 %
Tax rate per $1,000 of assessed valuation	$4.00		$4.00	

Payments in Lieu of Taxes

The Center is party to a tax increment financing agreement (TIF). Municipalities, townships, and counties can enter into TIF agreements, which are economic development mechanisms to finance public infrastructure improvements and, in certain circumstances, residential rehabilitation. A TIF locks in the taxable value of real property tax the value held at the time the authorizing legislation was approved. Payments derived from the increased assessed value of any improvement to real property beyond that value are directed towards a separate fund to finance the construction of public infrastructure defined within the TIF legislation. The County is paying the Center compensation payments from the TIF fund. These payments that the Center receives are presented on the financial statements as Payments in Lieu of Taxes.

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 2022 Taxes Abated
Community Reinvestment Areas:	
City of Ravenna	$2,654
City of Streetsboro	69
City of Tallmadge	2,343
Nelson Township	45
Suffield Township	579
Total	$5,690
Enterprise Zone Tax Exemptions:	
City of Ravenna	$6,496
City of Streetsboro	4,510
Rootstown Township	1,078
Total	$12,084

Note 10 – Capital Assets

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

	(Restated) Balance 6/30/21	Additions	Reductions	Balance 6/30/22
Governmental Activities:				
Capital assets not being depreciated				
Land	$140,600	$0	$0	$140,600
Construction in progress	707,376	2,350,074	(2,438,489)	618,961
Total capital assets not being depreciated	847,976	2,350,074	(2,438,489)	759,561
Capital assets being depreciated				
Buildings and improvements	25,546,674	2,737,154	(31,646)	28,252,182
Furniture, fixtures and equipment	4,314,699	217,943	(183,348)	4,349,294
Vehicles	635,742	95,975	(36,437)	695,280
Intangible right to use lease - equipment**	107,006	0	0	107,006
Total capital assets being depreciated	30,604,121	3,051,072	(251,431)	33,403,762
Accumulated depreciation/amortization				
Buildings and improvements	(17,964,784)	(1,526,315)	31,646	(19,459,453)
Furniture, fixtures and equipment	(3,092,943)	(346,522)	167,782	(3,271,683)
Vehicles	(510,562)	(38,140)	36,055	(512,647)
Intangible right to use lease - equipment**	0	(23,779)	0	(23,779)
Total accumulated depreciation/amortization	(21,568,289)	(1,934,756) *	235,483	(23,267,562)
Capital assets being depreciated, net	9,035,832	1,116,316	(15,948)	10,136,200
Governmental activities capital assets, net	$9,883,808	$3,466,390	($2,454,437)	$10,895,761

* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	$75,437
Vocational	1,694,598
Adult/Continuing	12,874
Support Services:	
Pupil	17,494
Instructional Staff	31,083
Board of Education	1,972
Administration	18,085
Fiscal	4,063
Operation and Maintenance of Plant	30,729
Pupil Transportation	19,902
Operation of Non-Instructional Services	24,283
Operation of Food Services	4,236
Total Depreciation Expense	$1,934,756

** Of the current year depreciation total of $1,934,756, the amounts of $6,324, $7,994, $2,342, and $7,119 are presented as regular instruction, vocational instruction, pupil support services, and administration support services expenses, respectively, on the statement of activities related to the Center's intangible asset of copiers, which is included as an Intangible Right to Use Lease. With the implementation of Governmental Accounting Standards Board Statement No. 87, *Leases*, a lease meeting the criteria of this statement requires the lessee to recognize the lease liability and an intangible right to use asset.

Note 11 – 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, 2022, the Center had two lots held for resale with a value of $16,800.

Note 12 – 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 2022, the Center participated in the Ohio Schools Council Workers' Compensation Group Retrospective Rating Program (GRP) through Sheakley Unicomp, an insurance purchasing pool (See Note 21). The intent of the program is to achieve the benefit of a reduced premium for the Center by virtue of its grouping and representation with other participants in the program. The participating schools districts pay experience or rate based premiums to the Bureau of Workers' Compensation (BWC). The total premium for the entire group is the standard premium of the group. The BWC recalculates the group retrospective premium twelve months after the end of the policy year, based on developed incurred claim losses. If the new calculated premium is lower than the standard premium, the BWC will distribute a refund to the school districts in the group. Participation in the program is limited to school districts that can meet the Ohio Schools Council's selection criteria. The firm of Sheakley provides administrative, cost control, and actuarial services for the program.

