



OHIO AUDITOR OF STATE
KEITH FABER



**VANTAGE CAREER CENTER
VAN WERT COUNTY
JUNE 30, 2023**

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VANTAGE CAREER CENTER
VAN WERT COUNTY
JUNE 30, 2023

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Vantage Career Center
Van Wert County
818 North Franklin Street
Van Wert, Ohio 45891

To the Board of Education:

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Vantage Career Center, Van Wert County, Ohio as of June 30, 2023, and the respective changes in financial position and the respective budgetary comparison for the General fund for the fiscal 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 Career Center, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 19 to the financial statements, the financial impact of COVID-19 and the continuing recovery measures may impact subsequent periods of the Career Center. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

Efficient • Effective • Transparent

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Career 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 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2023, on our consideration of the Career Centers's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Career Center's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Career Center's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

December 20, 2023

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**VANTAGE CAREER CENTER
VAN WERT COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

Financial Highlights

Key financial highlights for fiscal year 2023 are as follows:

- In total, net position of governmental activities increased \$2,339,051 which represents a 7.44% increase from fiscal year 2022's net position.
- General revenues accounted for \$12,439,490 in revenue or 81.56% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$2,813,207 or 18.44% of total revenues of \$15,252,697.
- The Career Center had \$12,913,646 in expenses related to governmental activities; only \$2,813,207 of these expenses were offset by program specific charges for services, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$12,439,490 were adequate to provide for these programs.
- The Career Center's major governmental funds are the general fund, bond retirement fund, and permanent improvement fund. The general fund had \$10,465,231 in revenues and \$9,160,659 in expenditures and other financing uses. The general fund's fund balance increased \$1,304,572 from a balance of \$14,621,480 to \$15,926,052.
- The bond retirement fund had \$1,444,887 in revenues and \$1,204,005 in expenditures. The bond retirement fund's fund balance increased \$240,882 from \$1,160,423 to \$1,401,305.
- The permanent improvement fund had \$1,073,308 in revenues and \$695,435 in expenditures. The permanent improvement fund balance increased \$377,873 from \$2,513,877 to \$2,891,750.

Using the Basic Financial Statements (BFS)

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

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

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Reporting the Career Center as a Whole

Statement of Net Position and the Statement of Activities

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

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

In the statement of net position and the statement of activities, the governmental activities include the Career Center's programs and services, including instruction, support services, operation and maintenance of plant, pupil transportation, extracurricular activities and food service operations.

Reporting the Career Center's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the Career Center's major funds. The Career Center uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the Career Center's most significant funds. The Career Center's major governmental funds are the general fund, bond retirement fund, and permanent improvement fund.

Governmental Funds

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

Notes to the Basic Financial Statements

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

Required Supplementary Information

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

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

The Career Center as a Whole

The table that follows provides a summary of the Career Center's net position at June 30, 2023 and June 30, 2022.

	Net Position	
	Governmental Activities	Governmental Activities
	<u>2023</u>	<u>2022</u>
<u>Assets</u>		
Current and other assets	\$ 28,879,606	\$ 27,339,290
Net OPEB asset	827,686	660,482
Capital assets, net	<u>28,752,192</u>	<u>28,920,013</u>
Total assets	<u>58,459,484</u>	<u>56,919,785</u>
<u>Deferred Outflows of Resources</u>		
Unamortized deferred charges on debt refunding		
Pension	2,292,496	2,394,683
OPEB	<u>219,192</u>	<u>270,308</u>
Total deferred outflows of resources	<u>2,511,688</u>	<u>2,664,991</u>
<u>Liabilities</u>		
Current liabilities	1,142,740	1,081,520
Long-term liabilities:		
Due within one year	1,027,810	982,931
Due in more than one year:		
Net pension liability	8,928,367	5,272,420
Net OPEB liability	467,655	621,579
Other amounts	<u>8,122,749</u>	<u>9,280,699</u>
Total liabilities	<u>19,689,321</u>	<u>17,239,149</u>
<u>Deferred Inflows of Resources</u>		
Property taxes and PILOTs levied for next year	5,344,376	5,380,123
Unamortized deferred charges on debt refunding	102,365	116,167
Pension	809,586	4,243,893
OPEB	<u>1,227,758</u>	<u>1,146,729</u>
Total deferred inflows of resources	<u>7,484,085</u>	<u>10,886,912</u>
<u>Net position</u>		
Net investment in capital assets	19,969,928	19,137,970
Restricted	6,546,065	6,172,339
Unrestricted	<u>7,281,773</u>	<u>6,148,406</u>
Total net position	<u>\$ 33,797,766</u>	<u>\$ 31,458,715</u>

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

GASB standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OPEB liability*. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability/asset to equal the Career Center's proportionate share of each plan's collective:

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

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

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

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

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

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Over time, net position can serve as a useful indicator of a government’s financial position. At June 30, 2023, the Career Center’s assets and deferred outflows exceeded liabilities and deferred inflows by \$33,797,766.

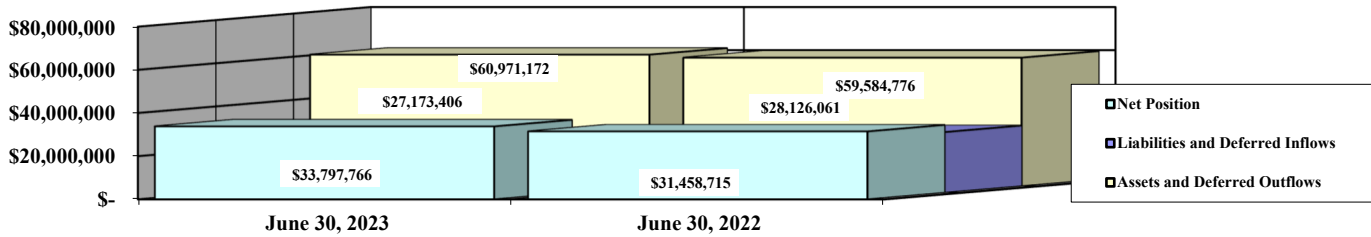
Total assets include a net OPEB asset reported by STRS. See Note 13 for more detail.

At year-end, capital assets represented 49.18% of total assets. Capital assets include land, land improvements, buildings and improvements, furniture and equipment and vehicles. The Career Center’s net investment in capital assets at June 30, 2023, was \$19,969,928. These capital assets are used to provide services to the students and are not available for future spending. Although the Career Center’s investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the Career Center’s net position, \$6,546,065, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position is \$7,281,773.

The graph below shows the changes in net position at June 30, 2023 and June 30, 2022.

Governmental - Net Position



**VANTAGE CAREER CENTER
VAN WERT COUNTY**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

	Governmental Activities <u>2023</u>	Governmental Activities <u>2022</u>
<u>Revenues</u>		
Program revenues:		
Charges for services and sales	\$ 1,229,512	\$ 940,669
Operating grants and contributions	1,522,219	1,739,741
Capital grants and contributions	61,476	-
General revenues:		
Property taxes	6,373,730	5,676,781
Payments in lieu of taxes	482,592	418,816
Grants and entitlements	5,113,909	4,660,470
Investment earnings	455,859	(76,134)
Miscellaneous	<u>13,400</u>	<u>7,789</u>
Total revenues	<u>15,252,697</u>	<u>13,368,132</u>
<u>Expenses</u>		
Program expenses:		
Instruction:		
Regular	21,485	19,802
Vocational	6,321,048	6,086,251
Adult education	1,251,094	1,061,934
Support services:		
Pupil	856,101	782,907
Instructional staff	846,104	786,527
Board of education	100,106	149,525
Administration	602,131	493,089
Fiscal	526,551	479,754
Business	1,540	7,530
Operations and maintenance	1,674,846	1,437,344
Pupil transportation	5,267	12,398
Central	198,075	174,498
Operation of non-instructional services:		
Food service operations	262,800	236,564
Other non-instructional services	525	350
Extracurricular activities	104,991	107,939
Interest and fiscal charges	<u>140,982</u>	<u>280,210</u>
Total expenses	<u>12,913,646</u>	<u>12,116,622</u>
Changes in net position	2,339,051	1,251,510
Net position at beginning of year	<u>31,458,715</u>	<u>30,207,205</u>
Net position at end of year	<u>\$ 33,797,766</u>	<u>\$ 31,458,715</u>

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

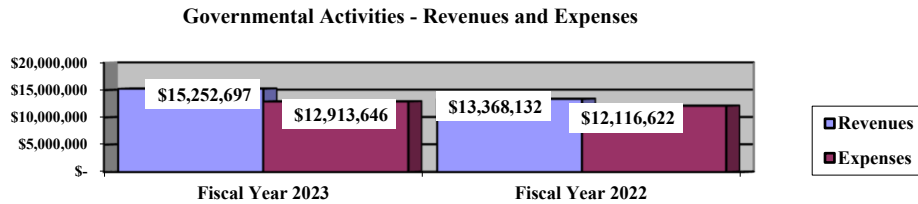
Governmental Activities

Net position of the Career Center's governmental activities increased \$2,339,051. Total governmental expenses of \$12,913,646 were offset by program revenues of \$2,813,207 and general revenues of \$12,439,490. Program revenues supported 21.78% of the total governmental expenses.

Overall, expenses of the governmental activities increased \$797,024 or 6.58% from fiscal year 2022.

The largest source of revenue comes from property taxes and payments in lieu of taxes and unrestricted grants and entitlements, which account for 78.48% of total governmental revenues. Unrestricted grants and entitlements include monies received from the Ohio Department of Education, State foundation, and property tax relief such as homestead rollbacks and exemptions.

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



The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for fiscal years 2023 and 2022. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

Governmental Activities

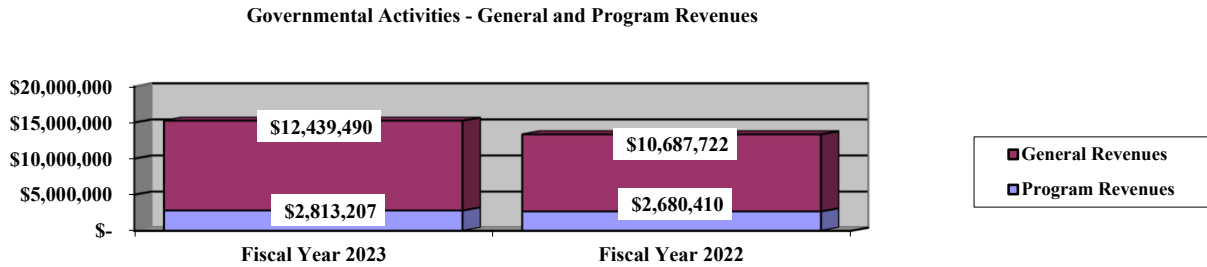
	Total Cost of Services <u>2023</u>	Net Cost of Services <u>2023</u>	Total Cost of Services <u>2022</u>	Net Cost of Services <u>2022</u>
Program expenses:				
Instruction:				
Regular	\$ 21,485	\$ 21,485	\$ 19,802	\$ 19,757
Vocational	6,321,048	5,414,136	6,086,251	5,090,856
Adult education	1,251,094	253,211	1,061,934	340,081
Support services:				
Pupil	856,101	531,143	782,907	492,042
Instructional staff	846,104	754,498	786,527	703,346
Board of Education	100,106	100,106	149,525	149,525
Administration	602,131	515,923	493,089	374,936
Fiscal	526,551	526,551	479,754	479,754
Business	1,540	1,540	7,530	7,530
Operations and maintenance	1,674,846	1,606,666	1,437,344	1,435,169
Pupil transportation	5,267	5,267	12,398	12,398
Central	198,075	168,075	174,498	145,177
Operations of non-instructional services				
Food service operations	262,800	18,778	236,564	(116,966)
Other non-instructional services	525	(243)	350	350
Extracurricular activities	104,991	42,321	107,939	22,047
Interest and fiscal charges	<u>140,982</u>	<u>140,982</u>	<u>280,210</u>	<u>280,210</u>
Total expenses	<u><u>\$ 12,913,646</u></u>	<u><u>\$ 10,100,439</u></u>	<u><u>\$ 12,116,622</u></u>	<u><u>\$ 9,436,212</u></u>

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

The dependence upon tax revenues during fiscal year 2023 for governmental activities is apparent, as 74.92% of 2023 instruction activities are supported through taxes and other general revenues. All governmental activities general revenue support was 78.22% in 2023.

