OHIO AUDITOR OF STATE
KEITH FABER

EAST CENTRAL OHIO EDUCATIONAL SERVICE CENTER
TUSCARAWAS COUNTY
JUNE 30, 2023

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TUSCARAWAS COUNTY
JUNE 30, 2023

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INDEPENDENT AUDITOR'S REPORT

East Central Ohio Educational Service Center
Tuscarawas County
834 East High Avenue
New Philadelphia, Ohio 44663

To the Governing Board:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the East Central Ohio Educational Service Center, Tuscarawas County, Ohio (the Educational Service Center), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Educational Service Center's basic financial statements as listed in the Table of Contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the East Central Ohio Educational Service Center, Tuscarawas County, Ohio as of June 30, 2023 and the respective changes in financial position thereof and for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Educational Service 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 Educational Service 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 Educational Service 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 Educational Service 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 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 March 1, 2024, on our consideration of the Educational Service Center's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Educational Service 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 Educational Service Center's internal control over financial reporting and compliance.

Keith Faber
Auditor of State
Columbus, Ohio

March 1, 2024

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

Financial Highlights

Key financial highlights for the fiscal year 2023 are as follows:

- Net position of governmental activities increased $722,513.

- Program specific revenues in the form of charges for services and sales and operating grants and contributions, in the amount of $27,391,081, accounted for approximately 94 percent of total revenues of $29,183,002.

- Total assets increased $2,720,106, primarily due to an increase in current and other assets. Total liabilities increased $9,272,378, primarily due to an increase in the net pension liability.

- The Educational Service Center had $28,460,489 in expenses related to governmental activities. Program specific charges for services and sales and operating grants and contributions totaling $27,391,081 were not sufficient to support the programs.

- Total governmental funds had $29,197,687 in revenues, $28,474,731 in expenditures, and $554,866 in other financing sources, which resulted in an increase in total fund balance of $1,277,822. The increase in total fund balance is primarily due to an increase in General Fund charges for services revenues.

Using this Annual Financial Report

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

The Statement of Net Position and Statement of Activities provide information about the activities of the whole Educational Service Center, presenting both an aggregate view of Educational Service 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 as the Educational Service Center's most significant funds with all other non-major funds presented in total in one column.

Notes to the Basic Financial Statements

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

Reporting the Educational Service Center as a Whole

Statement of Net Position and Statement of Activities

While this document contains information about the large number of funds used by the Educational Service Center to provide programs and activities for students, the view of the Educational Service Center as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2023?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the Educational Service Center's net position and changes in net position. This change in net position is important because it tells the reader that, for Educational Service Center as a whole, the financial position of the Educational Service 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 Educational Service Center's facility conditions, required educational programs, and other factors.

In the Statement of Net Position and the Statement of Activities, all of the Educational Service Center's activities are considered to be governmental activities including instruction, support services, operation and maintenance of plant, and pupil transportation.

Reporting the Educational Service Center's Most Significant Funds

Fund Financial Statements

The analysis of the Educational Service Center's major funds begins on page 10. Fund financial reports provide detailed information about the Educational Service Center's major funds. The Educational Service Center uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the Educational Service Center's most significant funds. The Educational Service Center's only major governmental fund is the General Fund.

Governmental Funds

Most of the Educational Service 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 fiscal 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 Educational Service Center's general governmental operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

The Educational Service Center as a Whole

Recall that the Statement of Net Position provides the perspective of Educational Service Center as a whole. Table 1 provides a summary of the Educational Service Center's net position for 2023 compared to 2022.

Table 1
Net Position
Governmental Activities

	2023	2022	Change
Assets			
Current and Other Assets	$7,077,365	$5,306,835	$1,770,530
Net OPEB Asset	1,831,685	1,434,115	397,570
Capital Assets	3,225,213	2,673,207	552,006
Total Assets	12,134,263	9,414,157	2,720,106
Deferred Outflows of Resources			
Pension	7,594,824	8,025,494	(430,670)
OPEB	1,192,655	1,434,839	(242,184)
Total Deferred Outflows of Resources	8,787,479	9,460,333	(672,854)
Liabilities			
Current and Other Liabilities	2,183,566	1,676,173	507,393
Long-Term Liabilities:			
Due Within One Year	682,494	350,834	331,660
Due in More Than One Year:			
Net Pension Liability	21,513,660	12,577,941	8,935,719
Net OPEB Liability	1,530,232	2,042,366	(512,134)
Other Amounts	444,629	434,889	9,740
Total Liabilities	26,354,581	17,082,203	9,272,378
Deferred Inflows of Resources			
Pension	1,716,641	9,906,224	(8,189,583)
OPEB	3,323,051	3,081,107	241,944
Total Deferred Inflows of Resources	5,039,692	12,987,331	(7,947,639)
Net Position			
Net Investment in Capital Assets	2,408,746	2,397,737	11,009
Restricted	407,366	0	407,366
Unrestricted (Deficit)	(13,288,643)	(13,592,781)	304,138
Total Net Position	($10,472,531)	($11,195,044)	$722,513

The net pension liability (NPL) is the largest single liability reported by the Educational Service Center at June 30, 2023. 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 Educational Service 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.

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

Total assets increased $2,720,106. In total, the increase in current and other assets was the most significant. Current and other assets increased $1,770,530 primarily due to increases in cash and cash equivalents as well as intergovernmental receivables. The Educational Service Center is also reporting increases in the net OPEB asset and in capital assets. Capital assets increased $552,006 primarily capital assets additions exceeding annual depreciation.

Total liabilities increased $9,272,378, primarily due to the increase in the net pension liability due to poor investment returns as compared to previous years. The increase in net pension liability was offset slightly by decreases in the net OPEB liability. Current and other liabilities increased $507,393 primarily due to increases in accrued wages and benefits payable, and accounts payable.

The Educational Service Center's deferred inflows of resources decreased $7,947,639, primarily due to the previously mentioned change in the net difference between projected and actual earnings on pension plan investments.

In order to further understand what makes up the changes in net position for the current year, the following table gives readers further details regarding the results of activities for 2023 and 2022.

Table 2
Changes in Net Position
Governmental Activities

	2023	2022	Change
Revenues			
Program Revenues			
Charges for Services and Sales	$23,089,794	$17,943,353	$5,146,441
Operating Grants and Contributions	4,301,287	3,457,578	843,709
Total Program Revenues	27,391,081	21,400,931	5,990,150
General Revenues			
Grants and Entitlements not Restricted to Specific Programs	1,655,329	796,238	859,091
Investment Earnings	111,227	7,674	103,553
Miscellaneous	25,365	4,600	20,765
Total General Revenues	1,791,921	808,512	983,409
Total Revenues	$29,183,002	$22,209,443	$6,973,559

(continued)

Table 2
Changes in Net Position (Continued)