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 13 – Defined Benefit Pension Plans

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

Net Pension Liability/Net OPEB Liability (Asset)

The net pension liability and the net OPEB liability (asset) reported on the statement of net position represent liabilities (asset) 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/OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension/OPEB liability (asset) represents 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 include 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 14 for the required OPEB disclosures.

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	Age 65 with 5 years of service credit; or Any age with 30 years of service credit	Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit
Actuarially Reduced Benefits	Age 60 with 5 years of service credit Age 55 with 25 years of service credit	Age 62 with 10 years of service credit; or Age 60 with 25 years of service credit

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

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on 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. New benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. The COLA is indexed to the percentage increase in the CPI-W, not to exceed 2.5 percent and with a floor of 0 percent. A three-year COLA suspension was in effect for all benefit recipients for the years 2018, 2019, and 2020. The Retirement Board approved a 0.5 percent COLA for calendar year 2021.

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

The Center's contractually required contribution to SERS was $222,282 for fiscal year 2022. Of this amount $5,104 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 retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information, and detailed information about STRS' fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS website at www.strsoh.org.

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan, and a Combined 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, 2026, 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 on or after July 1, 2013, 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 2022 employer and employee contribution rate of 14 percent was equal to the statutory maximum rates. For fiscal year 2022, the full employer contribution was allocated to pension.

The Center's contractually required contribution to STRS was $696,736 for fiscal year 2022. Of this amount $79,648 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, 2021, 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	0.04618930%	0.04146024%	
Prior Measurement Date	0.04302490%	0.04004931%	
Change in Proportionate Share	0.00316440%	0.00141093%	
Proportionate Share of the Net Pension Liability	$1,704,251	$5,301,064	$7,005,315
Pension Expense	($30,491)	($51,304)	($81,795)

At June 30, 2022, 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	$164	$163,777	$163,941
Changes of assumptions	35,886	1,470,610	1,506,496
Changes in proportionate share and difference between Center contributions and proportionate share of contributions	120,385	232,153	352,538
Center contributions subsequent to the measurement date	222,282	696,736	919,018
Total Deferred Outflows of Resources	$378,717	$2,563,276	$2,941,993
Deferred Inflows of Resources			
Differences between expected and actual experience	$44,198	$33,227	$77,425
Net difference between projected and actual earnings on pension plan investments	877,739	4,568,503	5,446,242
Changes in proportionate share and difference between Center contributions and proportionate share of contributions	32,118	159,292	191,410
Total Deferred Inflows of Resources	$954,055	$4,761,022	$5,715,077

$919,018 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2023	($172,522)	($798,455)	($970,977)
2024	(146,990)	(621,875)	(768,865)
2025	(208,695)	(625,731)	(834,426)
2026	(269,413)	(848,421)	(1,117,834)
Total	($797,620)	($2,894,482)	($3,692,102)

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, 2021, compared with June 30, 2020, are presented as follows:

	June 30, 2021	June 30, 2020
Inflation	2.4 percent	3.00 percent
Future Salary Increases, including inflation	3.25 percent to 13.58 percent	3.50 percent to 18.20 percent
COLA or Ad Hoc COLA	2.0 percent, on or after April 1, 2018, COLAs for future retirees will be delayed for three years following commencement	2.5 percent
Investment Rate of Return	7.00 percent net of System expenses	7.50 percent net of investment expense, including inflation
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)	Entry Age Normal (Level Percent of Payroll)

Mortality rates for 2021 were based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

Mortality rates for 2020 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, 2020.

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 rebalancing uncorrelated asset classes.