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



The Career Center's Funds

The Career Center's governmental funds reported a combined fund balance of \$22,279,674, which is greater than last year's total of \$20,659,343.

The schedule that follows indicates the fund balance and the total change in fund balance as of June 30, 2023 and 2022.

	Fund Balance <u>June 30, 2023</u>	Fund Balance <u>June 30, 2022</u>	<u>Change</u>
General	\$ 15,926,052	\$ 14,621,480	\$ 1,304,572
Bond Retirement	1,401,305	1,160,423	240,882
Permanent Improvement	2,891,750	2,513,877	377,873
Other Governmental	<u>2,060,567</u>	<u>2,363,563</u>	<u>(302,996)</u>
Total	<u>\$ 22,279,674</u>	<u>\$ 20,659,343</u>	<u>\$ 1,620,331</u>

General Fund

The Career Center's general fund balance increased \$1,304,572 as revenues exceeded expenditures during the fiscal year.

The table that follows assists in illustrating the financial activities and fund balance of the general fund.

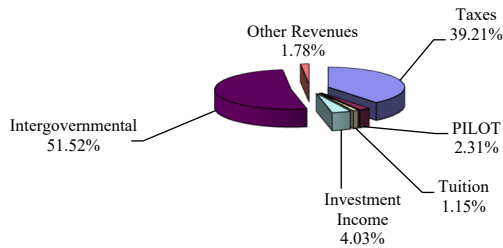
	2023 <u>Amount</u>	2022 <u>Amount</u>	<u>Change</u>
<u>Revenues</u>			
Taxes	\$ 4,103,880	\$ 3,682,739	11.44 %
PILOT	241,296	209,408	15.23 %
Tuition and fees	120,287	488,505	(75.38) %
Interest earnings	422,198	(80,503)	624.45 %
Intergovernmental	5,391,155	4,936,511	9.21 %
Other revenues	<u>186,415</u>	<u>263,660</u>	(29.30) %
Total	<u>\$ 10,465,231</u>	<u>\$ 9,500,320</u>	10.16 %

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

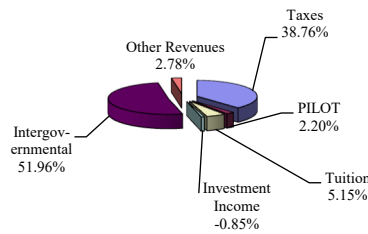
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Taxes increased 11.44% due to an increase in property tax revenue collected in fiscal year 2023. Interest earnings increased 624.45% due to a combination of lower interest rates and a decrease in the fair value of investments during fiscal year 2022. Tuition revenue decreased 75.38%, primarily due to a decrease in tuition state foundation. Intergovernmental revenues increased 9.21% primarily due to grant revenue received during the current fiscal year. Other revenues decreased by 29.30% primarily due to a large increase in inventory held for resale during fiscal year 2022. The Career Center was preparing to sell a house built by the carpentry class.

Revenues - Fiscal Year 2023



Revenues - Fiscal Year 2022

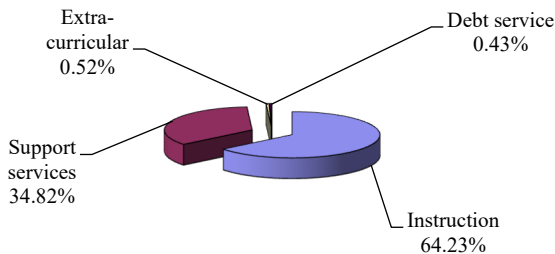


The table that follows assists in illustrating the expenditures of the general fund.

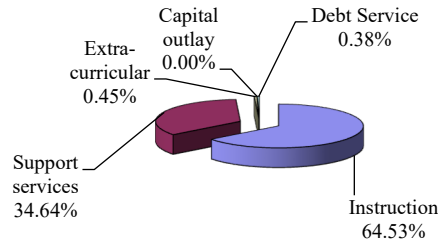
<u>Expenditures</u>	<u>2023 Amount</u>	<u>2022 Amount</u>	<u>Change</u>
Instruction	\$ 5,804,801	\$ 5,530,062	4.97 %
Support services	3,147,257	2,968,675	6.02 %
Extracurricular activities	47,160	38,798	21.55 %
Capital outlay	49	-	N/A
Debt Service	38,543	32,988	16.84 %
Total	<u>\$ 9,037,810</u>	<u>\$ 8,570,523</u>	5.45 %

Instruction service expenditures increased 4.97% during fiscal year 2023 primarily due to increases in vocational expenditures. Support service expenditures increased 6.02% during the fiscal year due to an increase in instructional staff, board of education, and central expenditures. All other expenditures remained consistent with the prior year.

Expenditures - Fiscal Year 2023



Expenditures - Fiscal Year 2022



**VANTAGE CAREER CENTER
VAN WERT COUNTY**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Bond Retirement Fund

The bond retirement fund had \$1,444,887 in revenues and \$1,204,005 in expenditures. The bond retirement fund's fund balance increased \$240,882 from \$1,160,423 to \$1,401,305.

Permanent Improvement Fund

The permanent improvement fund had \$1,073,308 in revenues and \$695,435 in expenditures. The permanent improvement fund balance increased \$377,873 from \$2,513,877 to \$2,891,750.

General Fund Budgeting Highlights

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

During the course of fiscal year 2023, the Career Center amended its general fund budget numerous times. The Career Center uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management.

For the general fund, final budgeted revenues and other financing sources were \$10,500,000, which were \$1,500,000 higher than original budget and other financing sources estimates of \$9,000,000. Actual revenues and other financing sources were \$10,279,983; this was \$220,017 lower than final budgeted revenues and other financing sources.

General fund original appropriations (expenditures and other financing uses) were \$8,798,637 which was \$481,300 lower than final appropriations of \$9,279,937. The actual budget basis expenditures and other financing uses for fiscal year 2023 totaled \$9,134,111 which was \$145,826 less than the final budgeted appropriations.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2023, the Career Center had \$28,752,192 invested in land, construction in progress, land improvements, intangible right to use assets, buildings/improvements, furniture/equipment and vehicles. The following table shows June 30, 2023 balances compared to June 30, 2022:

**Capital Assets at June 30
(Net of Depreciation/Amortization)**

	Governmental Activities	
	2023	2022
Land	\$ 197,377	\$ 197,377
Construction in progress	374,456	35,751
Land improvements	335,635	371,277
Building/improvements	25,301,502	25,943,228
Furniture/equipment	2,351,828	2,148,574
Intangible right to use assets	73,636	104,366
Vehicles	117,758	119,440
Total	\$ 28,752,192	\$ 28,920,013

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

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Debt Administration

At June 30, 2023 the Career Center had \$68,493 in leases payable and \$7,825,000 in general obligation refunding bonds payable. Of this total, \$966,183 is due within one year and \$6,927,310 is due in greater than one year. The following table summarizes the general obligation bonds and lease obligations outstanding.

Outstanding Debt, at Year End

	Governmental Activities <u>2023</u>	Governmental Activities <u>2022</u>
General obligation refunding bonds	\$ 7,825,000	\$ 8,750,000
Leases payable	<u>68,493</u>	<u>99,023</u>
Total	<u>\$ 7,893,493</u>	<u>\$ 8,849,023</u>

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

Current Financial Related Activity

The Vantage Career Center is committed to maintaining the highest standards of education and service to our students, parents, and community.

Our Board of Education and administration closely monitor the financial outlook of the Career Center by forecasting. By utilizing this tool, the Career Center has been able to avoid financial difficulty.

The Career Center's enrollment for the fiscal year has held steady. As the Career Center looks to the future, the Board of Education and administration are actively looking at marketing strategies as well as program offerings that will keep our enrollment increasing. The Career Center must provide education that meets the workforce needs and also provides the students with as many industry credentials as possible. The Career Center is partnered with MIAT and Northwest State Community College to offer classes to the adult students in Alternative Energy and Machine Trades. Internships at the high school level are being implemented with area employers. The high school is continuing to offer educational classes that prepare the student for the workforce as well as higher education.

In closing, the financial outlook for the Career Center at this time is stable. The Board of Education is committed to providing the best possible education for high school and adult students.

Contacting the Career Center's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the Career Center's finances and to show the Career Center's accountability for the money it receives. If you have questions about this report or need additional financial information contact Mrs. Laura Peters, Treasurer, Vantage Career Center, 818 North Franklin Street, Van Wert, Ohio 45891.

BASIC
FINANCIAL STATEMENTS

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

STATEMENT OF NET POSITION
JUNE 30, 2023

		Governmental Activities
Assets:		
Equity in pooled cash and investments	\$	21,981,927
Receivables:		
Property taxes		5,856,154
Payment in lieu of taxes		506,640
Accounts		212,202
Accrued interest		36,541
Intergovernmental		2,773
Prepayments		70,856
Materials and supplies inventory		108,056
Inventory held for resale		104,457
Net OPEB asset		827,686
Capital assets:		
Nondepreciable capital assets		571,833
Depreciable capital assets, net		28,180,359
Capital assets, net		<u>28,752,192</u>
Total assets		<u>58,459,484</u>
Deferred outflows of resources:		
Pension		2,292,496
OPEB		219,192
Total deferred outflows of resources		<u>2,511,688</u>
Liabilities:		
Accounts payable		141,911
Contracts payable		28,059
Retainage payable		28,633
Accrued wages and benefits payable		786,418
Intergovernmental payable		23,297
Pension and postemployment benefits payable		115,483
Accrued interest payable		18,939
Long-term liabilities:		
Due within one year		1,027,810
Due in more than one year:		
Net pension liability		8,928,367
Net OPEB liability		467,655
Other amounts due in more than one year		8,122,749
Total liabilities		<u>19,689,321</u>
Deferred inflows of resources:		
Property taxes levied for the next fiscal year		4,837,736
Payment in lieu of taxes levied for the next fiscal year		506,640
Unamortized deferred charges on debt refunding		102,365
Pension		809,586
OPEB		1,227,758
Total deferred inflows of resources		<u>7,484,085</u>
Net position:		
Net investment in capital assets		19,969,928
Restricted for:		
Capital projects		2,931,208
Classroom facilities maintenance		1,459,131
Debt service		1,391,044
Locally funded programs		230,033
Federally funded programs		65,891
Food service operations		131,562
Student activities		79,748
Other purposes		257,448
Unrestricted		7,281,773
Total net position	\$	<u>33,797,766</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

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

	Expenses	Program Revenues			Net (Expense)
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position Governmental Activities
Governmental activities:					
Instruction:					
Regular	\$ 21,485	\$ -	\$ -	\$ -	\$ (21,485)
Vocational	6,321,048	140,558	766,354	-	(5,414,136)
Adult/continuing	1,251,094	759,019	238,864	-	(253,211)
Support services:					
Pupil	856,101	55,743	269,215	-	(531,143)
Instructional staff	846,104	2,287	89,319	-	(754,498)
Board of education	100,106	-	-	-	(100,106)
Administration	602,131	70,407	15,801	-	(515,923)
Fiscal	526,551	-	-	-	(526,551)
Business	1,540	-	-	-	(1,540)
Operations and maintenance	1,674,846	3,649	3,055	61,476	(1,606,666)
Pupil transportation	5,267	-	-	-	(5,267)
Central	198,075	-	30,000	-	(168,075)
Operation of non-instructional services:					
Food service operations	262,800	134,411	109,611	-	(18,778)
Other non-instructional services	525	768	-	-	243
Extracurricular activities	104,991	62,670	-	-	(42,321)
Interest and fiscal charges	140,982	-	-	-	(140,982)
Totals	<u>\$ 12,913,646</u>	<u>\$ 1,229,512</u>	<u>\$ 1,522,219</u>	<u>\$ 61,476</u>	<u>(10,100,439)</u>