	Governmental Activities		
	2023	**2022**	**Change**
Expenses			
Instruction:			
Regular	$3,678,053	$2,869,746	$808,307
Special	5,727,542	4,596,332	1,131,210
Special - Intergovernmental	400,000	400,000	0
Student Intervention Services	23,364	23,983	(619)
Support Services:			
Pupil	7,258,000	5,102,251	2,155,749
Instructional Staff	6,437,617	4,424,481	2,013,136
Board of Education	48,710	43,539	5,171
Administration	1,557,904	1,080,928	476,976
Fiscal	968,143	887,970	80,173
Business	1,102,031	573,591	528,440
Operation and Maintenance of Plant	461,426	352,801	108,625
Pupil Transportation	15,761	40,265	(24,504)
Central	616,473	635,972	(19,499)
Operation of Non-Instructional Services	0	154	(154)
Operation of Non-Instructional Services - Intergovernmental	0	21,034	(21,034)
Food Service Operations	162,778	136,601	26,177
Interest and Fiscal Charges	2,687	1,516	1,171
Total Expenses	28,460,489	21,191,164	7,269,325
Change in Net Position	722,513	1,018,279	(295,766)
Net Position Beginning of Year	(11,195,044)	(12,213,323)	1,018,279
Net Position End of Year	($10,472,531)	($11,195,044)	$722,513

The primary sources of revenue for the Educational Service Center are derived from charges for services provided to contracting school districts within its boundaries, which represent approximately 79 percent of total revenues. The increase in charges for services and sales is primarily due to an increase in services provided to member districts, including new or increased services through Cares Coordination, Ohio Strengths Collaborative, and Belmont County Student Services. Operating grants and contributions, which represent approximately 16 percent of total governmental revenues, increased primarily due to moneys received for Elementary and Secondary School Emergency Relief grant programs, as well as other federally funded grant programs.

Program expenses of the Educational Service Center represent the costs of providing services. Instruction expenses make up approximately 34 percent of the total governmental expenses. Of the instructional expenses, regular instruction and special instruction compose the most significant portions, with student intervention services making up the remainder. The Educational Service Center is reporting an intergovernmental component of special instruction for a grant from Belmont County Board for Developmental Disabilities. The Educational Service Center spends a portion for certain preschool services, while distributing the remainder to school districts in the County to spend locally. Overall program expenses increased $7,269,325 from the prior fiscal year, primarily due to an increase in expenses related to pension.

The Statement of Activities shows the cost of program services and the charges for services and sales and operating grants and contributions offsetting those services. Table 3 shows the total cost of services and the net cost of services for fiscal year 2023 compared to fiscal year 2022. In other words, it identifies the cost of those services supported by unrestricted entitlements.

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2023	**2022**	**2023**	**2022**
Instruction:				
Regular	$3,678,053	$2,869,746	($1,697,574)	$1,739,308
Special	5,727,542	4,596,332	(3,074,411)	3,452,877
Special - Intergovernmental	400,000	400,000	0	0
Student Intervention Services	23,364	23,983	(13,471)	14,712
Support Services:				
Pupil	7,258,000	5,102,251	2,266,678	(1,916,479)
Instructional Staff	6,437,617	4,424,481	1,886,094	(1,536,688)
Board of Education	48,710	43,539	16,377	(19,446)
Administration	1,557,904	1,080,928	558,601	(472,602)
Fiscal	968,143	887,970	345,233	(406,795)
Business	1,102,031	573,591	346,663	(188,927)
Operation and Maintenance of Plant	461,426	352,801	207,970	(130,475)
Pupil Transportation	15,761	40,265	515	(24,356)
Central	616,473	635,972	212,828	(280,972)
Operation of Non-Instructional Service	0	154	0	0
Operation of Non-Instructional Service - Intergovernmental	0	21,034	0	2,454
Food Service Operations	162,778	136,601	11,218	(21,170)
Interest and Fiscal Charges	2,687	1,516	2,687	(1,674)
Total Expenses	$28,460,489	$21,191,164	$1,069,408	$209,767

The Educational Service Center relies on program revenues to support its operations, which were sufficient in fiscal year 2023.

The Educational Service Center Funds

Information about the Educational Service Center's major funds starts on page 15. These funds are accounted for using the modified accrual basis of accounting**.** The Educational Service Center reports one major fund, the General Fund. The General Fund accounts for the vast majority of services provided by the Educational Service Center. Total revenues increased due to an increase in charges for services and an increase in grants and entitlements not restricted for specific programs. The General Fund's balance increased $1,462,198 during fiscal year 2023.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2023, the Educational Service Center had $3,225,213 invested in land, construction in progress, land improvements, buildings and improvements, furniture and equipment, vehicles and intangible right to use lease/subscription assets. See Note 9 for more detailed information of the Educational Service Center's capital assets.

Debt

At June 30, 2023, the Educational Service Center had $733,513 in outstanding financed purchase obligations, subscription, and lease obligations. Of this total, $341,069 is due within one year. See Note 14 for more information on the Educational Service Center's long-term obligations, including net pension liability, net OPEB liability, and compensated absences.

Challenges and Opportunities

Overall, the Educational Service Center remains financially stable. As the preceding information shows, the Educational Service Center relies heavily on service contracts with local, city and exempted village school districts, and other entities within the five county areas. The future of the Educational Service Center is dependent upon maintaining stability in a very difficult budget environment. These challenges include legislative reductions to State funding for educational service centers. In anticipation of these challenges, the Educational Service Center will need to continue to provide its services to school districts and other community entities in the most cost effective manner available. One such initiative is a Shared Services Collaboration with other educational service centers and local governments. The Educational Service Center will continue to identify possible sources of revenue generating activities, such as expanding Distance Learning Services to school districts across the State, and throughout the United States. The Educational Service Center's system of financial management and internal controls is well regarded, and all of its financial abilities will be needed to meet the financial challenges in the future.

Contacting the Educational Service Center's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the Educational Service Center's finances and to show the Educational Service Center's accountability for the money it receives. If you have any questions about this report or need additional financial information contact Matt King, Treasurer/CFO, at East Central Ohio Educational Service Center, 834 East High Avenue, New Philadelphia, Ohio 44663.

Basic Financial Statements

East Central Ohio Educational Service Center

Statement of Net Position

June 30, 2023

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	$4,540,915
Intergovernmental Receivable	2,443,917
Accounts Receivable	80,332
Prepaid Items	12,201
Net OPEB Asset	1,831,685
Non-Depreciable Capital Assets	216,900
Depreciable Capital Assets, Net	3,008,313
Total Assets	12,134,263
Deferred Outflows of Resources	
Pension	7,594,824
OPEB	1,192,655
Total Deferred Outflows of Resources	8,787,479
Liabilities	
Accounts Payable	322,577
Accrued Wages and Benefits Payable	1,416,661
Intergovernmental Payable	261,374
Contracts Payable	82,954
Unearned Revenue	100,000
Long-Term Liabilities:	
Due Within One Year	682,494
Due in More Than One Year:	
Net Pension Liability	21,513,660
Net OPEB Liability	1,530,232
Other Amounts	444,629
Total Liabilities	26,354,581
Deferred Inflows of Resources	
Pension	1,716,641
OPEB	3,323,051
Total Deferred Inflows of Resources	5,039,692
Net Position	
Net Investment in Capital Assets	2,408,746
Restricted for:	
State Funded Programs	79,468
OPEB Plans	327,898
Unrestricted (Deficit)	(13,288,643)
Total Net Position	($10,472,531)

See accompanying notes to the basic financial statements

East Central Ohio Educational Service Center
Statement of Activities
For the Fiscal Year Ended June 30, 2023