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

Discount Rate The total pension liability for 2021 was calculated using the discount rate of 7.00 percent. The discount rate for 2020 was 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 (7.00 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on 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 7.00 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 (6.00 percent), or one percentage point higher (8.00 percent) than the current rate.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Center's proportionate share of the net pension liability	$2,835,455	$1,704,251	$750,257

Actuarial Assumptions – STRS

Key methods and assumptions used in the June 30, 2021, actuarial valuation compared to those used in the June 30, 2020, actuarial valuation are presented as follows:

	June 30, 2021	June 30, 2020
Inflation	2.50 percent	2.50 percent
Projected Salary Increases	12.50 percent at age 20 to 2.50 percent at age 65	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation	7.45 percent, net of investment expenses, including inflation
Discount Rate of Return	7.00 percent	7.45 percent
Payroll Increases	3.00 percent	3.00 percent
Cost of Living Adjustments (COLA)	0.0 percent	0.0 percent

Post-retirement 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. 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 June 30, 2021, 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, and are net of investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Discount Rate The discount rate used to measure the total pension liability was 7.00 percent as of June 30, 2021, and 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, 2021. Therefore, the long-term expected rate of return on pension plan investments of 7.00 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2021.

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 7.00 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 (6.00 percent) or one percentage point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Center's proportionate share of the net pension liability	$9,926,910	$5,301,064	$1,392,235

Changes Between the Measurement Date and the Reporting Date In February 2022, the Board approved changes to demographic measures that will impact the June 30, 2022, actuarial valuation. These demographic measures include retirement, salary increase, disability/termination and mortality assumptions. In March 2022, the STRS Board approved benefit plan changes to take effect on July 1, 2022. These changes include a one-time 3 percent cost of living increase (COLA) to be paid to eligible benefit recipients and the elimination of the age 60 requirement for retirement age and service eligibility that was set to take effect in 2026. The effect on the net pension liability is unknown.

Note 14 – Defined Benefit OPEB Plans

See Note 13 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. The following types of credit purchased after January 29, 1981, do not count toward health care coverage eligibility: military, federal, out-of-state, municipal, private school, exempted, and early retirement incentive credit. 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 2022, 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 2022, this amount was $25,000. 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 2022, the Center's surcharge obligation was $13,748.

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 $13,748 for fiscal year 2022, 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 – 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, 2022, STRS did not allocate any employer contributions to postemployment health care.

OPEB Liability (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, 2021, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of that date. The 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	0.04375250%	0.04146024%	
Prior Measurement Date	0.04129770%	0.04004931%	
Change in Proportionate Share	0.00245480%	0.00141093%	
Proportionate Share of the:			
Net OPEB Liability	$828,052	$0	$828,052
Net OPEB (Asset)	$0	($874,155)	($874,155)
OPEB Expense	($28,849)	($66,944)	($95,793)

At June 30, 2022, 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	$8,826	$31,126	$39,952
Changes of assumptions	129,902	55,837	185,739
Changes in proportionate share and difference between Center contributions and proportionate share of contributions	42,018	8,891	50,909
Center contributions subsequent to the measurement date	13,748	0	13,748
Total Deferred Outflows of Resources	$194,494	$95,854	$290,348
Deferred Inflows of Resources			
Differences between expected and actual experience	$412,407	$160,161	$572,568
Changes of assumptions	113,395	521,497	634,892
Net difference between projected and actual earnings on OPEB plan investments	17,990	242,301	260,291
Changes in proportionate share and difference between Center contributions and proportionate share of contributions	106,172	30,062	136,234
Total Deferred Inflows of Resources	$649,964	$954,021	$1,603,985

$13,748 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 to the net OPEB asset in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2023	($113,470)	($244,656)	($358,126)
2024	(113,596)	(238,591)	(352,187)
2025	(108,515)	(238,866)	(347,381)
2026	(87,246)	(102,701)	(189,947)
2027	(38,653)	(34,267)	(72,920)
Thereafter	(7,738)	914	(6,824)
Total	($469,218)	($858,167)	($1,327,385)

Actuarial Assumptions – SERS

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

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

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

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2021, compared with June 30, 2020, are presented as follows:

	June 30, 2021	June 30, 2020
Inflation	2.40 percent	3.00 percent
Future Salary Increases, including inflation		
Wage Increases	3.25 percent to 13.58 percent	3.50 percent to 18.20 percent
Investment Rate of Return	7.00 percent net of investment expense, including inflation	7.50 percent net of investment expense, including inflation
Municipal Bond Index Rate:		
Measurement Date	1.92 percent	2.45 percent
Prior Measurement Date	2.45 percent	3.13 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation:		
Measurement Date	2.27 percent	2.63 percent
Prior Measurement Date	2.63 percent	3.22 percent
Medical Trend Assumption:		
Medicare	5.125 to 4.40 percent	5.25 to 4.75 percent
Pre-Medicare	6.75 to 4.40 percent	7.00 to 4.75 percent

For 2021, mortality rates among healthy retirees were based on the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females. Mortality rates for contingent survivors were based on PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5 percent for males and adjusted 122.5 percent for females. Mortality rates for actives is based on PUB-2010 General Amount Weighted Below Median Employee mortality table.

For 2020, 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, 2020.

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2015 through 2020, and was adopted by the Board in 2021. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a 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, 7.00 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans, which covers a longer 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 13.

Discount Rate The discount rate used to measure the total OPEB liability at June 30, 2021, was 2.27 percent. The discount rate used to measure total OPEB liability prior to June 30, 2021, was 2.63 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the contribution rate of 1.50 percent of projected covered payroll each year, which includes a 1.50 percent payroll surcharge and no contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make all projected future benefit payments of current System members by SERS actuaries. The Municipal Bond Index Rate is used in the determination of the SEIR for both the June 30, 2020, and the June 30, 2021, total OPEB liability. The Municipal Bond Index rate is the single rate that will generate a present value of benefit payments equal to the sum of the present value determined by the long-term expected rate of return, and the present value determined by discounting those benefits after the date of depletion. The Municipal Bond Index Rate is 1.92 percent at June 30, 2021, and 2.45 percent at June 30, 2020.

Sensitivity of the 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, what the Center's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.27 percent) and higher (3.27 percent) than the current discount rate (2.27 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 1 percentage point lower (5.75 percent decreasing to 3.40 percent) and higher (7.75 percent decreasing to 5.40 percent) than the current rate.

	1% Decrease (1.27%)	Current Discount Rate (2.27%)	1% Increase (3.27%)
Center's proportionate share of the net OPEB liability	$1,026,057	$828,052	$669,872

	1% Decrease (5.75% decreasing to 3.40%)	Current Trend Rate (6.75% decreasing to 4.40%)	1% Increase (7.75% decreasing to 5.40%)
Center's proportionate share of the net OPEB liability	$637,532	$828,052	$1,082,528

Actuarial Assumptions – STRS

Key methods and assumptions used in the June 30, 2021, actuarial valuation and the June 30, 2020, actuarial valuation are presented as follows:

	June 30, 2021	June 30, 2020
Projected Salary Increases	12.50 percent at age 20 to 2.50 percent at age 65	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation	7.45 percent, net of investment expenses, including inflation
Payroll Increases	3 percent	3 percent
Discount Rate of Return	7.00 percent	7.45 percent
Health Care Cost Trends:		
Medical:		
Pre-Medicare	5.00 percent initial, 4 percent ultimate	5.00 percent initial, 4 percent ultimate
Medicare	-16.18 percent initial, 4 percent ultimate	-6.69 percent initial, 4 percent ultimate
Prescription Drug:		
Pre-Medicare	6.50 percent initial, 4 percent ultimate	6.50 percent initial, 4 percent ultimate
Medicare	29.98 initial, 4 percent ultimate	11.87 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, 2021, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

The non-Medicare subsidy percentage was increased effective January 1, 2022, from 2.055 percent to 2.1 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D Subsidy was updated to reflect it is expected to be negative in calendar year 2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

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 13.

Discount Rate The discount rate used to measure the total OPEB liability was 7.00 percent as of June 30, 2021, and 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, 2021. Therefore, the long-term expected rate of return on health care plan investments of 7.00 percent was used to measure the total OPEB liability as of June 30, 2021.