General revenues:

Property taxes levied for:	
General purposes	4,104,068
Debt service	1,283,029
Capital outlay	761,593
Classroom facilities	225,040
Payments in lieu of taxes	482,592
Grants and entitlements not restricted to specific programs	5,113,909
Investment earnings	455,859
Miscellaneous	13,400
Total general revenues	<u>12,439,490</u>
Change in net position	2,339,051
Net position at beginning of year	<u>31,458,715</u>
Net position at end of year	<u>\$ 33,797,766</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

	<u>General</u>	<u>Bond Retirement</u>	<u>Permanent Improvement</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:					
Equity in pooled cash and investments	\$ 15,881,440	\$ 1,196,631	\$ 2,742,446	\$ 2,161,410	\$ 21,981,927
Receivables:					
Property taxes	3,933,620	1,210,274	712,260	-	5,856,154
Payment in lieu of taxes	253,320	-	253,320	-	506,640
Accounts	178,685	-	-	33,517	212,202
Accrued interest	36,541	-	-	-	36,541
Intergovernmental	2,773	-	-	-	2,773
Prepayments	15,780	-	42,796	12,280	70,856
Materials and supplies inventory	106,748	-	-	1,308	108,056
Inventory held for resale	101,087	-	-	3,370	104,457
Total assets	<u>\$ 20,509,994</u>	<u>\$ 2,406,905</u>	<u>\$ 3,750,822</u>	<u>\$ 2,211,885</u>	<u>\$ 28,879,606</u>
Liabilities:					
Accounts payable	\$ 94,138	\$ -	\$ 21,034	\$ 26,739	\$ 141,911
Contracts payable	-	-	-	28,059	28,059
Retainage payable	-	-	-	28,633	28,633
Accrued wages and benefits payable	738,239	-	-	48,179	786,418
Compensated absences payable	60,007	-	-	-	60,007
Intergovernmental payable	21,793	-	-	1,504	23,297
Pension and postemployment benefits payable	97,279	-	-	18,204	115,483
Total liabilities	<u>1,011,456</u>	<u>-</u>	<u>21,034</u>	<u>151,318</u>	<u>1,183,808</u>
Deferred inflows of resources:					
Property taxes levied for the next fiscal year	3,260,609	996,922	580,205	-	4,837,736
Payment in lieu of taxes levied for the next fiscal year	253,320	-	253,320	-	506,640
Delinquent property tax revenue not available	27,763	8,678	4,513	-	40,954
Intergovernmental revenue not available	2,734	-	-	-	2,734
Accrued interest not available	28,060	-	-	-	28,060
Total deferred inflows of resources	<u>3,572,486</u>	<u>1,005,600</u>	<u>838,038</u>	<u>-</u>	<u>5,416,124</u>
Fund balances:					
Nonspendable:					
Materials and supplies inventory	106,748	-	-	1,308	108,056
Prepays	15,780	-	42,796	12,280	70,856
Inventory held for resale	101,087	-	-	-	101,087
Restricted:					
Debt service	-	1,401,305	-	-	1,401,305
Capital improvements	-	-	2,848,954	34,945	2,883,899
Adult education	-	-	-	220,138	220,138
Classroom facilities maintenance	-	-	-	1,459,131	1,459,131
Food service operations	-	-	-	138,740	138,740
Federally funded programs	-	-	-	65,891	65,891
Extracurricular	-	-	-	79,748	79,748
Other purposes	-	-	-	49,237	49,237
Assigned:					
Student instruction	6,915	-	-	-	6,915
Student and staff support	12,707	-	-	-	12,707
Subsequent year's appropriations	65,249	-	-	-	65,249
Other purposes	8,437	-	-	-	8,437
Unassigned (deficit)	15,609,129	-	-	(851)	15,608,278
Total fund balances	<u>15,926,052</u>	<u>1,401,305</u>	<u>2,891,750</u>	<u>2,060,567</u>	<u>22,279,674</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 20,509,994</u>	<u>\$ 2,406,905</u>	<u>\$ 3,750,822</u>	<u>\$ 2,211,885</u>	<u>\$ 28,879,606</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

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

Total governmental fund balances		\$	22,279,674
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			28,752,192
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.			
Property taxes receivable	\$	40,954	
Accrued interest receivable		28,060	
Intergovernmental receivable		2,734	
Total			71,748
Unamortized premiums on bonds issued are not recognized in the funds.			(729,714)
Unamortized amounts on refundings are not recognized in the funds.			(102,365)
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.			(18,939)
The net pension/OPEB assets & liabilities are not due and payable in the current period; therefore, the assets, liabilities and related deferred inflows/outflows are not reported in governmental funds.			
Deferred outflows - pension		2,292,496	
Deferred inflows - pension		(809,586)	
Net pension liability		(8,928,367)	
Deferred outflows - OPEB		219,192	
Deferred inflows - OPEB		(1,227,758)	
Net OPEB asset		827,686	
Net OPEB liability		(467,655)	
Total			(8,093,992)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.			
General obligation bonds		(7,825,000)	
Capital lease obligations		(68,493)	
Compensated absences		(467,345)	
Total			(8,360,838)
Net position of governmental activities		\$	33,797,766

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

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

	<u>General</u>	<u>Bond Retirement</u>	<u>Permanent Improvement</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Property taxes	\$ 4,103,880	\$ 1,282,579	\$ 761,483	\$ 225,040	\$ 6,372,982
Intergovernmental	5,391,155	146,514	70,529	1,095,903	6,704,101
Investment earnings	422,198	15,794	-	-	437,992
Tuition and fees	120,287	-	-	886,923	1,007,210
Extracurricular	420	-	-	62,670	63,090
Rental income	4,092	-	-	-	4,092
Charges for services	19,209	-	-	135,911	155,120
Contributions and donations	149,294	-	-	-	149,294
Payment in lieu of taxes	241,296	-	241,296	-	482,592
Miscellaneous	13,400	-	-	2,408	15,808
Total revenues	<u>10,465,231</u>	<u>1,444,887</u>	<u>1,073,308</u>	<u>2,408,855</u>	<u>15,392,281</u>
Expenditures:					
Current:					
Instruction:					
Regular	21,485	-	-	-	21,485
Vocational	5,779,453	-	474,988	124,440	6,378,881
Adult/continuing	3,863	-	55,888	1,202,233	1,261,984
Support services:					
Pupil	469,520	-	59	404,672	874,251
Instructional staff	612,900	-	91,563	91,794	796,257
Board of education	99,758	-	-	-	99,758
Administration	488,535	-	-	92,072	580,607
Fiscal	510,390	34,155	25,094	-	569,639
Business	1,540	-	-	-	1,540
Operations and maintenance	799,007	-	46,043	190,413	1,035,463
Pupil transportation	3,767	-	-	-	3,767
Central	161,840	-	-	35,113	196,953
Operation of non-instructional services:					
Food service operations	-	-	-	296,960	296,960
Other non-instructional services	-	-	-	525	525
Extracurricular activities	47,160	-	-	57,773	104,933
Facilities acquisition and construction	49	-	-	338,705	338,754
Debt service:					
Principal retirement	28,821	925,000	1,709	-	955,530
Interest and fiscal charges	9,722	244,850	91	-	254,663
Total expenditures	<u>9,037,810</u>	<u>1,204,005</u>	<u>695,435</u>	<u>2,834,700</u>	<u>13,771,950</u>
Excess of revenues over (under) expenditures	<u>1,427,421</u>	<u>240,882</u>	<u>377,873</u>	<u>(425,845)</u>	<u>1,620,331</u>
Other financing sources (uses):					
Transfers in	-	-	-	122,849	122,849
Transfers (out)	(122,849)	-	-	-	(122,849)
Total other financing sources (uses)	<u>(122,849)</u>	<u>-</u>	<u>-</u>	<u>122,849</u>	<u>-</u>
Net change in fund balances	1,304,572	240,882	377,873	(302,996)	1,620,331
Fund balances at beginning of year	<u>14,621,480</u>	<u>1,160,423</u>	<u>2,513,877</u>	<u>2,363,563</u>	<u>20,659,343</u>
Fund balances at end of year	<u>\$ 15,926,052</u>	<u>\$ 1,401,305</u>	<u>\$ 2,891,750</u>	<u>\$ 2,060,567</u>	<u>\$ 22,279,674</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

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

Net change in fund balances - total governmental funds	\$	1,620,331
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital asset additions	\$ 946,578	
Current year depreciation	<u>(1,102,436)</u>	
Total		(155,858)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.		
		(11,963)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	748	
Earnings on investments	17,867	
Intergovernmental	<u>(158,199)</u>	
Total		(139,584)
Repayment of bond and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.		
		955,530
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in additional interest being reported in the statement of activities:		
Change in accrued interest payable	1,490	
Amortization of bond premiums	98,389	
Amortization of deferred charges	<u>13,802</u>	
Total		113,681
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	793,206	
OPEB	<u>17,842</u>	
Total		811,048
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability/asset are reported as pension/OPEB expense in the statement of activities.		
Pension	(1,117,033)	
OPEB	<u>171,141</u>	
Total		(945,892)
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
		<u>91,758</u>
Change in net position of governmental activities	\$	<u>2,339,051</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes	\$ 3,804,152	\$ 4,357,497	\$ 4,345,179	\$ (12,318)
Intergovernmental	4,719,891	5,550,362	5,391,155	(159,207)
Investment earnings	361,330	450,000	412,718	(37,282)
Tuition and fees	95,313	108,500	108,869	369
Rental income	3,020	4,500	3,450	(1,050)
Miscellaneous	11,033	8,141	12,602	4,461
Total revenues	<u>8,994,739</u>	<u>10,479,000</u>	<u>10,273,973</u>	<u>(205,027)</u>
Expenditures:				
Current:				
Instruction:				
Regular	52,472	55,343	54,473	870
Vocational	5,371,802	5,665,647	5,576,618	89,029
Adult/continuing	1,506	1,588	1,563	25
Support services:				
Pupil	439,381	463,416	456,134	7,282
Instructional staff	580,737	612,504	602,879	9,625
Board of education	98,985	104,400	102,759	1,641
Administration	458,786	483,883	476,279	7,604
Fiscal	459,033	484,143	476,535	7,608
Operations and maintenance	784,909	827,845	814,836	13,009
Pupil transportation	4,315	4,552	4,480	72
Central	161,494	170,328	167,651	2,677
Operation of non-instructional services				
Extracurricular activities	48,949	51,626	50,815	811
Total expenditures	<u>8,462,369</u>	<u>8,925,275</u>	<u>8,785,022</u>	<u>140,253</u>
Excess of revenues over expenditures	<u>532,370</u>	<u>1,553,725</u>	<u>1,488,951</u>	<u>(64,774)</u>
Other financing sources (uses):				
Refund of prior year's expenditures	4,279	5,000	4,888	(112)
Transfers (out)	(336,268)	(354,662)	(349,089)	5,573
Sale of capital assets	982	16,000	1,122	(14,878)
Total other financing sources (uses)	<u>(331,007)</u>	<u>(333,662)</u>	<u>(343,079)</u>	<u>(9,417)</u>
Net change in fund balance	201,363	1,220,063	1,145,872	(74,191)
Fund balance at beginning of year	14,601,368	14,601,368	14,601,368	-
Prior year encumbrances appropriated	79,937	79,937	79,937	-
Fund balance at end of year	<u>\$ 14,882,668</u>	<u>\$ 15,901,368</u>	<u>\$ 15,827,177</u>	<u>\$ (74,191)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 - DESCRIPTION OF THE CAREER CENTER

The Vantage Career Center (the “Career Center”) was created under the provisions of Section 3311.18, of the Ohio Revised Code. The Career Center is operated under a Board of Education consisting of 1 member each from the participating Career Centers that are appointed by their Boards of Education. The Board currently consists of 12 members.