	Expenses	Program Revenues: Charges for Services and Sales	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental Activities				
Instruction:				
Regular	$3,678,053	$5,079,645	$295,982	$1,697,574
Special	5,727,542	7,615,209	1,186,744	3,074,411
Special - Intergovernmental	400,000	0	400,000	0
Student Intervention Services	23,364	36,835	0	13,471
Support Services:				
Pupil	7,258,000	4,302,261	689,061	(2,266,678)
Instructional Staff	6,437,617	3,238,932	1,312,591	(1,886,094)
Board of Education	48,710	32,333	0	(16,377)
Administration	1,557,904	920,077	79,226	(558,601)
Fiscal	968,143	622,910	0	(345,233)
Business	1,102,031	605,461	149,907	(346,663)
Operation and Maintenance of Plant	461,426	253,456	0	(207,970)
Pupil Transportation	15,761	0	15,246	(515)
Central	616,473	382,675	20,970	(212,828)
Food Service Operations	162,778	0	151,560	(11,218)
Interest	2,687	0	0	(2,687)
Total	$28,460,489	$23,089,794	$4,301,287	(1,069,408)

General Revenues	
Grants and Entitlements not Restricted to Specific Programs	1,655,329
Investment Earnings	111,227
Miscellaneous	25,365
Total General Revenues	1,791,921
Change in Net Position	722,513
Net Position Beginning of Year	(11,195,044)
Net Position End of Year	($10,472,531)

See accompanying notes to the basic financial statements

East Central Ohio Educational Service Center
Balance Sheet
Governmental Funds
June 30, 2023

	General	Other Governmental Funds	Total Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	$4,344,763	$196,152	$4,540,915
Receivables:			
Accounts	80,332	0	80,332
Interfund	1,121,212	0	1,121,212
Intergovernmental	1,250,697	1,193,220	2,443,917
Prepaid Items	12,201	0	12,201
Total Assets	$6,809,205	$1,389,372	$8,198,577
Liabilities			
Accounts Payable	$64,276	$258,301	$322,577
Accrued Wages and Benefits	1,354,697	61,964	1,416,661
Intergovernmental Payable	255,477	5,897	261,374
Interfund Payable	0	1,121,212	1,121,212
Contracts Payable	82,954	0	82,954
Unearned Revenue	0	100,000	100,000
Total Liabilities	1,757,404	1,547,374	3,304,778
Deferred Inflows of Resources			
Unavailable Revenue	825,006	74,044	899,050
Fund Balances			
Nonspendable	12,201	0	12,201
Restricted for State Programs	0	79,468	79,468
Assigned	1,155,805	0	1,155,805
Unassigned (Deficit)	3,058,789	(311,514)	2,747,275
Total Fund Balances	4,226,795	(232,046)	3,994,749
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$6,809,205	$1,389,372	$8,198,577

See accompanying notes to the basic financial statements

East Central Ohio Educational Service Center
Reconciliation of Total Governmental Fund Balances
to Net Position of Governmental Activities
June 30, 2023

Total Governmental Fund Balances		$3,994,749
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		3,225,213
Other long-term assets are not available to pay for current-period expenditures and therefore are unavailable in the funds:		
Intergovernmental Grants	74,044	
Charges for Services	825,006	
Total		899,050
The net OPEB asset and net pension/OPEB liabilities are not due and payable in the current period; therefore, the asset, liability and related deferred outflows/inflows are not reported in the governmental funds:		
Net OPEB Asset	1,831,685	
Deferred Outflows - Pension	7,594,824	
Deferred Outflows - OPEB	1,192,655	
Net Pension Liability	(21,513,660)	
Net OPEB Liability	(1,530,232)	
Deferred Inflows - Pension	(1,716,641)	
Deferred Inflows - OPEB	(3,323,051)	
Total		(17,464,420)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Leases	(199,917)	
Financed Purchases	(192,000)	
Subscription Payable	(341,596)	
Compensated Absences	(393,610)	
Total		(1,127,123)
Net Position of Governmental Activities		($10,472,531)

See accompanying notes to the basic financial statements

East Central Ohio Educational Service Center
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2023

	General	Other Governmental Funds	Total Governmental Funds
Revenues			
Intergovernmental	$2,505,331	$3,395,615	$5,900,946
Interest	111,227	0	111,227
Tuition and Fees	7,326,665	0	7,326,665
Charges for Services	15,771,902	61,582	15,833,484
Miscellaneous	25,365	0	25,365
Total Revenues	25,740,490	3,457,197	29,197,687
Expenditures			
Current:			
Instruction:			
Regular	3,224,420	301,271	3,525,691
Special	4,847,825	736,742	5,584,567
Student Intervention Services	23,364	0	23,364
Support Services:			
Pupil	6,492,656	615,018	7,107,674
Instructional Staff	4,764,875	1,555,458	6,320,333
Board of Education	48,308	0	48,308
Administration	1,374,887	79,487	1,454,374
Fiscal	934,953	0	934,953
Business	908,104	154,088	1,062,192
Operation and Maintenance of Plant	375,560	0	375,560
Pupil Transportation	0	15,761	15,761
Central	581,045	20,970	602,015
Food Service Operations	0	162,778	162,778
Intergovernmental	400,000	0	400,000
Capital Outlay	757,651	0	757,651
Debt Service:			
Principal Retirement	96,823	0	96,823
Interest	2,687	0	2,687
Total Expenditures	24,833,158	3,641,573	28,474,731
Excess of Revenues Over (Under) Expenditures	907,332	(184,376)	722,956
Other Financing Sources			
Inception of Lease	213,270	0	213,270
Inception of Subscription	341,596	0	341,596
Total Other Financing Sources	554,866	0	554,866
Net Change in Fund Balances	1,462,198	(184,376)	1,277,822
Fund Balances (Deficit) Beginning of Year	2,764,597	(47,670)	2,716,927
Fund Balances (Deficit) End of Year	$4,226,795	($232,046)	$3,994,749

See accompanying notes to the basic financial statements

East Central Ohio Educational Service Center
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2023

Net Change in Fund Balances - Total Governmental Funds		$1,277,822
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation/amortization in the current period:		
Capital Asset Additions	717,781	
Current Year Depreciation/Amortization	(165,775)	
Total		552,006
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenue in the funds:		
Intergovernmental	55,670	
Charges for Services	(70,355)	
Total		(14,685)
Contractually required contributions are reported as expenditures in the governmental funds; however, the Statement of Net Position reports these amounts as deferred outflows:		
Pension	2,256,324	
OPEB	84,592	
Total		2,340,916
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB asset or liability are reported as pension/OPEB expense in the Statement of Activities:		
Pension	(3,433,130)	
OPEB	340,984	
Total		(3,092,146)
Issuance of debt is reported as other financing sources in the governmental funds, but the issuance increases long-term liabilities on the Statement of Net Position.		
Inception of Lease	(213,270)	
Inception of Subscription	(341,596)	
Total		(554,866)
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		
Lease	32,823	
Subscription Payable	64,000	
Total		96,823
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.		116,643
Change in Net Position of Governmental Activities		$722,513

See accompanying notes to the basic financial statements

NOTE 1 – DESCRIPTION OF THE EDUCATIONAL SERVICE CENTER AND REPORTING ENTITY

The East Central Ohio Educational Service Center (Educational Service Center) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed it by the constitution and laws of the State of Ohio and as defined by Section 3313.01 of the Ohio Revised Code. The Educational Service Center is a result of the August 1, 2009, merger of the Tuscarawas-Carroll-Harrison Educational Service Center and the Belmont County Educational Service Center, under the authority of the Ohio Revised Code Section 3311.057 and resolutions made by the Governing Boards.