Sensitivity of the Center's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rates The following table represents the Center's proportionate share of the net OPEB asset as of June 30, 2021, calculated using the current period discount rate assumption of 7.00 percent, as well as what the 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 (6.00 percent) or one percentage point higher (8.00 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 (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Center's proportionate share of the net OPEB asset	($737,652)	($874,155)	($988,183)

	1% Decrease	Current Trend Rate	1% Increase
Center's proportionate share of the net OPEB asset	($983,563)	($874,155)	($738,863)

Changes Between the Measurement Date and the Reporting Date In February 2022, the Board approved changes to demographic measures that will impact the June 30, 2022, actuarial valuation. The effect on the net OPEB liability (asset) is unknown.

Note 15 – 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 16 – Long-Term Obligations

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

	(Restated) Amount Outstanding 06/30/21	Additions	Reductions	Amount Outstanding 06/30/22	Amount Due in One Year
Governmental Activities					
Net Pension Liability:					
SERS	$2,845,758	$0	($1,141,507)	$1,704,251	$0
STRS	9,690,508	0	(4,389,444)	5,301,064	0
Total Net Pension Liability	12,536,266	0	(5,530,951)	7,005,315	0
Net OPEB Liability - SERS	897,534	0	(69,482)	828,052	0
Lease Payable	107,006	0	(18,919)	88,087	22,208
Compensated Absences	1,400,511	37,795	(162,074)	1,276,232	71,626
Total Governmental Activities Long-Term Liabilities	$14,941,317	$37,795	($5,781,426)	$9,197,686	$93,834

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 and the food service, adult education, and adult basic education special revenue funds. For additional information related to the net pension liability and the net OPEB liability, see Notes 13 and 14. The lease will be paid from the general fund and adult basic education special revenue fund. Compensated absences will be paid from the general fund and the food service special revenue fund.

The Center's overall legal debt margin was $271,588,514 with an unvoted debt margin of $3,017,650 at June 30, 2022.

The Center has an outstanding agreement to lease copiers. Due to the implementation of GASB Statement 87, this lease has met the criteria of a lease, thus requiring it to be recorded by the Center. The future lease payments were discounted based on the interest rate implicit in the lease or using the Center's incremental borrowing rate. This discount is being amortized using the interest method over the life of the lease. A summary of the principal and interest amounts for the remaining lease is as follows:

Fiscal Year	Principal	Interest
2023	$22,208	$5,984
2024	23,971	4,220
2025	25,875	2,316
2026	16,033	412
	$88,087	$12,932

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, 2022, 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, ODE adjustments for fiscal year 2022 are finalized, and a receivable has been recorded on the financial statements.

Litigation

The Center is not party to legal proceedings as of June 30, 2022.

Note 18 – Interfund Transactions

Interfund Balances

Interfund balances at June 30, 2022, consisted of the following:

	Interfund Receivable		
Interfund Payable	General	Other Governmental Funds Food Service	Total Governmental Funds
General	$0	$147	$147
Other Governmental Funds:			
Adult Education	80,000	0	80,000
Adult Basic Education	50,000	0	50,000
Governor's Emerency Education Relief	199,389	0	199,389
Vocational Education	115,985	0	115,985
Total Governmental Funds	$445,374	$147	$445,521

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

During fiscal year 2022, the general fund transferred $150,000 to other governmental funds to support the operations of the adult education fund.

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, 2022, 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, 2021	$223,362	$0
Current Year Set-Aside Requirement	0	112,938
Qualifying Disbursements	0	(112,938)
Total	$223,362	$0
Set-Aside Balance Carried Forward to Future Fiscal Years	$223,362	$0
Set-Aside Balance as of June 30, 2022	$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 $138,396 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 Schools Council Workers' Compensation Group Retrospective Rating Program

The Center participates in the Ohio Schools Council Workers' Compensation Group Retrospective Rating Program, an insurance purchasing pool through Sheakley Unicomp. Each district supports the Council by paying an annual participation fee. The program was created for the purpose of reducing the cost of workers' compensation premiums.

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, 2022:

Vendor	Contract Amount	Amount Paid	Remaining on Contract
Whitehouse Construction	$2,030,998	$0	$2,030,998
Gardiner	217,904	0	217,904
Total	$2,248,902	$0	$2,248,902

Remaining commitment amounts were encumbered at fiscal year end. Accounts payable of $72,248 and contracts payable of $618,961 have been capitalized.