Career Centers provide job training for residents of participating Career Centers. The Career Center provides various courses of instruction at the high school and adult education level. These courses include office occupation education, computer technology, auto and construction trades and cosmetology. The Career Center also provides support services for the pupils, instructional staff, facilities acquisitions and construction services, operation and maintenance of plant, food services, extracurricular activities, and nonprogrammed services. It is staffed by 30 non-certified employees and 53 certified full-time teaching personnel, who provide services to 511 full-time equivalent students and 58 additional adult education personnel who service approximately 261 adult education students.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

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

JOINTLY GOVERNED ORGANIZATIONS

Northwest Ohio Area Computer Services Cooperative (NOACSC)

The Career Center is a participant in the Northwest Ohio Area Computer Services Cooperative (NOACSC), which is a computer consortium. NOACSC is an association of public-school Career Centers within the boundaries of Allen, Auglaize, Hancock, Paulding, Putnam, and Van Wert counties, and the cities of St. Marys and Wapakoneta. The organization was formed for the purpose of applying modern technology, with the aid of computers and other electronic equipment, to administrative and instructional functions among member school Career Centers.

The Governing Board of NOACSC consists of two representatives from each county, elected by majority vote of all charter member school Career Centers within each county, plus one representative from an at large member. Financial information is available from the Northwest Ohio Area Computer Services Cooperative, at 4277 East Road, Elida, Ohio 45807.

The Career Center also participates in three group purchasing pools for insurance, described in Note 11.

B. Fund Accounting

The Career Center uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary. The Career Center does not have any proprietary or fiduciary 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 deferred outflows and liabilities and deferred inflows is reported as fund balance.

The following are the Career Center's major governmental funds:

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

Bond retirement fund - The bond retirement fund is used to account for the accumulation of restricted resources and payment of general obligation bond and note principal, interest and related costs.

Permanent improvement fund - A capital projects fund used to account for all transactions related to acquisition, construction, or improvement of capital facilities.

Other governmental funds of the Career Center are used to account for (a) financial resources that are restricted, committed, or assigned to expenditures for capital outlays including the acquisition or construction of capital facilities and other capital assets and (b) specific revenue sources that are restricted or committed to an expenditure for specified purposes other than debt service or capital projects.

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

C. Basis of Presentation and Measurement Focus

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

The government-wide statements are prepared using the economic resources measurement focus. This approach differs from the manner in which governmental fund 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.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the Career Center's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Career Center. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the Career Center.

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

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current deferred outflows and current liabilities and current deferred inflows, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting.

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

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

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

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 Career Center must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Career Center on a reimbursement basis. On a modified accrual basis, revenue from 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, interest, tuition, grants, student fees and rentals.

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. See Notes 12 and 13 for deferred outflows of resources related to net pension liability and net OPEB liability/asset, respectively.

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

See Notes 12 and 13 for deferred inflows of resources related to net pension liability and net OPEB liability/asset, respectively. These deferred inflows of resources are only reported on the government-wide statement of net position. In addition, deferred outflows of resources include a deferred gain on debt refunding. A deferred gain on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or refunding debt.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The entitlement value of donated commodities received during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue.

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

E. Budgets

The Career Center is required by State statute to adopt an annual appropriated cash basis budget for all funds. The specific timetable for fiscal year 2023 is as follows:

Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The purpose of this budget document is to reflect the need for existing (or increased) tax rates.

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

By no later than January 20, the Board-adopted budget is filed with the Van Wert County Budget Commission for tax rate determination.

Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's certificate of estimated resources which states the projected revenue of each fund. Prior to July 1, the Career Center must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as a basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered balances from the preceding year as reported by the Career Center Treasurer. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the Career Center Treasurer. The budget figures, as shown in the accompanying budgetary statement, reflect the amounts set forth in the original and final certificate of estimated resources issued for fiscal year 2023.

By July 1, the annual appropriation resolution is legally enacted by the Board of Education at the fund level, which is the legal level of budgetary control. State statute permits a temporary appropriation to be effective until no later than October 1 of each year. Resolution appropriations by fund and object must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals.

Any revisions that alter the total of any fund and object appropriation must be approved by the Board of Education.

Formal budgetary integration is employed as a management control device during the year for all funds consistent with the general obligation bond indenture and other statutory provisions. All funds completed the year within the amount of their legally authorized cash basis appropriation.

Appropriations amounts are as originally adopted, or as amended by the Board of Education through the year by supplemental appropriations, which either reallocated or increased the original appropriated amounts. All supplemental appropriations were legally enacted by the Board prior to June 30, 2023. The budget figures, as shown in the accompanying budgetary statement, reflect the original and final appropriation amounts including all amendments and modifications.

Unencumbered appropriations lapse at year end. Encumbered appropriations are carried forward to the succeeding fiscal year and need not be reappropriated. Expenditures plus encumbrances may not legally exceed budgeted appropriations at the legal level of budgetary control.

F. Cash and Investments

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

During fiscal year 2023, investments were limited to negotiable and nonnegotiable certificates of deposits, U.S. Treasury Bills, and federal agency securities. Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts, such as nonnegotiable certificates of deposit, are reported at cost.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. By policy of the Career Center, investment earnings are assigned to the general fund. Interest revenue credited to the general fund during fiscal year 2023 amounted to \$422,198, which includes \$103,298 assigned from other funds.

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

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

An analysis of the Career Center’s investment account at year end is provided in Note 4.

G. Inventory

On government-wide and fund financial statements, purchased inventories are presented at the lower of cost or market and donated commodities are presented at their entitlement value. Inventories are recorded on a first-in, first-out basis and are expensed when used. Inventories are accounted for using the consumption method. At fiscal year-end, because materials and supplies inventory are not available to finance future governmental fund expenditures, a nonspendable fund balance is recorded by an amount equal to the carrying value of the asset on the fund financial statements.

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

H. Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The Career Center maintains a capitalization threshold of \$5,000. 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. The Career Center does not possess infrastructure.

All reported capital assets except land are depreciated/amortized. Improvements are depreciated/amortized over the remaining useful lives of the related capital assets. Depreciation/amortization is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>
Land improvements	10 - 20 years
Buildings/improvements	20 - 50 years
Furniture/equipment	5 - 20 years
Intangible leased assets	5 - 20 years
Vehicles	6 - 8 years

The Career Center is reporting intangible right to use assets related to leased equipment. The intangible assets are being amortized in a systematic and rational manner of the shorter of the lease term or the useful life of the underlying asset.

I. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “due from/due to other funds”. These amounts are eliminated in the governmental activities column on the statement of net position.

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

J. Compensated Absences

Compensated absences of the Career Center consist of vacation leave and sick leave liability to the extent that payments to the employee for these absences are attributable to services already rendered and are not contingent on a specific event that is outside the control of the Career Center and the employee.

In accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences", a liability for vacation leave is accrued if a) the employees' rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination (severance) payments. A liability for severance is accrued using the vesting method; i.e., the liability is based on the sick leave accumulated at June 30, 2022, by those employees who are currently eligible to receive termination (severance) payments, as well as those employees expected to become eligible in the future. For purposes of establishing a liability for sick leave on employees expected to become eligible to retire in the future, all employees age 50 or greater with at least 10 years of service (including a minimum of 5 years of service with the Career Center); or 20 years' service at any age were considered.

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

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

In the governmental fund financial statements, compensated absences are reported to the extent that a known liability for an employee's retirement/resignation has been incurred by fiscal year end. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees are paid.

K. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, compensated absences and contractually required pension contributions 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 year. General obligation bonds and capital lease obligations are recognized as liabilities on the fund financial statements when due. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

L. Fund Balance

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

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable.

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

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

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

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

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

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

M. Net Position

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows. The net position component “net investment in capital assets,” consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the Career Center or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The amount restricted for other purposes represents amounts restricted for local grants, a special trust and OPEB.

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

N. Prepayments

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

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

O. Estimates

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

P. Interfund Activity

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

Q. Pensions/Other Postemployment Benefits (OPEB)

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

R. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. The Career Center had no extraordinary or special items during fiscal year 2023.

S. Bond Issuance Costs, Unamortized Bond Premiums and Discounts, and Deferred Charges on Debt Refunding

On both the government-wide financial statements and the fund financial statements, bond issuance costs are recognized in the period in which they are incurred.

On the government-wide financial statements, bond premiums and discounts are amortized over the term of the bonds using the straight-line method, which approximates the effective interest method. Bond premiums are presented as an addition to the face amount of the bonds and bond discounts are presented as a reduction to the face amount of the bonds. On the governmental fund financial statements, bond premiums and discounts are recognized in the period in which these items are incurred. The reconciliation between the face value of bonds and the amount reported on the statement of net position is presented in Note 9.

For current and advance refundings resulting in the defeasance of debt reported in the government-wide financial statements, the difference between the reacquisition price and the net carrying amount of the refunded debt is amortized as a component of interest expense. This accounting gain or loss on refunding is amortized over the remaining term of the old debt or the term of the new debt, whichever is shorter, and is presented on the statement of net position as a deferred inflow of resources or a deferred outflow of resources.

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

T. Fair Value

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

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

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

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

GASB Statement No. 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. The implementation of GASB Statement No. 96 did not have an effect on the financial statements of the Career Center.

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

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

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

B. Deficit Fund Balances

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

<u>Nonmajor fund</u>	<u>Deficit</u>
Post Secondary Vocational Education	\$ 851

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

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

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

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio; and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

6. No-load money market mutual funds consisting exclusively of obligations described in items (1) and (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool, the State Treasury Asset Reserve of Ohio (STAR Ohio);
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.

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

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

A. Cash on Hand

At fiscal year end, the Career Center had \$885 in undeposited cash on hand which is included on the financial statements of the Career Center as part of "equity in pooled cash and investments".

B. Deposits with Financial Institutions

At June 30, 2023, the carrying amount of all Career Center deposits was \$6,973,717 and the bank balance of all Career Center deposits was \$7,056,878. Of the bank balance, \$5,775,095 was covered by the FDIC and \$1,281,783 was collateralized by the Ohio Pooled Collateral System.

Custodial credit risk is the risk that, in the event of bank failure, the Career Center will not be able to recover deposits or collateral securities that are in the possession of an outside party. The Career Center has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the Career Center and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. Citizens National Bank is a member of OPCS.

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

C. Investments

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

Measurement/ Investment type	Measurement Value	Investment Maturities				
		6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater than 24 months
FHLB	\$ 978,460	\$ -	\$ 978,460	\$ -	\$ -	\$ -
US Treasury Bills	7,734,639	5,568,128	2,166,511	-	-	-
Negotiable CDs	6,294,226	1,226,022	1,695,223	964,450	1,437,164	971,367
Total	<u>\$ 15,007,325</u>	<u>\$ 6,794,150</u>	<u>\$ 4,840,194</u>	<u>\$ 964,450</u>	<u>\$ 1,437,164</u>	<u>\$ 971,367</u>

The weighted average maturity of investments is 0.78 years.