The Educational Service Center operates under an elected seven-member Governing Board. This Board acts as the authorizing body for expenditures, policy and procedures and approves all financial activities. The Educational Service Center supplies supervisory, administrative and other needed services to participating school districts. The Educational Service Center is staffed by 176 non-certified employees and 284 certified employees to provide services to approximately 28,476 students in 21 districts throughout Tuscarawas, Carroll, Harrison, Guernsey and Belmont counties.

Reporting Entity

The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the Educational Service Center. For the East Central Ohio Educational Service Center, this includes general operations and student related activities.

The Educational Service Center participates in the Ohio Mid-Eastern Regional Education Service Agency Information Technology Center Regional Council of Governments which is defined as a jointly governed organization. The Educational Service Center also participates in the Ohio School Boards Association Workers' Compensation Group Rating Program, the Ohio School Plan, and the Ohio School Benefits Cooperative, which are defined as insurance purchasing pools. These organizations are presented in Notes 17 and 18.

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Presentation

The Educational Service Center's basic financial statements consist of government-wide statements, including a Statement of Net Position and a Statement of Activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide Financial Statements The Statement of Net Position and the Statement of Activities display information about the Educational Service Center as a whole. These statements include the financial activities of the primary government. These statements usually distinguish between those activities of the Educational Service Center that are governmental (primarily supported by intergovernmental revenues) and those that are considered business-type activities (primarily supported by fees and charges). The Educational Service Center, however, has no business-type activities.

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

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

Fund Accounting

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

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

> ***General Fund*** The General Fund accounts for and reports all financial resources except those required to be accounted for in another fund. The General Fund balance is available for any purpose, provided it is expended and transferred according to the general laws of Ohio.

Other governmental funds of the Educational Service Center are used to account for specific revenue sources that are restricted or committed to an expenditure for specified purposes other than debt service or capital projects.

Measurement Focus

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

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

Basis of Accounting

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

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 Educational Service Center, available means expected to be received within 60 days of fiscal year end.

Nonexchange transactions, in which the Educational Service Center receives value without directly giving equal value in return, include grants, entitlements, and donations. On the accrual basis, revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied, provided the revenue is available. 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 Educational Service Center must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the Educational Service 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: intergovernmental grants, tuition and fees, contributions and donations, and charges for services.

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. The Educational Service Center recognizes unearned revenue for intergovernmental revenue from grants received before the eligibility requirements are met.

Deferred Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the Educational Service Center, deferred outflows of resources are reported on the government-wide statement of net position for asset retirement obligations, pension and OPEB. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 11 and 12.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized until that time. For the Educational Service Center, deferred inflows of resources include pension, OPEB plans and unavailable revenue. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the Educational Service Center, unavailable revenue includes intergovernmental grants and charges for services. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the reconciliation of total governmental fund balances to net position of governmental activities found on page 16. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide Statement of Net Position. (See Notes 11 and 12.)

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

The purpose of 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.

Cash and Cash Equivalents

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

During fiscal year 2023, investments were limited to STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio) is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB) Statement No. 79, Certain External Investment Pools and Pool Participants. The Educational Service Center measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For fiscal year 2023, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, 24 hours advance notice for deposits and withdrawals of $100 million or more is appreciated. STAR Ohio reserves the right to limit the transaction to $250 million per day.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. Investment Earnings/Interest revenue credited to the general fund during 2023 amounted to $111,227, none of which was assigned from other funds.

Investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the Educational Service Center are presented on the financial statements as Equity in Pooled Cash and Cash Equivalents. Investments with an initial maturity of more than three months not purchased from the pool are reported as investments.

Receivables and Payables

Receivables and payables on the Educational Service Center's financial statements are recorded to the extent that the amounts are determined material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and in the case of receivables, collectability.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2023, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

Capital Assets

All capital assets (except for intangible right-to-use lease assets and subscription assets which are discussed below) 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 Educational Service 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.

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

Description	Estimated Lives
Land Improvements	20 years
Buildings and Improvements	5-50 years
Furniture, Fixtures, and Equipment	5-20 years
Vehicles	5-20 years

The Educational Service Center is reporting intangible right to use assets related to lease assets and subscription assets. The lease assets include buildings and equipment and represent nonfinancial assets which are being utilized for a period of time through leases from another entity. Subscription assets represent intangible right to use assets related to the use of another party's IT software. These intangible right to use assets are being amortized in a systematic and rational manner over the shorter of the lease/subscription term or the useful life of the underlying asset.

Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the Educational Service Center will compensate the employees for the benefits through paid time off or some other means. The Educational Service Center records a liability for accumulated unused vacation time when earned for all employees.

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

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

On the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "matured compensated absences payable" in the funds from which these payments will be paid. There were no matured compensated absences payable were reported at June 30, 2023.

Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB 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.

Accrued Liabilities and Long-Term Obligations

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

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

Leases/Subscription Payable

The Educational Service Center serves as a lessee in various noncancellable leases which are accounted for as follows:

> ***Lessee*** At the commencement of a lease, the Educational Service Center initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

The Educational Service Center is reporting Subscription-Based Information Technology Arrangements (SBITAs) for various noncancellable IT software contracts. At the commencement of the subscription term, the Educational Service Center initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of lease payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at the commencement of the subscription term, plus certain initial implementation costs. Subsequently, the subscription asset is amortized on in a systematic and rational manner over the shorted of the subscription term or the useful life of the underlying IT asset Subscription assets are reported with other capital assets and subscription payables are reported with long-term debt on the statement of net position.

Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the governmental activities column of the Statement of Net Position.

Fund Balance

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

> ***Nonspendable*** The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" includes items that are not expected to be converted to cash.

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

Committed The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action (resolution) of the Governing Board. Those committed amounts cannot be used for any other purpose unless the Governing Board 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 the use in satisfying those contractual requirements.

Assigned Amounts in the assigned fund balance classification are intended to be used by the Educational Service Center for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds, other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Governing Board or an Educational Service Center official delegated that authority by resolution or by State statute. State statute authorizes the Treasurer to assign fund balance for purchases on order, provided such amounts have been lawfully appropriated.

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

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

Net Position

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

The Educational Service Center applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. Restricted Net Position for Pension and OPEB plans represent the corresponding restricted asset amounts after considering the related deferred outflows and deferred inflows.

Estimates

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

NOTE 3 – CHANGE IN ACCOUNTING PRINCIPLE

For fiscal year 2023, the Educational Service Center implemented Governmental Accounting Standards Board (GASB) No. 91, Conduit Debt Obligations, Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, GASB Statement No. 96, Subscription-Based Information Technology Arrangements, and GASB Statement No. 99, Omnibus 2022.

GASB 91 clarifies 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 Educational Service Center did not have any debt that met the definition of conduit debt.

GASB Statement 94 improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). The Educational Service Center did not have any arrangements that met the GASB 94 definition of a PPP or an APA.

GASB Statement 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). These changes were incorporated in the Educational Service Center 2023 financial statements.

GASB Statement 99 addresses various issues including items related to leases, PPPs, and SBITAs. The requirements related to PPPs and SBITAs were incorporated with the corresponding GASB 94 and GASB 96 changes identified above.