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	$3,445,691
Other Governmental Funds	313,237
Total Governmental Funds	$3,758,928

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 2021 while the national state of emergency continues. During fiscal year 2022, the Center received COVID-19 funding. The financial impact of COVID-19 and the continuing recovery measures will impact subsequent periods of the Center. The impact on the Center's future operating costs, revenues, and additional recovery from funding, either Federal or State, cannot be estimated.

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 Nine Fiscal Years (1) **

	2022	2021	2020
Center's Proportion of the Net Pension Liability	0.04618930%	0.04302490%	0.04541190%
Center's Proportionate Share of the Net Pension Liability	$1,704,251	$2,845,758	$2,717,074
Center's Covered Payroll	$1,599,857	$1,510,914	$1,559,052
Center's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	106.53%	188.35%	174.28%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.86%	68.55%	70.85%

(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 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

2019	2018	2017	2016	2015	2014
0.04635450%	0.04621090%	0.04777110%	0.04478510%	0.04722100%	0.04722100%
$2,654,808	$2,760,999	$3,496,404	$2,555,481	$2,389,827	$2,808,081
$1,568,800	$1,475,507	$1,489,814	$1,346,671	$1,373,643	$1,411,725
169.23%	187.12%	234.69%	189.76%	173.98%	198.91%
71.36%	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 Six Fiscal Years (1) **

	2022	2021	2020
Center's Proportion of the Net OPEB Liability	0.04375250%	0.04129770%	0.04363290%
Center's Proportionate Share of the Net OPEB Liability	$828,052	$897,534	$1,097,276
Center's Covered Payroll	$1,599,857	$1,510,914	$1,559,052
Center's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	51.76%	59.40%	70.38%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	24.08%	18.17%	15.57%

(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

2019	2018	2017
0.04474200%	0.04545950%	0.04689280%
$1,241,264	$1,220,014	$1,336,618
$1,568,800	$1,475,507	$1,489,814
79.12%	82.68%	89.72%
13.57%	12.46%	11.49%

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 Nine Fiscal Years (1) **

	2022	2021	2020
Center's Proportion of the Net Pension Liability	0.04146024%	0.04004931%	0.03992687%
Center's Proportionate Share of the Net Pension Liability	$5,301,064	$9,690,508	$8,829,587
Center's Covered Payroll	$5,182,993	$4,856,886	$4,745,864
Center's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	102.28%	199.52%	186.05%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	87.80%	75.50%	77.40%

(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 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

2019	2018	2017	2016	2015	2014
0.04117158%	0.04259038%	0.04206433%	0.04337660%	0.04381959%	0.04381959%
$9,052,706	$10,117,436	$14,080,199	$11,988,023	$10,658,441	$12,696,265
$4,609,557	$4,700,086	$4,504,000	$4,471,936	$4,500,907	$4,767,469
196.39%	215.26%	312.62%	268.07%	236.81%	266.31%
77.30%	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 Six Fiscal Years (1) **

	2022	2021	2020
Center's Proportion of the Net OPEB Asset/Liability	0.04146024%	0.04004931%	0.03992687%
Center's Proportionate Share of the:			
Net OPEB Asset	$874,155	$703,866	$661,285
Net OPEB Liability	0	0	0
Center's Covered Payroll	$5,182,993	$4,856,886	$4,745,864
Center's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	(16.87%)	(14.49%)	(13.93%)
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	174.70%	182.10%	174.70%

(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

2019	2018	2017
0.04117158%	0.04259038%	0.04206433%
$661,585	$0	$0
0	1,661,719	2,249,611
$4,609,557	$4,700,086	$4,504,000
(14.35%)	35.36%	49.95%
176.00%	47.10%	37.30%