The Career Center's investments in federal securities are valued using quoted market prices in active markets (Level 1 inputs). The Career Center's investments in US Treasury Bills negotiable CD's are valued using quoted prices in markets that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly (Level 2 inputs).

Interest Rate Risk: Interest rate risk is the possibility that changes in interest rates will adversely affect the fair value of an investment. The Career Center's investment policy places a five-year limit on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk: The Career Center's investments with federal securities have been assigned AA+ and Aaa by Standard and Poor's and Moody, respectively. The negotiable CDs were covered by the FDIC. The Career Center's investment policy does not specifically address credit risk beyond the adherence to all relevant sections of the Ohio Revised Code.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Career 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 Career Center has no investment policy dealing with 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.

Concentration of Credit Risk: The Career Center places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the Career Center at June 30, 2023:

Measurement/ Investment type	Measurement Value	% of Total
<i>Fair value:</i>		
FHLB	\$ 978,460	6.52
US Treasury Bills	7,734,639	51.54
Negotiable CDs	<u>6,294,226</u>	<u>41.94</u>
Total	<u>\$ 15,007,325</u>	<u>100.00</u>

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

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

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 6,973,717
Investments	15,007,325
Cash on hand	<u>885</u>
Total	<u>\$ 21,981,927</u>
 <u>Cash and investments per statement of net position</u>	
Governmental activities	\$ 21,981,927
Total	<u>\$ 21,981,927</u>

NOTE 5 - INTERFUND TRANSACTIONS

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

<u>Transfers from general fund to:</u>	<u>Amount</u>
Nonmajor governmental fund	<u>\$ 122,849</u>

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

Interfund transfers between governmental funds are eliminated on the government-wide financial statements.

NOTE 6 - PROPERTY TAXES

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

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

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 6 - PROPERTY TAXES – (Continued)

The Career Center receives property taxes from Van Wert, Auglaize, Allen, Paulding, Mercer and Putnam Counties. The County Auditors periodically advances to the Career Center its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2023, are available to finance fiscal year 2023 operations. The amount available as an advance at June 30, 2023 was \$645,248 in the general fund, \$204,674 in the bond retirement fund and \$127,542 in the permanent improvement fund. This amount is recorded as revenue. The amount available for advance at June 30, 2022 was \$420,211 in the general fund, \$122,700 in the bond retirement fund and \$69,605 in the permanent improvement fund. The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

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

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

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

	2022 Second Half Collections		2023 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 1,614,235,620	87.61	\$ 1,698,455,740	87.41
Public utility personal	<u>228,241,000</u>	<u>12.39</u>	<u>244,578,060</u>	<u>12.59</u>
Total	<u>\$ 1,842,476,620</u>	<u>100.00</u>	<u>\$ 1,943,033,800</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation	\$4.50		\$4.50	

NOTE 7 - RECEIVABLES

Receivables at June 30, 2023 consisted of property taxes, payments in lieu of taxes, accounts (billings for user charged services and student fees), intergovernmental grants and entitlements, and accrued interest. 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 year guarantee of federal funds. A list of the principal items of receivables reported on the statement of net position follows:

Governmental activities:

Property taxes	\$ 5,856,154
Payment in lieu of taxes	506,640
Accounts	212,202
Intergovernmental	2,773
Accrued interest	<u>36,541</u>
Total receivables	<u>\$ 6,614,310</u>

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

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 8 - CAPITAL ASSETS

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

	<u>Balance</u> <u>06/30/2022</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>06/30/2023</u>
Governmental activities				
Capital assets, not being depreciated/amortized:				
Land	\$ 197,377	\$ -	\$ -	\$ 197,377
Construction in progress	<u>35,751</u>	<u>338,705</u>	<u>-</u>	<u>374,456</u>
Total capital assets, not being depreciated/amortized	<u>233,128</u>	<u>338,705</u>	<u>-</u>	<u>571,833</u>
Capital assets, being depreciated/amortized:				
Land improvements	723,551	-	-	723,551
Buildings/improvements	32,091,383	-	-	32,091,383
Furniture/equipment	6,851,610	567,279	(51,994)	7,366,895
Vehicles	624,193	40,594	(41,920)	622,867
Intangible right to use:				
Leased equipment	<u>153,653</u>	<u>-</u>	<u>-</u>	<u>153,653</u>
Total capital assets, being depreciated/amortized	<u>40,444,390</u>	<u>607,873</u>	<u>(93,914)</u>	<u>40,958,349</u>
<i>Less: accumulated depreciation/amortization:</i>				
Land improvements	(352,274)	(35,642)	-	(387,916)
Buildings/improvements	(6,148,155)	(641,726)	-	(6,789,881)
Furniture/equipment	(4,703,036)	(352,062)	40,031	(5,015,067)
Vehicles	(504,753)	(42,276)	41,920	(505,109)
Intangible right to use:				
Leased equipment	<u>(49,287)</u>	<u>(30,730)</u>	<u>-</u>	<u>(80,017)</u>
Total accumulated depreciation/amortization	<u>(11,757,505)</u>	<u>(1,102,436)</u>	<u>81,951</u>	<u>(12,777,990)</u>
Governmental activities capital assets, net	<u>\$ 28,920,013</u>	<u>\$ (155,858)</u>	<u>\$ (11,963)</u>	<u>\$ 28,752,192</u>

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

Instruction:

Vocational	\$ 293,264
Adult education	64,608

Support services:

Pupil	367
Instructional staff	22,199
Administration	9,906
Fiscal	401
Operations and maintenance	710,191
Pupil transportation	<u>1,500</u>

Total depreciation/amortization expense	<u>\$ 1,102,436</u>
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**VANTAGE CAREER CENTER
VAN WERT COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 9 - LONG-TERM OBLIGATIONS

A. During fiscal year 2023, the following activity occurred in long-term obligations.

	Balance Outstanding <u>06/30/2022</u>	<u>Additions</u>	<u>Reductions</u>	Balance Outstanding <u>06/30/2023</u>	Amounts Due in <u>One Year</u>
Governmental activities:					
General obligation refunding bonds	\$ 8,750,000	\$ -	\$ (925,000)	\$ 7,825,000	\$ 935,000
Net pension liability	5,272,420	3,655,947	-	8,928,367	-
Net OPEB liability	621,579	-	(153,924)	467,655	-
Leases payable	99,023	-	(30,530)	68,493	31,183
Compensated absences	<u>586,504</u>	<u>74,939</u>	<u>(134,091)</u>	<u>527,352</u>	<u>61,627</u>
Total long-term obligations, governmental activities	<u>\$ 15,329,526</u>	<u>\$ 3,730,886</u>	<u>\$ (1,243,545)</u>	17,816,867	<u>\$ 1,027,810</u>
			Add: Unamortized premium on refunding	<u>729,714</u>	
			Total long-term obligations per Statement of Net Position	<u>\$ 18,546,581</u>	

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

Net OPEB Liability/Asset - See Note 13 for detail on the Career Center's net OPEB liability. The Career Center pays obligation related to employee compensation from the fund benefitting from their service.

Leases Payable - The Career Center has entered into lease agreements for the use of right to use equipment and vehicles. Due to the implementation of GASB Statement No. 87, the Career Center will report an intangible capital asset and corresponding liability for the future scheduled payments under the leases. The lease payments will be paid from the general fund and the permanent improvement fund.

The Career Center has entered into lease agreements for copier equipment and postage machines at varying years and terms as follows:

<u>Equipment</u>	<u>Lease Commencement Date</u>	<u>Years</u>	<u>Lease End Date</u>	<u>Payment Method</u>
Copiers	8/6/2020	5	8/6/2025	Monthly
Postage machine	1/11/2019	5	12/11/2023	Monthly

The following is a schedule of future lease payments under the lease agreements:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 31,183	\$ 2,705	\$ 33,888
2025	31,846	1,142	32,988
2026	<u>5,464</u>	<u>34</u>	<u>5,498</u>
Total	<u>\$ 68,493</u>	<u>\$ 3,881</u>	<u>\$ 72,374</u>

Compensated absences are paid from the funds from which salaries are paid which include the general fund, adult education fund (a nonmajor governmental fund) and the vocational education fund (a non-major governmental fund).

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

Series 2021 Refunding Bonds - On September 30, 2021, the Career Center issued Series 2021 Refunding general obligation bonds to refund \$9,285,000 of the Career Center's Series 2014 general obligation bonds.

The issuance proceeds of \$8,750,000 were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. This refunded debt is considered defeased (in-substance) and, accordingly, has been removed from the statement of net position. None of this refunded debt was outstanding at June 30, 2022.

The original issue was comprised of current interest serial refunding bonds, par value \$8,264,000, and current interest term refunding bonds, par value \$9,605,000. Interest payments on the current interest serial refunding bonds are due on June 1 and December 1 of each year until final maturity at December 1, 2037 at interest rates ranging from 0.6% to 6.37%. The current interest term refunding bonds bear an interest rate ranging from 1.0% to 4.0% with a final stated maturity at December 1, 2030.

The net carrying amount exceeded the reacquisition price of the old debt by \$126,519. This amount is amortized as a deferred inflow of resources over the remaining term of the refunding debt, which is equal to the life of the new debt issued. This advance refunding was undertaken to reduce total debt service payments by \$1,017,051 and resulted in an economic gain of \$960,043.

Principal and interest payments to retire the long-term obligations are as follows:

Fiscal Year Ended June 30,	Current Interest Bonds		
	Principal	Interest	Total
2024	\$ 935,000	\$ 225,750	\$ 1,160,750
2025	940,000	202,300	1,142,300
2026	955,000	173,875	1,128,875
2027	970,000	140,150	1,110,150
2028	1,000,000	105,750	1,105,750
2029-2031	<u>3,025,000</u>	<u>134,775</u>	<u>3,159,775</u>
Total	<u>\$ 7,825,000</u>	<u>\$ 982,600</u>	<u>\$ 8,807,600</u>

B. Legal Debt Margin

The Ohio Revised Code provides that voted net general obligation debt of the Career Center shall never exceed 9% of the total assessed valuation of the Career Center. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the Career Center. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the Career Center. The assessed valuation used in determining the Career Center's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the Career Center's legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The effects of these debt limitations at June 30, 2023, are a voted debt margin of \$168,449,347 (including available funds of \$1,401,305) and an unvoted debt margin of \$1,943,034.

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 10 - EMPLOYEE BENEFITS

Compensated Absences

The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. A limited amount of staff who earn vacation benefits are able to buy-out 5 days of their vacation balance each year of their contract. Teachers do not earn vacation time.

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 215 days for all personnel. Upon retirement, payment is made for 25% of 200 of the accrued sick leave days up to 50 days. Prior to July 1, 2007, incentive days could be earned based on the number of unused sick days in a school year. Employees who accumulated incentive days prior to July 1, 2007, will retain those days but not be able to earn more days after July 1, 2007. Upon retirement, payment is made on incentive days up to a maximum of 29 days.

NOTE 11 - RISK MANAGEMENT

The Career Center is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Career Center maintains comprehensive commercial insurance coverage for real property, building contents, vehicles, public official bonds, and professional liability. Vehicle policies include liability coverage for bodily injury and property damage.

Settled claims resulting from these risks have not exceeded the commercial insurance coverage in any of the past three fiscal years. There has been no significant reduction in amounts of insurance coverage from fiscal year 2022.

GROUP PURCHASING POOLS

Group Experience Rating Program

The Career Center participates in a Group Experience Rating Agreement for workers' compensation as established under Ohio Revised Code. The Group Experience Rating Program was established as a group insurance discounting pool. The Group Experience Rating Program is intended to reduce Workers Compensation costs for the participants. The program is a discounting program that pools all the participating entities performance into one pool. Once the pool's performance is determined, discounts are given back to the entities by the Bureau of Workers Compensation. The time period of refunds is two years beyond the year of claims. The Participation in the Group Experience Rating Program is limited to educational entities that can meet the group's selection criteria. Each participant must apply annually. The Group Experience Rating Program provides the participants with a centralized program for processing, analysis and management of workers' compensation claims and a risk management program to assist in developing safer work environments. Each participant must pay its premiums, enrollment or other fees, and perform its obligations in accordance with the terms of the agreement. Each year, the participating schools pay an enrollment fee to the Group Experience Rating Program to cover the costs of administering the program.