NOTE 4 – DEPOSITS AND INVESTMENTS

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

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

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

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

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

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

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

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

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

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

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

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

8. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met. The investment in commercial paper notes of a single issuer shall not exceed in the aggregate 5 percent of interim moneys available for investment at the time of purchase.

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

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

Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Educational Service Center will not be able to recover deposits or collateral securities that are in the possession of an outside party. At June 30, 2023, $3,843,987 of the Educational Service Center's total bank balance of $4,343,987 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution.

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

> Eligible securities pledged to the Educational Service Center and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or
>
> Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

Investments

As of June 30, 2023 the Educational Service Center only had an investment of $829,120 in STAR Ohio, the State Treasurer's investment pool. This investment has an average maturity of 38.5 days.

Interest Rate Risk The Educational Service Center's investment policy addresses interest rate risk to the extent that it allows the Treasurer to invest funds to a maximum maturity of five years, and allows for the withdrawal of funds from approved public depositories or sale of negotiable instruments prior to maturity. State statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Educational Service Center, and that an investment must be purchased with the expectation that it will be held to maturity.

Credit Risk STAR Ohio carries a rating of AAAm by Standard and Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The Educational Service Center has no investment policy that addresses credit risk.

NOTE 5 – FUND DEFICITS

At June 30, 2023 the following funds had deficit fund balances:

Miscellaneous Local Fund	$225,559
Miscellaneous Federal Grants Fund	28,968
21st Century Grant Fund	16,544
Title I Grant Fund	40,443
Total Deficit Fund Balances	$311,514

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

NOTE 6 – STATE FUNDING

The Educational Service Center, under State law, provides services to local school districts within its territory. Each city, local and exempted village school district that entered into an agreement with the Educational Service Center is considered to be provided services. The cost of the services is determined by formula under State law. The State Department of Education apportions the costs for all services among the Educational Service Center's city, local and exempted school districts based on each school's total student count. The Department of Education deducts each school district's amount from their State Foundation Program settlements and remits the amount to the Educational Service Center. The Educational Service Center may provide additional services if the majority of local and client school districts agree to the services and the apportionment of the costs to all of the client school districts.

Beginning in fiscal year 2022, the Educational Service Center received funding from the State Department of Education using a new funding model which is based on student count. Any change in funding were subject to a phase in percentage of 16.67 percent for fiscal year 2022 and 33.33 percent for fiscal year 2023. This amount is paid from State resources. The State Department of Education also deducts from the State Foundation Program settlement of each of the Educational Service Center's local and client school districts an amount equal to $6.50 times the school district's total student count and remits this amount to the Educational Service Center.

The Educational Service Center may contract with city, exempted village, local, joint vocational or cooperative education school districts to provide special education and related services or career-technical education services. The individual boards of education pay the costs for these services directly to the Educational Service Center.

NOTE 7 – INTERFUND BALANCES

Interfund balances at June 30, 2023, consisted of the following:

	Interfund Receivable
Interfund Payable	General
Other Governmental Funds:	
Title I Grants Fund	$327,206
Miscellaneous Federal Grants	228,307
21st Century Grant	134,634
Elementary and Secondary School Education Relief Fund	247,523
Governor's Emergency Education Relief Fund	183,542
Total	$1,121,212

The loans made to the other governmental funds were used to cover actual cash deficits until grant monies are received to operate the programs. The cash deficits were covered by cash and cash equivalents from the General Fund.

NOTE 8 – RECEIVABLES

Receivables at June 30, 2023, consisted of accounts receivable and intergovernmental grants and charges for services. All receivables are considered collectible in full due to the stable condition of State programs and the current fiscal year guarantee of federal funds. All receivables are expected to be collected within one year.

A summary of the principal items of intergovernmental receivables follows:

	Amounts
Governmental Activities:	
Governmental Payments for Services	$1,250,697
21st Century Grant	139,067
Elementary and Secondary School Emergency Relief Program Grants	265,909
Title I-D Deliquent	353,043
IDEA Early Childhood Special Education	57,109
ARP IDEA Early Childhood Special Education	16,174
Stregnths Collaborative	93,465
Governor's Emergency Education Relief	183,542
School Breakfast and Lunch Reimbursements	13,430
TANF and WIOA Grants	71,481
Total	$2,443,917

NOTE 9 – CAPITAL ASSETS

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

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	Balance 6/30/2022	Additions	Reductions	Balance 6/30/2023
Nondepreciable Capital Assets				
Land	$133,946	$0	$0	$133,946
Construction in Progress	151,680	82,954	(151,680)	82,954
Total Nondepreciable Capital Assets	285,626	82,954	(151,680)	216,900
Depreciable Capital Assets				
Tangible Assets				
Land Improvements	158,972	151,680	0	310,652
Buildings and Improvements	3,524,150	49,795	0	3,573,945
Furniture, Fixtures, and Equipment	624,227	0	0	624,227
Vehicles	185,677	30,166	0	215,843
Total Tangible Assets	4,493,026	231,641	0	4,724,667
Intangible Right to Use				
Lease Assets				
Intangible Right to Use - Buildings	17,221	17,250	(17,221)	17,250
Intangible Right to Use - Equipment	106,000	196,020	(106,000)	196,020
Total Lease Assets	123,221	213,270	(123,221)	213,270
Subscription Assets				
Intangible Right to Use - Software	0	341,596	0	341,596
Total Intangible Right to Use Assets	123,221	554,866	(123,221)	554,866
Total Depreciable Capital Assets	4,616,247	786,507	(123,221)	5,279,533
Less Accumulated Depreciation/Amortization				
Depreciation				
Land Improvements	(106,924)	(3,403)	0	(110,327)
Buildings and Improvements	(1,386,181)	(89,530)	0	(1,475,711)
Furniture, Fixtures, and Equipment	(529,805)	(8,493)	0	(538,298)
Vehicles	(100,351)	(17,710)	0	(118,061)
Total Depreciation	(2,123,261)	(119,136)	0	(2,242,397)
Amortization				
Intangible Right to Use				
Lease Assets				
Intangible Right to Use - Buildings	(17,221)	(8,625)	17,221	(8,625)
Intangible Right to Use - Equipment	(88,184)	(24,350)	106,000	(6,534)
Total Lease Assets	(105,405)	(32,975)	123,221	(15,159)
Subscription Assets				
Intangible Right to Use - Software	0	(13,664)	0	(13,664)
Total Intangible Right to Use Assets	(105,405)	(46,639)	123,221	(28,823)
Total Accumulated Depreciation/Amortization	(2,228,666)	(165,775)	123,221	(2,271,220)
Total Depreciable Capital Assets, Net	2,387,581	620,732	0	3,008,313
Governmental Activities Capital Assets, Net	$2,673,207	$703,686	($151,680)	$3,225,213

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

	Depreciation	Amortization	Total
Instruction:			
Regular	$14,850	$13,664	$28,514
Support Services:			
Administration	48,582	8,625	57,207
Fiscal	5,182	0	5,182
Business	8,492	24,350	32,842
Operation and Maintenance of Plant	38,547	0	38,547
Central	3,483	0	3,483
Total Depreciation Expense	$119,136	$46,639	$165,775

NOTE 10 – RISK MANAGEMENT

Property, Fleet, and General Liability

The Educational Service Center is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2023, the Educational Service Center contracted with The Hylant Insurance Company for commercial property insurance.