Maplewood Career Center

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

	2022	2021	2020	2019
Net Pension Liability				
Contractually Required Contribution	$222,282	$223,980	$211,528	$210,472
Contributions in Relation to the Contractually Required Contribution	(222,282)	(223,980)	(211,528)	(210,472)
Contribution Deficiency (Excess)	$0	$0	$0	$0
Center Covered Payroll (1)	$1,587,729	$1,599,857	$1,510,914	$1,559,052
Pension Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	13.50%
Net OPEB Liability				
Contractually Required Contribution (2)	$13,748	$10,216	$10,690	$20,811
Contributions in Relation to the Contractually Required Contribution	(13,748)	(10,216)	(10,690)	(20,811)
Contribution Deficiency (Excess)	$0	$0	$0	$0
OPEB Contributions as a Percentage of Covered Payroll	0.87%	0.64%	0.71%	1.33%
Total Contributions as a Percentage of Covered Payroll (2)	14.87%	14.64%	14.71%	14.83%

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

See accompanying notes to the required supplementary information

2018	2017	2016	2015	2014	2013
$211,788	$206,571	$208,574	$177,491	$190,387	$195,383
(211,788)	(206,571)	(208,574)	(177,491)	(190,387)	(195,383)
$0	$0	$0	$0	$0	$0
$1,568,800	$1,475,507	$1,489,814	$1,346,671	$1,373,643	$1,411,725
13.50%	14.00%	14.00%	13.18%	13.86%	13.84%
$21,869	$18,144	$17,215	$24,908	$14,440	$14,825
(21,869)	(18,144)	(17,215)	(24,908)	(14,440)	(14,825)
$0	$0	$0	$0	$0	$0
1.39%	1.23%	1.16%	1.85%	1.05%	1.05%
14.89%	15.23%	15.16%	15.03%	14.91%	14.89%

Maplewood Career Center

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

	2022	2021	2020	2019
Net Pension Liability				
Contractually Required Contribution	$696,736	$725,619	$679,964	$664,421
Contributions in Relation to the Contractually Required Contribution	(696,736)	(725,619)	(679,964)	(664,421)
Contribution Deficiency (Excess)	$0	$0	$0	$0
Center Covered Payroll (1)	$4,976,686	$5,182,993	$4,856,886	$4,745,864
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

2018	2017	2016	2015	2014	2013
$645,338	$658,012	$630,560	$626,071	$585,118	$619,771
(645,338)	(658,012)	(630,560)	(626,071)	(585,118)	(619,771)
$0	$0	$0	$0	$0	$0
$4,609,557	$4,700,086	$4,504,000	$4,471,936	$4,500,907	$4,767,469
14.00%	14.00%	14.00%	14.00%	13.00%	13.00%
$0	$0	$0	$0	$45,009	$47,675
0	0	0	0	(45,009)	(47,675)
$0	$0	$0	$0	$0	$0
0.00%	0.00%	0.00%	0.00%	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 2022, an assumption of 2.0 percent was used for COLA or Ad Hoc Cola. For fiscal years 2018 through 2021, an assumption of 2.5 percent was used. Prior to 2018, an assumption of 3 percent was used.

Amounts reported in 2022 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 prior years are presented as follows:

	Fiscal Year 2022	Fiscal Years 2021-2017	Fiscal Year 2016 and Prior
Wage Inflation	2.4 percent	3.00 percent	3.25 percent
Future Salary Increases, including inflation	3.25 percent to 13.58 percent	3.50 percent to 18.20 percent	4.00 percent to 22.00 percent
Investment Rate of Return	7.0 percent net of system expenses	7.50 percent net of investments expense, including inflation	7.75 percent net of investments expense, including inflation

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

Amounts report for 2017 through 2021 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 2022, 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 years 2018-2021 and fiscal year 2017 and prior are presented as follows:

	Fiscal Year 2022	Fiscal Years 2021-2018	Fiscal Year 2017 and Prior
Inflation	2.50 percent	2.50 percent	2.75 percent
Projected Salary Increases	12.50 percent at age 20 to 2.50 percent at age 65	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	7.00 percent, net of investment expenses, including inflation	7.45 percent, net of investment expenses, including inflation	7.75 percent, net of investment expenses, including inflation
Payroll Increases	3 percent	3 percent	3.5 percent
Cost of Living Adjustments (COLA)	0.0 percent, effective July 1, 2017	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