Schools of Ohio Risk Sharing Authority

The Career Center participates in the Schools of Ohio Risk Sharing Authority Board (SORSA), an insurance purchasing pool. SORSA's business affairs are conducted by a nine member Board of directors consisting of a President, Vice President, Secretary, Treasurer and five delegates. SORSA was created to provide joint self-insurance coverage and to assist members to prevent and reduce losses and injuries to the Career Center's property and person. It is intended to provide liability and property insurance at reduced premiums for the participants. SORSA is organized as a nonprofit corporation under provisions of Ohio Revised Code 2744.

**VANTAGE CAREER CENTER
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 11 - RISK MANAGEMENT – (Continued)

Van Wert Area School Insurance Group (VWASIG)

The Career Center is a member of the VWASIG, a cooperative group of Van Wert County schools established to provide life insurance and pay medical/surgical, prescription drug, and dental benefits of employees and their covered dependents. The medical insurance program operates under the control of a Board of Trustees representing the member schools and is administered by Anthem through a Third Party Administrator, Huntington Insurance. Lincolnview Local School serves as the fiscal agent.

Post-employment health care is provided to plan participants or their beneficiaries through the respective retirement systems discussed in Note 13. As such, no funding provisions are required by the Career Center.

NOTE 12 - DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability/Net OPEB Liability/Asset

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

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

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

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

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

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

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FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

Plan Description - School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

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

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

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

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

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

The Career Center’s contractually required contribution to SERS was \$174,460 for fiscal year 2023. Of this amount, \$94,961 is reported as pension and postemployment benefits payable.

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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Plan Description - State Teachers Retirement System (STRS)

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

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

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

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

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

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

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

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

The Career Center's contractually required contribution to STRS was \$618,746 for fiscal year 2023. Of this amount, \$94,961 is reported as pension and postemployment benefits payable.

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

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

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net pension liability prior measurement date	0.034341900%	0.031325937%	
Proportion of the net pension liability current measurement date	<u>0.033694400%</u>	<u>0.031965240%</u>	
Change in proportionate share	<u>-0.000647500%</u>	<u>0.000639303%</u>	
Proportionate share of the net pension liability	\$ 1,822,455	\$ 7,105,912	\$ 8,928,367
Pension expense	\$ 124,149	\$ 992,884	\$ 1,117,033

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 73,811	\$ 90,966	\$ 164,777
Net difference between projected and actual earnings on pension plan investments	-	247,269	247,269
Changes of assumptions	17,982	850,364	868,346
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	14,584	204,314	218,898
Contributions subsequent to the measurement date	<u>174,460</u>	<u>618,746</u>	<u>793,206</u>
Total deferred outflows of resources	<u>\$ 280,837</u>	<u>\$ 2,011,659</u>	<u>\$ 2,292,496</u>

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NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred inflows of resources			
Differences between expected and actual experience	\$ 11,964	\$ 27,183	\$ 39,147
Net difference between projected and actual earnings on pension plan investments	63,597	-	63,597
Changes of assumptions	-	640,080	640,080
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	<u>13,849</u>	<u>52,913</u>	<u>66,762</u>
Total deferred inflows of resources	<u>\$ 89,410</u>	<u>\$ 720,176</u>	<u>\$ 809,586</u>

\$793,206 reported as deferred outflows of resources related to pension resulting from Career Center contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2024.

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2024	\$ 15,088	\$ (155,433)	\$ (140,345)
2025	(12,958)	(193,033)	(205,991)
2026	(90,847)	(339,533)	(430,380)
2027	<u>105,684</u>	<u>1,360,736</u>	<u>1,466,420</u>
Total	<u>\$ 16,967</u>	<u>\$ 672,737</u>	<u>\$ 689,704</u>

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.

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NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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

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

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

Sensitivity of the Career Center's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

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

	1% Decrease	Current Discount Rate	1% Increase
Career Center's proportionate share of the net pension liability	\$ 2,682,567	\$ 1,822,455	\$ 1,097,823

Actuarial Assumptions - STRS

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

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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

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

* Target allocation percentage is effective as of July 1, 2022. Target weights were phased in over a 3-month period concluding on October 1, 2022.

**10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25% and is net of investment expenses. Over a 30-year period, STRS Ohio's investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Sensitivity of the Career Center's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

- The following table represents the net pension liability as of June 30, 2022, calculated using the current period discount rate assumption of 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current assumption:

	1% Decrease	Current Discount Rate	1% Increase
Career Center's proportionate share of the net pension liability	\$ 10,734,448	\$ 7,105,912	\$ 4,037,296

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

NOTE 13 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability/Asset

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

Plan Description - School Employees Retirement System (SERS)

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

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.

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NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14% of covered payroll to the Health Care Fund in accordance with the funding policy. For the fiscal year ended June 30, 2023, SERS did not allocate any employer contributions to post-employment health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2023, this amount was \$25,000. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2023, the Career Center's surcharge obligation was \$17,842.

The surcharge added to the allocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The Career Center's contractually required contribution to SERS was \$17,842 for fiscal year 2023. Of this amount, \$17,842 is reported as pension and postemployment benefits payable.

Plan Description - State Teachers Retirement System (STRS)

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

Funding Policy - Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14% of covered payroll. For the fiscal year ended June 30, 2023, STRS did not allocate any employer contributions to post-employment health care.

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

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net OPEB liability/asset prior measurement date	0.032842900%	0.031325937%	
Proportion of the net OPEB liability/asset current measurement date	<u>0.033308500%</u>	<u>0.031965240%</u>	
Change in proportionate share	<u>0.000465600%</u>	<u>0.000639303%</u>	
Proportionate share of the net OPEB liability	\$ 467,655	\$ -	\$ 467,655
Proportionate share of the net OPEB asset	\$ -	\$ (827,686)	\$ (827,686)
OPEB expense	\$ (31,849)	\$ (139,292)	\$ (171,141)

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 3,932	\$ 11,999	\$ 15,931
Net difference between projected and actual earnings on OPEB plan investments	2,432	14,406	16,838
Changes of assumptions	74,386	35,256	109,642
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	17,738	41,201	58,939
Contributions subsequent to the measurement date	<u>17,842</u>	<u>-</u>	<u>17,842</u>
Total deferred outflows of resources	<u>\$ 116,330</u>	<u>\$ 102,862</u>	<u>\$ 219,192</u>
	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred inflows of resources			
Differences between expected and actual experience	\$ 299,146	\$ 124,300	\$ 423,446
Changes of assumptions	191,977	586,908	778,885
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	<u>14,298</u>	<u>11,129</u>	<u>25,427</u>
Total deferred inflows of resources	<u>\$ 505,421</u>	<u>\$ 722,337</u>	<u>\$ 1,227,758</u>

\$17,842 reported as deferred outflows of resources related to OPEB resulting from Career Center contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability/asset in the fiscal year ending June 30, 2024.

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2024	\$ (93,959)	\$ (179,969)	\$ (273,928)
2025	(93,865)	(167,038)	(260,903)
2026	(80,298)	(88,937)	(169,235)
2027	(49,688)	(37,065)	(86,753)
2028	(34,185)	(48,357)	(82,542)
Thereafter	(54,938)	(98,109)	(153,047)
Total	\$ (406,933)	\$ (619,475)	\$ (1,026,408)

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.

**VANTAGE CAREER CENTER
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

Wage inflation:

Current measurement date	2.40%
Prior measurement date	2.40%

Future salary increases, including inflation:

Current measurement date	3.25% to 13.58%
Prior measurement date	3.25% to 13.58%

Investment rate of return:

Current measurement date	7.00% net of investment expense, including inflation
Prior measurement date	7.00% net of investment expense, including inflation

Municipal bond index rate:

Current measurement date	3.69%
Prior measurement date	1.92%

Single equivalent interest rate, net of plan investment expense,
including price inflation:

Current measurement date	4.08%
Prior measurement date	2.27%

Medical trend assumption:

Current measurement date	7.00 to 4.40%
Prior measurement date	
Medicare	5.125 to 4.400%
Pre-Medicare	6.750 to 4.400%

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

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

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

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

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

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

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

	1% Decrease	Current Discount Rate	1% Increase
Career Center's proportionate share of the net OPEB liability	\$ 580,834	\$ 467,655	\$ 376,288

	1% Decrease	Current Trend Rate	1% Increase
Career Center's proportionate share of the net OPEB liability	\$ 360,646	\$ 467,655	\$ 607,426

Actuarial Assumptions - STRS

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

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

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

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

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

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

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

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

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

* Target allocation percentage is effective as of July 1, 2022. Target weights were phased in over a 3-month period concluding on October 1, 2022.

**10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25% and is net of investment expenses. Over a 30-year period, STRS Ohio's investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

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

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VAN WERT COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

	1% Decrease	Current Discount Rate	1% Increase
Career Center's proportionate share of the net OPEB asset	\$ 766,453	\$ 827,686	\$ 881,233

	1% Decrease	Current Trend Rate	1% Increase
Career Center's proportionate share of the net OPEB asset	\$ 858,512	\$ 827,686	\$ 788,776

NOTE 14 - BUDGETARY BASIS OF ACCOUNTING

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

The statement of revenues, expenditures and changes in fund balance - budget and actual (non-GAAP budgetary basis) 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 the GAAP basis are that:

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis); and,
- (d) Some funds are included in the general fund (GAAP basis) but have separate legally adopted budgets (budget basis).

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 14 - BUDGETARY BASIS OF ACCOUNTING – (Continued)

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

	<u>General fund</u>
Budget basis	\$ 1,145,872
Net adjustment for revenue accruals	10,275
Net adjustment for expenditure accruals	(6,864)
Net adjustment for other sources/uses	219,030
Funds budgeted elsewhere *	(27)
Adjustment for encumbrances	<u>(63,714)</u>
GAAP basis	<u>\$ 1,304,572</u>

* Certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes the endowment fund, special rotary fund and the public-school support fund.

NOTE 15 - CONTINGENCIES

A. Grants

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

B. Litigation

The Career Center is of the opinion that any current or future claims will either result in a favorable outcome or be covered by current insurance policies, so as not to materially affect the overall financial position of the Career Center.

C. Foundation Funding

Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Career centers must comply with minimum hours of instruction, instead of a minimum number of school days each year. The funding formula the Ohio Department of Education (ODE) is legislatively required to follow will continue to adjust as enrollment information is updated by the Career Center, which can extend past the fiscal year-end. As of the date of this report, ODE has not finalized the impact of enrollment adjustments to the June 30, 2023 Foundation funding for the Career Center; therefore, the financial statement impact is not determinable at this time. ODE and management believe this will result in either a receivable to or liability of the Career Center.