Building and Contents - replacement cost ($1,000 deductible)	$6,977,247
Automotive Liability ($500 deductible)	2,000,000
Uninsured Motorist ($500 deductible)	1,000,000
Medical Payments Limit	5,000
General Liability:	
Each Occurrence	2,000,000
Aggregated Limit	4,000,000
Employee Benefits Liability:	
Each Occurrence ($2,500 deductible)	2,000,000
Aggregated Limit	4,000,000
Employer's Liability:	
Each Occurrence	2,000,000
Disease - Each Employee	2,000,000
Disease - Limit	2,000,000
Legal Liability - Errors and Omission:	
Each Wrongful Act	2,000,000
Aggregate Limit	4,000,000
Sexual Misconduct Liability:	
Each Loss	2,000,000
Aggregate Limit	2,000,000

Settled claims have not exceeded coverage in any of the past three years. There have been no significant reductions in insurance coverage from last year.

Workers' Compensation

For fiscal year 2023, the Educational Service Center participated in the Ohio School Board Association/CompManagement, Inc. Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (see Note 18). The intent of the GRP is to achieve the benefit of a reduced premium for the Educational Service Center by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating members is tiered into groups based upon past workers' compensation experience. Within each tiered group, a common premium rate is applied to all members within that group. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of their tiered group. Participation in the GRP is limited to members that can meet the GRP's selection criteria. The firm of CompManagement, a Sedgwick CMS Company, provides administrative, cost control and actuarial services to the GRP.

Employee Insurance Benefits

The Educational Service Center provides life insurance and accidental death and dismemberment insurance for all full-time employees through One America, administered by One America, in the amount of $50,000 per employee. The Educational Service Center has elected to provide health care benefits to employees and administrators through the Ohio Schools Benefit Cooperative which is maintained by the Muskingum Valley Educational Service Center. The employees share the cost of the monthly premium with the Board.

NOTE 11 – DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability/Net OPEB Liability

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

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

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

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

The proportionate share of each plan's unfunded benefits is presented as a *net OPEB asset* or long-term *net pension/OPEB liability* on the accrual basis of accounting. Any liability for the contractually-required pension/OPEB contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting. The remainder of this note includes the required pension disclosures. See Note 12 for the required OPEB disclosures.

Plan Description - School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

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

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

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

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost of living adjustment (COLA) on the first anniversary date of the benefit. New benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. The COLA is indexed to the percentage increase in the CPI-W, not to exceed 2.5 percent and with a floor of 0 percent. A three-year COLA suspension was in effect for all benefit recipients for the years 2018, 2019, and 2020. The Retirement Board approved a 2.5 percent COLA for calendar year 2023.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the Educational Service Center is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2023, the allocation to pension, death benefits, and Medicare B was 14.0 percent. For fiscal year 2023, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The Educational Service Center's contractually required contribution to SERS was $661,752 for fiscal year 2023. Of this amount $29,431 is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

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

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

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent upon a determination by its actuary that it was necessary to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of living increases are not affected by this change. Effective July 1, 2022, an ad-hoc COLA of 3 percent of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2023 as long as they retired prior to July 1, 2018. 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 their member contributions and 9.53 percent of the 14 percent employer contributions into an investment account. The member determines how to allocate the member and employer money among various investment choices offered by STRS. The remaining 4.47 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

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

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

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

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

The Educational Service Center's contractually required contribution to STRS was $1,594,572 for fiscal year 2023. Of this amount $128,818 is reported as an intergovernmental payable.

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

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Educational Service Center's proportion of the net pension liability was based on the Educational Service Center's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	SERS	STRS	Total
Proportion of the Net Pension Liability:			
Current Measurement Date	0.10701400%	0.07073964%	
Prior Measurement Date	0.10518850%	0.06801860%	
Change in Proportionate Share	0.00182550%	0.00272104%	
Proportionate Share of the Net Pension Liability	$5,788,149	$15,725,511	$21,513,660
Pension Expense	$984,386	$2,448,744	$3,433,130

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

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	$234,425	$201,307	$435,732
Changes of assumptions	57,113	1,881,872	1,938,985
Net difference between projected and actual earnings on pension plan investments	0	547,213	547,213
Changes in proportionate share and difference between Educational Service Center contributions and proportionate share of contributions	390,393	2,026,177	2,416,570
Educational Service Center contributions subsequent to the measurement date	661,752	1,594,572	2,256,324
Total Deferred Outflows of Resources	$1,343,683	$6,251,141	$7,594,824
Deferred Inflows of Resources			
Differences between expected and actual experience	$37,998	$60,155	$98,153
Changes of assumptions	0	1,416,508	1,416,508
Net difference between projected and actual earnings on pension plan investments	201,980	0	201,980
Total Deferred Inflows of Resources	$239,978	$1,476,663	$1,716,641

$2,256,324 reported as deferred outflows of resources related to pension resulting from Educational Service Center contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2024	$378,450	$915,568	$1,294,018
2025	16,378	625,546	641,924
2026	(288,533)	43,968	(244,565)
2027	335,658	1,594,824	1,930,482
Total	$441,953	$3,179,906	$3,621,859

Actuarial Assumptions - SERS

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

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

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

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

	June 30, 2022
Inflation	2.4 percent
Future Salary Increases, including inflation	3.25 percent to 13.58 percent
COLA or Ad Hoc COLA	2.0 percent, on or after April 1, 2018, COLAs for future retirees will be delayed for three years following commencement
Investment Rate of Return	7.00 percent net of System expenses
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)

Mortality rates were based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward

5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

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

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

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

Discount Rate The total pension liability for 2022 was calculated using the discount rate of 7.00 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.00 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the Educational Service 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 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent), or one percentage point higher (8.00 percent) than the current rate.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Educational Service Center's proportionate share of the net pension liability	$8,519,880	$5,788,149	$3,486,704

Actuarial Assumptions – STRS

Key methods and assumptions used in the June 30, 2022, actuarial valuation are presented as follows:

	June 30, 2022
Inflation	2.50 percent
Salary increases	From 2.5 percent to 12.5 percent based on age
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation
Discount Rate of Return	7.00 percent
Payroll Increases	3.00 percent
Cost-of-Living Adjustments (COLA)	0.0 percent, effective July 1, 2017

For 2022, post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110 percent 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 percent 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 2021, post-retirement mortality rates are based on RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates, thereafter, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the June 30, 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' investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

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

* Target allocation percentage is effective 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 percent, and is net
of investment expenses. Over a 30-year period, STRS'
investment consultant indicates that the above target allocations
should generate a return above the actuarial rate of return,
without net value added by management.

Discount Rate The discount rate used to measure the total pension liability was 7.00 percent as of June 30, 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 rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2022. Therefore, the long-term expected rate of return on pension plan investments of 7.00 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2022.

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Educational Service Center's proportionate share of the net pension liability	$23,755,522	$15,725,511	$8,934,608

NOTE 12 – DEFINED BENEFIT OPEB PLANS

See Note 11 for a description of the net OPEB liability (asset).

Plan Description - School Employees Retirement System (SERS)

Health Care Plan Description - The Educational Service 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. The following types of credit purchased after January 29, 1981 do not count toward health care coverage eligibility: military, federal, out-of-state, municipal, private school, exempted, and early retirement incentive credit. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Annual Comprehensive Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2023, no allocation was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2023, this amount was $25,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2023, the Educational Service Center's surcharge obligation was $84,592.