Beginning with fiscal year 2022, amounts reported incorporate changes in assumptions and changes in benefit terms used by SERS in calculating the total OPEB liability in the latest actuarial valuation. These new assumptions compared with those used in fiscal year 2021 and prior are presented as follows:

	2022	2021 and Prior
Inflation	2.40 percent	3.00 percent
Future Salary Increases, including inflation		
Wage Increases	3.25 percent to 13.58 percent	3.50 percent to 18.20 percent
Investment Rate of Return	7.00 percent net of investment expense, including inflation	7.50 percent net of investment expense, including inflation

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

Municipal Bond Index Rate:	
Fiscal year 2022	1.92 percent
Fiscal year 2021	2.45 percent
Fiscal year 2020	3.13 percent
Fiscal year 2019	3.62 percent
Fiscal year 2018	3.56 percent
Fiscal year 2017	2.92 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation:	
Fiscal year 2022	2.27 percent
Fiscal year 2021	2.63 percent
Fiscal year 2020	3.22 percent
Fiscal year 2019	3.70 percent
Fiscal year 2018	3.63 percent
Fiscal year 2017	2.98 percent

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.

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

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 were scheduled to 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 were scheduled to 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.

For fiscal year 2022, there was no change to the claims costs process. Claim curves were updated to reflect the projected fiscal year ending June 30, 2022, premium based on June 30, 2021, enrollment distribution. The non-Medicare subsidy percentage was increased effective January 1, 2022, from 2.055 percent to 2.1 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D Subsidy was updated to reflect it is expected to be negative in calendar year 2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

MAPLEWOOD CAREER CENTER
PORTAGE COUNTY, OHIO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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	051391-3L70-22	10.553	$ 66,923
National School Lunch Program	051391-3L60-22	10.555	314,018
COVID-19 National School Lunch Program	051391-3L60-22	10.555	19,039
Cash Assistance Subtotal			399,980
Non-Cash Assistance (Food Distribution):			
National School Lunch Program	N/A	10.555	24,723
Non-Cash Assistance Subtotal			24,723
Total Child Nutrition Cluster:			424,703
P-EBT Administrative Cost Reimbursement	051391-3HF0-22	10.649	614
Total U.S. Department of Agriculture			**425,317**
U.S. DEPARTMENT OF EDUCATION			
Passed Through Ohio Department of Education:			
Adult Education, Basic Grants to States	051391-ABS1-22	84.002	217,056
Career and Technical Education, Basic Grants to States	051391-3L90-21	84.048	29,148
Career and Technical Education, Basic Grants to States	051391-3L90-22	84.048	162,203
Total Career and Technical Education, Basic Grants to States			191,351
COVID-19 Governor's Emergency Education Relief Fund	051391-3HS0-22	84.425C	1,555
Total U.S. Department of Education			**409,962**
Total Federal Financial Assistance			**$ 835,279**

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

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

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, 2022. 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 2022 to 2023 programs:

Program Title	CFDA Number	Amt. Transferred
ASPIRE	84.002A	$ 42,083
National School Lunch Program	10.555	$ 81,684

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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
Ravenna, Ohio 44266

To the Board of Education:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States *(Government Auditing Standards)*, the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Maplewood Career Center, Portage County, (the Center) as of and for the year ended June 30, 2022, 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 27, 2023 wherein we noted the financial impact of COVID-19 and the continuing emergency measurers which may impact subsequent periods of the Center.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Keith Faber
Auditor of State
Columbus, Ohio

February 27, 2023

OHIO AUDITOR OF STATE
KEITH FABER

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE 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 Program

Opinion on the Major Federal Program

We have audited Maplewood Career Center's, Portage County, (Center) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on Maplewood Career Center's major federal program for the year ended June 30, 2022. Maplewood Career Center's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, Maplewood Career Center complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2022.

Basis for Opinion on the Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Keith Faber
Auditor of State
Columbus, Ohio

February 27, 2023

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MAPLEWOOD CAREER CENTER
PORTAGE COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
June 30, 2022

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	**Type of Financial Statement Opinion**	Unmodified
(d)(1)(ii)	**Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?**	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
(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 3/14/2023

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