NOTE 16 - SET-ASIDES

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

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 16 - SET-ASIDES - (Continued)

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

	Capital Maintenance/ Acquisition
Set-aside balance June 30, 2022	\$ -
Current year set-aside requirement	117,375
Current year offsets	(117,375)
Total	\$ -
Balance carried forward to fiscal year 2024	\$ -
Set-aside balance June 30, 2023	\$ -

NOTE 17 - OTHER COMMITMENTS

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

<u>Fund</u>	<u>Year-End Encumbrances</u>
General	\$ 14,312
Permanent improvement	63,921
Nonmajor governmental funds	58,176
Total	\$ 136,409

NOTE 18 - TAX ABATEMENTS ENTERED INTO BY OTHER GOVERNMENTS

Van Wert County entered into property tax abatement agreements with local businesses under Enterprise Zone tax abatement agreements. Enterprise zones are designated areas of land in which businesses can receive tax incentives in the form of tax exemptions on eligible new investment. The Enterprise Zone Program provides tax exemptions for a portion of the value of new real property when the investment is made in conjunction with a project that includes job creation or job retention. These tax abatements reduce assessed value by a percentage agreed upon by all parties that authorize these types of agreements. The agreements affect the property tax receipts collected and distributed to the Career Center. Under the agreements, the Career Center's property taxes were reduced by \$14,184 during fiscal year 2023. Similarly, Putnam County, Paulding County, and Mercer County tax abatement agreements affect the property tax receipts collected and distributed to the Career Center. Under the agreements for Putnam County, the Career Center's property taxes were reduced by \$5,463 during fiscal year 2023. Under the agreements for Paulding County, the Career Center's property taxes were reduced by \$20,555 during fiscal year 2023. Under the agreements for Mercer County, the Career Center's property taxes were reduced by \$3,520 during fiscal year 2023.

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VAN WERT COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 18 - TAX ABATEMENTS ENTERED INTO BY OTHER GOVERNMENTS – (Continued)

Putnam County entered into property tax abatement agreements with property owners under The Ohio Community Reinvestment Area (“CRA”) program. The CRA program is a directive incentive tax exemption program benefiting property owners who renovate or construct new buildings. Under this program, the County designates areas to encourage revitalization of the existing housing stock and the development of new structures. These tax abatements reduce assessed value by a percentage agreed upon by all parties that authorize these types of agreements. The agreements affect the property tax receipts collected and distributed to the Career Center. Under the agreements, the Career Center’s property taxes were reduced by \$30,042 during fiscal year 2023. Similarly, Mercer County and Allen County tax abatement agreements affect the property tax receipts collected and distributed to the Career Center. Under the agreements for Mercer County, the Career Center’s property taxes were reduced by \$310 during fiscal year 2023. Under the agreements for Allen County, the Career Center’s property taxes were reduced by \$11,212 during fiscal year 2023.

NOTE 19 - COVID-19

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

REQUIRED SUPPLEMENTARY INFORMATION

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Career Center's proportion of the net pension liability	0.03369440%	0.03434190%	0.03331600%	0.03236240%
Career Center's proportionate share of the net pension liability	\$ 1,822,455	\$ 1,267,117	\$ 2,203,590	\$ 1,936,299
Career Center's covered payroll	\$ 1,372,214	\$ 1,191,193	\$ 1,175,750	\$ 1,117,311
Career Center's proportionate share of the net pension liability as a percentage of its covered payroll	132.81%	106.37%	187.42%	173.30%
Plan fiduciary net position as a percentage of the total pension liability	75.82%	82.86%	68.55%	70.85%

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019	2018	2017	2016	2015	2014
0.03239160%	0.03166630%	0.03295150%	0.03297390%	0.03438600%	0.03438600%
\$ 1,855,127	\$ 1,891,991	\$ 2,411,746	\$ 1,881,523	\$ 1,740,256	\$ 2,044,825
\$ 1,094,178	\$ 1,026,129	\$ 1,018,307	\$ 1,007,560	\$ 999,185	\$ 997,514
169.55%	184.38%	236.84%	186.74%	174.17%	204.99%
71.36%	69.50%	62.98%	69.16%	71.70%	65.52%

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

	LAST TEN FISCAL YEARS			
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Career Center's proportion of the net pension liability	0.03196524%	0.03132594%	0.03028370%	0.03080846%
Career Center's proportionate share of the net pension liability	\$ 7,105,912	\$ 4,005,303	\$ 7,327,578	\$ 6,813,106
Career Center's covered payroll	\$ 4,269,171	\$ 3,882,793	\$ 3,678,071	\$ 3,638,329
Career Center's proportionate share of the net pension liability as a percentage of its covered payroll	166.45%	103.16%	199.22%	187.26%
Plan fiduciary net position as a percentage of the total pension liability	78.88%	87.78%	75.48%	77.40%

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
0.03084223%	0.02741050%	0.02872470%	0.02968271%	0.03020401%	0.03020401%
\$ 6,781,514	\$ 6,511,423	\$ 9,615,023	\$ 8,203,433	\$ 7,346,661	\$ 8,751,294
\$ 3,534,143	\$ 3,034,129	\$ 3,007,279	\$ 3,152,345	\$ 3,086,015	\$ 3,155,085
191.89%	214.61%	319.73%	260.23%	238.06%	277.37%
77.31%	75.30%	66.80%	72.10%	74.70%	69.30%

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

	LAST TEN FISCAL YEARS			
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 174,460	\$ 192,110	\$ 166,767	\$ 164,605
Contributions in relation to the contractually required contribution	<u>(174,460)</u>	<u>(192,110)</u>	<u>(166,767)</u>	<u>(164,605)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Career Center's covered payroll	\$ 1,246,143	\$ 1,372,214	\$ 1,191,193	\$ 1,175,750
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 150,837	\$ 147,714	\$ 143,658	\$ 142,563	\$ 130,836	\$ 138,487
<u>(150,837)</u>	<u>(147,714)</u>	<u>(143,658)</u>	<u>(142,563)</u>	<u>(130,836)</u>	<u>(138,487)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,117,311	\$ 1,094,178	\$ 1,026,129	\$ 1,018,307	\$ 1,007,560	\$ 999,185
13.50%	13.50%	14.00%	14.00%	13.18%	13.86%

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

	LAST TEN FISCAL YEARS			
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 618,746	\$ 597,684	\$ 543,591	\$ 514,930
Contributions in relation to the contractually required contribution	<u>(618,746)</u>	<u>(597,684)</u>	<u>(543,591)</u>	<u>(514,930)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Career Center's covered payroll	\$ 4,419,614	\$ 4,269,171	\$ 3,882,793	\$ 3,678,071
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 509,366	\$ 494,780	\$ 424,778	\$ 421,019	\$ 433,565	\$ 401,182
<u>(509,366)</u>	<u>(494,780)</u>	<u>(424,778)</u>	<u>(421,019)</u>	<u>(433,565)</u>	<u>(401,182)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 3,638,329	\$ 3,534,143	\$ 3,034,129	\$ 3,007,279	\$ 3,152,345	\$ 3,086,015
14.00%	14.00%	14.00%	14.00%	14.00%	13.00%

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SEVEN FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Career Center's proportion of the net OPEB liability	0.03330850%	0.03284290%	0.03186840%	0.03084400%
Career Center's proportionate share of the net OPEB liability	\$ 467,655	\$ 621,579	\$ 692,605	\$ 775,662
Career Center's covered payroll	\$ 1,372,214	\$ 1,191,193	\$ 1,175,750	\$ 1,117,311
Career Center's proportionate share of the net OPEB liability as a percentage of its covered payroll	34.08%	52.18%	58.91%	69.42%
Plan fiduciary net position as a percentage of the total OPEB liability	30.34%	24.08%	18.17%	15.57%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>
0.03167360%	0.03093010%	0.03304059%
\$ 878,711	\$ 830,083	\$ 941,779
\$ 1,094,178	\$ 1,026,129	\$ 1,018,307
80.31%	80.89%	92.48%
13.57%	12.46%	11.49%

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SEVEN FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Career Center's proportion of the net OPEB liability/asset	0.03196524%	0.03132594%	0.03028370%	0.03080846%
Career Center's proportionate share of the net OPEB liability/(asset)	\$ (827,686)	\$ (660,482)	\$ (532,236)	\$ (510,262)
Career Center's covered payroll	\$ 4,269,171	\$ 3,882,793	\$ 3,678,071	\$ 3,638,329
Career Center's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	19.39%	17.01%	14.47%	14.02%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	230.73%	174.73%	182.10%	174.70%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>
0.03084223%	0.02741050%	0.02872470%
\$ (495,603)	\$ 1,069,457	\$ 1,536,204
\$ 3,534,143	\$ 3,034,129	\$ 3,007,279
14.02%	35.25%	51.08%
176.00%	47.10%	37.33%

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

	LAST TEN FISCAL YEARS			
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 17,842	\$ 15,899	\$ 9,241	\$ 7,686
Contributions in relation to the contractually required contribution	<u>(17,842)</u>	<u>(15,899)</u>	<u>(9,241)</u>	<u>(7,686)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Career Center's covered payroll	\$ 1,246,143	\$ 1,372,214	\$ 1,191,193	\$ 1,175,750
Contributions as a percentage of covered payroll	1.43%	1.16%	0.78%	0.65%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 13,535	\$ 17,308	\$ 11,289	\$ 15,208	\$ 18,905	\$ 13,001
<u>(13,535)</u>	<u>(17,308)</u>	<u>(11,289)</u>	<u>(15,208)</u>	<u>(18,905)</u>	<u>(13,001)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,117,311	\$ 1,094,178	\$ 1,026,129	\$ 1,018,307	\$ 1,007,560	\$ 999,185
1.21%	1.58%	1.10%	1.49%	1.88%	1.30%

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

	LAST TEN FISCAL YEARS			
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Career Center's covered payroll	\$ 4,419,614	\$ 4,269,171	\$ 3,882,793	\$ 3,678,071
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 31,004
-	-	-	-	-	(31,004)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 3,638,329	\$ 3,534,143	\$ 3,034,129	\$ 3,007,279	\$ 3,152,345	\$ 3,086,015
0.00%	0.00%	0.00%	0.00%	0.00%	1.00%

VANTAGE CAREER CENTER
VAN WERT COUNTY

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

PENSION

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms :

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

Changes in assumptions :

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2014.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2015.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2016.
- For fiscal year 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females, (f) mortality among service retired members and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates and 110% of female rates, (g) mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement and (h) the discount rate was reduced from 7.75% to 7.50%.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2018.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2019.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2020.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2021.
- For fiscal year 2022, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) wage inflation decreased from 3.00% to 2.40%, (b) future salary increases changed from 3.50%-18.20% to 3.25%-13.58%, (c) investment rate of return decreased from 7.50% to 7.00%, (d) discount rate decreased from 7.50% to 7.00% and (e) mortality tables changed from the RP-2014 Blue Collar mortality table to the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2023.