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The Educational Service Center's contractually required contribution to SERS was $84,592 for fiscal year 2023. Of this amount $84,592 is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

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

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

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

The net OPEB liability (asset) was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of that date. The Educational Service Center's proportion of the net OPEB liability (asset) was based on the Educational Service Center's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	SERS	STRS	Total
Proportion of the Net OPEB Liability:			
Current Measurement Date	0.10899010%	0.07073964%	
Prior Measurement Date	0.10791420%	0.06801860%	
Change in Proportionate Share	0.00107590%	0.00272104%	
Proportionate Share of the:			
Net OPEB Liability	$1,530,232	$0	$1,530,232
Net OPEB (Asset)	$0	($1,831,685)	($1,831,685)
OPEB Expense	$30,196	($371,180)	($340,984)

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

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	$12,864	$26,553	$39,417
Changes of assumptions	243,403	78,024	321,427
Net difference between projected and actual earnings on OPEB plan investments	7,953	31,885	39,838
Changes in proportionate Share and difference between Educational Service Center contributions and proportionate share of contributions	683,795	23,586	707,381
Educational Service Center contributions subsequent to the measurement date	84,592	0	84,592
Total Deferred Outflows of Resources	$1,032,607	$160,048	$1,192,655
Deferred Inflows of Resources			
Differences between expected and actual experience	$978,849	$275,084	$1,253,933
Changes of assumptions	628,171	1,298,841	1,927,012
Changes in Proportionate Share and Difference between Educational Service Center contributions and proportionate share of contributions	52,196	89,910	142,106
Total Deferred Inflows of Resources	$1,659,216	$1,663,835	$3,323,051

$84,592 reported as deferred outflows of resources related to OPEB resulting from Educational Service Center contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2024	($173,035)	($461,212)	($634,247)
2025	(148,632)	(448,492)	(597,124)
2026	(111,377)	(189,819)	(301,196)
2027	(45,007)	(80,197)	(125,204)
2028	(54,506)	(106,653)	(161,159)
Thereafter	(178,644)	(217,414)	(396,058)
Total	($711,201)	($1,503,787)	($2,214,988)

Actuarial Assumptions - SERS

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

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

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

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

	June 30, 2022
Inflation	2.40 percent
Future Salary Increases, including inflation	
Wage Increases	3.25 percent to 13.58 percent
Investment Rate of Return	7.00 percent net of investment expense, including inflation
Fiduciary Net Position is Projected to be Depleted	2044
Municipal Bond Index Rate:	
Measurement Date	3.69 percent
Prior Measurement Date	1.92 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation	
Measurement Date	4.08 percent
Prior Measurement Date	2.27 percent
Health Care Cost Trend Rate	
Medicare	5.125 to 4.40 percent
Pre-Medicare	6.75 to 4.40 percent
Medical Trend Assumption	7.00 to 4.40 percent

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

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

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 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 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The SERS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 11.

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

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

	1% Decrease (3.08%)	Current Discount Rate (4.08%)	1% Increase (5.08%)
Educational Service Center's proportionate share of the net OPEB liability	$1,900,572	$1,530,232	$1,231,268

	1% Decrease (6.00% decreasing to 3.40%)	Current Trend Rate (7.00% decreasing to 4.40%)	1% Increase (8.00% decreasing to 5.40%)
Educational Service Center's proportionate share of the net OPEB liability	$1,180,084	$1,530,232	$1,987,583

Actuarial Assumptions – STRS

Key methods and assumptions used in the June 30, 2022, actuarial valuation are presented below:

	June 30, 2022	June 30, 2021
Projected salary increases	Varies by service from 2.5 percent to 8.5 percent	Varies by age from 2.5 percent to 12.50 percent
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation	7.00 percent, net of investment expenses, including inflation
Payroll Increases	3 percent	3 percent
Discount Rate of Return	7.00 percent	7.00 percent
Health Care Cost Trends		
Medical		
Pre-Medicare	7.50 percent initial 3.94 percent ultimate	5.00 percent initial 4 percent ultimate
Medicare	-68.78 percent initial 3.94 percent ultimate	-16.18 percent initial 4 percent ultimate
Prescription Drug		
Pre-Medicare	9.00 percent initial 3.94 percent ultimate	6.50 percent initial 4 percent ultimate
Medicare	-5.47 percent initial 3.94 percent ultimate	29.98 percent initial 4 percent ultimate

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

For 2022, healthy retirees post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110 percent 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 percent 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 2021, healthy retirees the mortality rates are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. For disabled retirees, mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the June 30, 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.

The STRS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 11.

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

Sensitivity of the Educational Service 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 percent, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Educational Service Center's proportionate share of the net OPEB asset	($1,693,344)	($1,831,685)	($1,950,185)

	1% Decrease	Current Trend Rate	1% Increase
Educational Service Center's proportionate share of the net OPEB asset	($1,899,903)	($1,831,685)	($1,745,576)

NOTE 13 – OTHER EMPLOYEE BENEFITS

Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees and administration 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. 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 250 days. Upon retirement, payment is made for one fourth of the total sick leave accumulation, up to a maximum of 62.5 days. Any employee receiving such payment must meet the retirement provisions set by STRS Ohio or SERS.

Social Security

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System of Ohio have an option to choose Social Security or the School Retirement System. As of June 30, 2023, two members of the Governing Board have elected Social Security. The contribution rate is 6.2 percent of wages.

NOTE 14 – LONG-TERM OBLIGATIONS

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

	Outstanding 6/30/2022	Additions	Deletions	Outstanding 6/30/2023	Due Within One Year
Governmental Activities:					
Financed Purchases from Direct Borrowings	$256,000	$0	($64,000)	$192,000	$192,000
Leases	19,470	213,270	(32,823)	199,917	45,540
Subscriptions	0	341,596	0	341,596	103,529
Net Pension Liability:					
SERS	$3,881,151	$1,906,998	$0	$5,788,149	$0
STRS	8,696,790	7,028,721	0	15,725,511	0
Total Net Pension Liability	12,577,941	8,935,719	0	21,513,660	0
Net OPEB Liability - SERS	2,042,366	0	(512,134)	1,530,232	0
Compensated Absences	573,660	129,665	(309,715)	393,610	341,425
Total Governmental Activities Long-Term Liabilities	$15,469,437	$9,620,250	($918,672)	$24,171,015	$682,494

Financed Purchase During fiscal year 2021, the Education Service Center entered into a financed purchase agreement for the acquisition of a building. The agreement includes provisions that in the event of a default, the lessor may terminate the agreement and/or pursue any other legal remedy available under State Statute. Financed purchase payments are reflected as debt service expenditures in the fund financial statements. Finance purchase payments will be made from the General Fund.

The Educational Service Center paid off the remaining balance of the finance purchase in July 2023, therefore the full amount outstanding has been reported as due within one year.

Leases/Subscriptions The Educational Service Center has outstanding agreements to lease copiers, buildings and also has various outstanding contracts to use a SBITA vendor's IT software, including digital curriculum.