(Continued)

VANTAGE CAREER CENTER
VAN WERT COUNTY

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

PENSION (CONTINUED)

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms :

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

Changes in assumptions :

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2014.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2015.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2016.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017.
- For fiscal year 2018, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.75% to 7.45%, (b) the inflation assumption was lowered from 2.75% to 2.50%, (c) the payroll growth assumption was lowered to 3.00%, (d) total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation, (e) the healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016 and (f) rates of retirement, termination and disability were modified to better reflect anticipated future experience.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2019
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2020
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2021
- For fiscal year 2022, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.45% to 7.00% and (b) the discount rate of return was reduced from 7.45% to 7.00%.
- For fiscal year 2023, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the projected salary increases went from 12.50% at age 20 to 2.50% at age 65 to varies by service from 2.50% to 8.50%

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms :

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

(Continued)

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

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

Changes in assumptions :

- For fiscal year 2017, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement, and disability were updated to reflect recent experience, (e) mortality among active members was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females, (f) mortality among service retired members and beneficiaries was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, (g) mortality among disabled members was updated to the following: RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.
- For fiscal year 2018, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement, and disability were updated to reflect recent experience, (e) mortality among active members was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females, (f) mortality among service retired members and beneficiaries was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, (g) mortality among disabled members was updated to the following: RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement, (h) the municipal bond index rate increased from 2.92% to 3.56% and (i) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 2.98% to 3.63%.
- For fiscal year 2019, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate increased from 3.63% to 3.70%, (b) the health care cost trend rates for Medicare were changed from a range of 5.50%-5.00% to a range of 5.375%-4.75% and Pre-Medicare were changed from a range of 7.50%-5.00% to a range of 7.25%-4.75%, (c) the municipal bond index rate increased from 3.56% to 3.62% and (d) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 3.63% to 3.70%.
- For fiscal year 2020, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate decreased from 3.70% to 3.22%, (b) the health care cost trend rates for Medicare were changed from a range of 5.375%-4.75% to a range of 5.25%-4.75% and Pre-Medicare were changed from a range of 7.25%-4.75% to a range of 7.00%-4.75%, (c) the municipal bond index rate decreased from 3.62% to 3.13% and (d) the single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.70% to 3.22%.
- For fiscal year 2021, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate decreased from 3.22% to 2.63% and (b) the municipal bond index rate decreased from 3.13% to 2.45%, and (c) the single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.22% to 2.63%.
- For fiscal year 2022, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) wage inflation decreased from 3.00% to 2.40%, (b) future salary increases changed from 3.50%-18.20% to 3.25%-13.58%, (c) investment rate of return decreased from 7.50% to 7.00%, (d) discount rate decreased from 7.50% to 7.00% and (e) mortality tables changed from the RP-2014 Blue Collar mortality table to the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table.
- For fiscal year 2023, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) municipal bond index rate went from 1.92% to 3.69%, (b) single equivalent interest rate when from 2.27% to 4.08% and (c) medical trend assumptions went from 5.125% to 4.40% Medicare and 6.75% to 4.40% Pre-Medicare to 7.00% to 4.40%.

(Continued)

VANTAGE CAREER CENTER
VAN WERT COUNTY

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms :

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

Changes in assumptions :

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

(Continued)

VANTAGE CAREER CENTER
VAN WERT COUNTY

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

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

Changes in assumptions (continued):

- For fiscal year 2021, health care cost trend rates were changed to the following: medical pre-Medicare from 5.87% initial - 4.00% ultimate down to 5.00% initial - 4.00% ultimate; medical Medicare from 4.93% initial - 4.00% ultimate down to -6.69% initial - 4.00% ultimate; prescription drug pre-Medicare from 7.73% initial - 4.00% ultimate down to 6.50% initial - 4.00% ultimate; prescription drug Medicare from 9.62% initial - 4.00% ultimate up to 11.87% initial - 4.00% ultimate.
- For fiscal year 2022, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.45% to 7.00%, (b) the discount rate of return was reduced from 7.45% to 7.00% and (c) health care cost trend rates were changed to the following: medical Medicare from -6.69% initial - 4.00% ultimate down to -16.18% initial - 4.00% ultimate; prescription drug Medicare from 11.87% initial - 4.00% ultimate up to 29.98% initial - 4.00% ultimate.
- For fiscal year 2023, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) projected salary increase went from 12.50% at age 20 to 2.50% at age 65 to varies by services from 2.50% to 8.50% and (b) health care cost trend rates were changed to the following: Pre-Medicare from 5.00% initial - 4.00% ultimate to 7.50% initial - 3.94% ultimate; medical Medicare from -16.18% initial - 4.00% ultimate to -68.78% initial - 3.94% ultimate; prescription drug Pre-Medicare from 6.50% initial - 4.00% ultimate to 9.00% initial - 3.94% ultimate; Medicare from 29.98% initial - 4.00% ultimate to -5.47% initial - 3.94% ultimate.

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title	Federal Assistance Listing Number	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE		
<i>(Passed Through Ohio Department of Education)</i>		
Child Nutrition Cluster:		
Non-Cash Assistance (Food Distribution)		
School Breakfast Program	10.553	\$1,439
National School Lunch Program	10.555	12,951
Cash Assistance:		
School Breakfast Program	10.553	8,921
National School Lunch Program	10.555	169,188
Total Child Nutrition Cluster		<u>192,499</u>
Total U.S. Department of Agriculture		<u>192,499</u>
U.S. DEPARTMENT OF EDUCATION		
<i>(Passed through Ohio Department of Education)</i>		
Career and Technical Education - Basic Grants to States - Adult	84.048	150,672
<i>(Passed through Apollo Career Center)</i>		
Career and Technical Education - Basic Grants to States	84.048	<u>30,000</u>
Total Career and Technical Education - Basic Grants to States		180,672
<i>(Direct Program)</i>		
Student Financial Assistance Cluster:		
Federal Supplemental Educational Opportunity Grants	84.007	3,937
Federal Pell Grant Program	84.063	119,502
Federal Direct Student Loans	84.268	<u>130,784</u>
Total Student Financial Assistance Cluster		254,223
COVID-19 - Education Stabilization Fund		
Higher Education Emergency Relief Fund (HEERF) - Fund for the Improvement of Post Secondary Education (FIPSE) Formula Grant	84.425N	75,068
Governors Emergency Education Relief Fund	84.425C	87,006
Higher Education Emergency Relief Fund (HEERF) - Institutions of Higher Education (IHEs) - Institutional Portion	84.425F	53,844
Higher Education Emergency Relief Fund (HEERF) - Institutions of Higher Education (IHEs) - Student Aid Portion	84.425E	12,517
Total COVID-19 - Education Stabilization Fund		<u>228,435</u>
Total U.S. Department of Education		<u>663,330</u>
Total Expenditures of Federal Awards		<u>\$855,829</u>

The accompanying notes are an integral part of this schedule.

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

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

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Vantage Career Center (the Career Center's) under programs of the federal government for the year ended June 30, 2023. 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 Career Center, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Career 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 Career 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 Career Center commingles cash receipts from the U.S. Department of Agriculture with similar State grants. When reporting expenditures on this Schedule, the Career Center assumes it expends federal monies first.

NOTE E – FOOD DONATION PROGRAM

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

NOTE F – MATCHING REQUIREMENTS

Certain Federal programs require the Career Center to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The Career Center has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

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

Vantage Career Center
Van Wert County
818 North Franklin Street
Van Wert, Ohio 45891

To the Board of Education:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Vantage Career Center, Van Wert County, (the Career Center) as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Career Center's basic financial statements and have issued our report thereon dated December 20, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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



Keith Faber
Auditor of State
Columbus, Ohio

December 20, 2023

**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**

Vantage Career Center
Van Wert County
818 North Franklin Street
Van Wert, Ohio 45891

To the Board of Education:

Report on Compliance for the Major Federal Program

Qualified Opinion

We have audited Vantage Career Center's, Van Wert County, (Career 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 Vantage Career Center's major federal program for the fiscal year ended June 30, 2023. Vantage Career Center's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

Qualified Opinion on COVID-19 Education Stabilization Fund:

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinion* section of our report, Vantage Career Center complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the *COVID-19 - Education Stabilization Fund* for the fiscal year ended June 30, 2023.

Basis for Qualified Opinion

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

Matter Giving Rise to Qualified Opinion on COVID-19 - Education Stabilization Fund

As described in finding 2023-001 in the accompanying schedule of findings, the Career Center did not comply with requirements regarding the following:

Finding #	Assistance Listing #	Program Name	Compliance Requirement
2023-001	84.425	COVID-19 – Education Stabilization Fund	Allowable Costs and Earmarking

Compliance with such requirements is necessary, in our opinion, for the Career Center to comply with the requirements applicable to that program.

Responsibilities of Management for Compliance

The Career 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 Career Center's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Career Center's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Career 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 Career Center's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Career Center's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Career Center's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a material weakness.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings as item 2023-001 to be a material weakness.

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.

Government Auditing Standards requires the auditor to perform limited procedures on the Career Center's responses to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and corrective action plan. The Career Center's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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

December 20, 2023

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**VANTAGE CAREER CENTER
VAN WERT COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2023**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	Yes
(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	Qualified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	Yes
(d)(1)(vii)	Major Programs (list):	Education Stabilization Fund – AL# 84.425
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	No

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

None

VANTAGE CAREER CENTER
VAN WERT COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2023
(Continued)

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

1. HEERF Allowable Costs and Earmarking

Finding Number:	2023-001
Assistance Listing Number and Title:	84.425E – Education Stabilization Fund
Federal Agency:	U.S. Department of Education
Compliance Requirement:	Allowable Costs and Earmarking
Pass-Through Entity:	Direct Program
Repeat Finding from Prior Audit?	No

Noncompliance and Material Weakness

2 C.F.R. § 3474.1 gives regulatory effect to the Department of Education for **2 C.F.R. § 200.403** Factors affecting allowability of costs. Except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under Federal awards: (a) Be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles. (b) Conform to any limitations or exclusions set forth in these principles or in the Federal award as to types or amount of cost items.

Section 2003 of the American Rescue Plan Act of 2021 (ARP) (Pub. L. 117-2) (award or grant) by the U.S. Department of Education (Department) are governed by section 2003 of the ARP and section 314 of the Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSAA) (Pub. L. 116-260) and the following terms and conditions of this Certification and Agreement (C&A): Use of Grant Funds: 1. Section 2003(7) of the ARP requires Recipient, an institution of higher education as defined in section 101 or 102(c) of the Higher Education Act of 1965, as amended (HEA), 20 USC § 1001 or 1002(c), to provide emergency financial aid grants to students in an amount equivalent to the sum of two amounts: 50 percent of the portion of its allocation that is based on formula factors from CRRSAA section 314(a)(1)(A)-(D) and 100 percent of the portion of its allocation that is based on formula factors from CRRSAA section 314(a)(1)(E)-(F). The amount of funds made available by this award under Assistance Listing Number (ALN) 84.425E represents the minimum amount that Recipient must use for making emergency financial aid grants to students. 2. Under section 2003(7) of the ARP and section 314(c)(3) of the CRRSAA, Recipient must make emergency financial aid grants to students (which may include students exclusively enrolled in distance education), which may be used for any component of the student's cost of attendance or for emergency costs that arise due to coronavirus, such as tuition, food, housing, health care (including mental health care), or child care.

The Center failed to spend \$12,517 of its ARP #84.425E funds on grants to students, funds were spent on administrative expenditures. In addition, interest submitted to the Department of Health and Human Services owed from the prior audit period was paid from HEERF funds in the amount of \$328 and Adult Education fund in the amount of \$396, however since the interest earned was all credited to the General fund, the repayment to the Department of Health and Human Services should have been made from the General fund.

Failure to expend funds as required under the grant agreement could lead to future questioned costs, reduced future federal funding, and the requirement to repay the Department of Health and Human Services. The Treasurer and Superintendent should ensure expenditures paid by federal grant funds are within the constraints of the grant agreement.

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2023
(Continued)**

Officials' Response

The finding is correct in the fact that money was charged to the wrong grant award. However, as a whole with the grant awards from all of the American Rescue Plan Act, Vantage Career Center gave more money to students than the grants required. Moving forward the Treasurer will be more involved with the requirements of administering the grants from the beginning.

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 www.vantagecareercenter.com

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

Finding Number	Finding Summary	Status	Additional Information
2022-001	84.425 Educational Stabilization Fund – Cash Management	Partially Corrected	See Management Letter Vantage has not drawn funds in advance of spending them to date and will continue to follow that method so there will not be issue with interest payments.

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CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
June 30, 2023

Finding Number:	2023-001
Planned Corrective Action:	The finding is correct in the fact that money was charged to the wrong grant award. However, as a whole with the grant awards from all of the American Rescue Plan Act, Vantage Career Center gave more money to students than the grants required. Moving forward the Treasurer will be more involved with the requirements of administering the grants from the beginning.
Anticipated Completion Date:	Already in place
Responsible Contact Person:	Laura Peters, Treasurer/CFO

OHIO AUDITOR OF STATE KEITH FABER



VANTAGE CAREER CENTER

VAN WERT 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 12/28/2023

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

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