The future lease/subscription payments were discounted based on the interest rate implicit in the lease/subscription or using the Educational Service Center's incremental borrowing rate. This discount is being amortized using the interest method over the life of the lease/subscription. These leases will be paid from the general fund and the subscriptions will be paid from the general fund.
The Educational Service Center had an existing copier lease was originally entered into for a 60-month period and include both a minimum monthly cost for the equipment and per-use charges. The lease term expired in April of 2023.

During fiscal year 2023 the Educational Service Center entered into a new copier lease. The lease is a 60-month period and include both a minimum monthly cost for the equipment and per-use charges. The lease term expires in April of 2028.

The building space lease is for a 20-month period to allow the Educational Service Center the right to use space in church facility to operate a preschool. The lease term expires in June of 2024.

A summary of the principal and interest amounts for the remaining leases/subscriptions is as follows:

	Leases		Subscriptions	
Year	Principal	Interest	Principal	Interest
2024	$45,540	$8,620	$103,529	$13,796
2025	37,588	6,572	75,517	12,069
2026	39,427	4,733	79,293	8,293
2027	41,357	2,803	83,257	4,329
2028	36,005	795	0	0
	$199,917	$23,523	$341,596	$38,487

There is no repayment schedule for the net pension liability or net OPEB liability. However, employer pension and OPEB contributions are made from the General Fund and from the miscellaneous state grants, miscellaneous federal grants, and 21st century grant special revenue funds. For additional information related to the net pension liability and the net OPEB liability see notes 11 and 12, respectively.

NOTE 15 – COMMITMENTS

Encumbrances

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

General	$1,284,182
Other Governmental Funds	188,477
Total	$1,472,659

Construction Commitments

At June 30, 2023, the Educational Service Center has the following construction commitments:

Project	Fund	Contract Award	Amount Paid as of 6/30/2023	Amount Remaining
ADA Compliance Project	General	$189,750	$82,954	$106,796

NOTE 16 – FUND BALANCES

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

	General	Other Governmental Funds	Total Governmental Funds
Nonspendable for Prepaid Items	$12,201	$0	$12,201
Restricted for:			
State Programs	0	79,468	79,468
Assigned to:			
Instruction:			
Regular	75,879	0	75,879
Special	47,314	0	47,314
Support Services:			
Pupils	78,160	0	78,160
Instructional Staff	485,833	0	485,833
Board of Education	0	0	0
Administration	18,364	0	18,364
Fiscal	8,742	0	8,742
Business	169,683	0	169,683
Operation and Maintenance of Plant	57,392	0	57,392
Central	2,539	0	2,539
Capital Outlay	211,899	0	211,899
Total Assigned	1,155,805	0	1,155,805
Unassigned (Deficit)	3,058,789	(311,514)	2,747,275
Total Fund Balance	$4,226,795	($232,046)	$3,994,749

NOTE 17 – JOINTLY GOVERNED ORGANIZATION

The Educational Service Center participates in the Ohio Mid-Eastern Regional Education Service Agency Information Technology Center Regional Council of Governments (OME-RESA). OME-RESA was created as a separate regional council of governments pursuant to State statutes. OME-RESA operates under the direction of a Board composed of a representative from each participating school district. The Board exercises total control over the operations of OME-RESA including budgeting, appropriating, contracting, and designating management. Each participant's control is limited to its representation on the Board. OME-RESA provides information technology and internet access to member districts, as well as cooperative purchasing programs. During fiscal year 2023, the total amount paid to OME-RESA from the Educational Service Center was $28,260 for technology services, financial accounting services, and educational management information. The Jefferson County Educational Service Center serves as the fiscal agent. To obtain financial information write to Ohio Mid-Eastern Regional Education Service Agency, Treasurer, at 2230 Sunset Boulevard Suite 2, Steubenville, Ohio 43952.

NOTE 18 – PUBLIC ENTITY POOLS

Ohio School Boards Association Workers' Compensation Group Rating Program

The Educational Service Center participates in the Ohio School Boards Association Workers' Compensation Program (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by a three member Board of Directors consisting of the President, the President-Elect and the Immediate Past President of the Ohio School Boards Association (OSBA). The Executive Director of the

OSBA, or his designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program. The Educational Service Center's enrollment fee of $1,600 for policy year 2023 was paid to CompManagement, a Sedgwick CMS Company.

Ohio School Plan

The Educational Service Center participates in the Ohio School Plan (OSP), an insurance purchasing pool. The OSP is created and organized pursuant to and as authorized by Section 2744.081 of the Ohio Revised Code. The OSP is an unincorporated, non-profit association of its members and an instrumentality for each member for the purpose of enabling members of the Plan to provide for a formalized, joint insurance purchasing program to maintain adequate insurance protection, risk management programs and other administrative services. The OSP's business and affairs are conducted by a fifteen member Board of Directors consisting of school district superintendents and treasurers, as well as the president of Hylant Administrative Services and a partner of the Hylant Group, Incorporated. Hylant Group, Incorporated, is the Administrator of the OSP and is responsible for processing claims. Hylant Administrative Service is the sales and marketing representative, which establishes agreements between OSP and member schools.

Ohio School Benefits Cooperative

The Educational Service Center participates in the Ohio School Benefits Cooperative (OSBC), a claims servicing and group purchasing pool. The OSBC is created and organized pursuant to and as authorized by Section 9.833 of the Ohio Revised Code. OSBC is governed by a nine member Board of Directors, all of whom must be school district and/or educational service center administrators. The Muskingum Valley Educational Service Center serves as the fiscal agent for OSBC. OSBC is an unincorporated, non-profit association of its members and an instrumentality for each member for the purpose of enabling members of the Plan to maximize benefits and/or reduce costs of medical, prescription drug, vision, dental, life, and/or other group insurance coverages for their employees and the eligible dependents, and designated beneficiaries of such employees, and propose to have certain other eligible school districts or groups of school districts join them for the same purposes.

Participants may enroll in the joint insurance purchasing program for medical, prescription drug, vision dental and/or life insurance. A second option is available for self-insured participants that provides for the purchase of stop loss insurance coverage through OSBC's third party administrator. The OSBC's business and affairs are conducted by a nine member Board of Directors consisting of school district superintendents elected by the members of the OSBC. Medical Mutual is the Administrator of the OSBC. The Educational Service Center participates in the joint insurance purchasing program for medical, prescription drug, and dental coverage.

NOTE 19 – CONTINGENCIES

Grants

The Educational Service Center received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Educational Service Center at June 30, 2023.

Foundation Funding

Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year-end. As of the date of this report, ODE adjustments for fiscal year 2023 are finalized.

Litigation

The Educational Service Center is currently not a party to any legal proceedings.

NOTE 20 – COVID-19

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

Required Supplementary Information

East Central Ohio Educational Service Center

Required Supplementary Information

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

School Employees Retirement System of Ohio

Last Ten Fiscal Years

	2023	2022	2021	2020
Educational Service Center's Proportion of the Net Pension Liability	0.10701400%	0.10518850%	0.08266020%	0.07425620%
Educational Service Center's Proportionate Share of the Net Pension Liability	$5,788,149	$3,881,151	$5,467,320	$4,442,879
Educational Service Center's Covered Payroll	$4,061,593	$3,644,657	$2,882,421	$2,547,407
Educational Service Center's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	142.51%	106.49%	189.68%	174.41%
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 Educational Service Center's measurement date, which is the prior fiscal year end.

See accompanying notes to the required supplementary information

2019	2018	2017	2016	2015	2014
0.06803330%	0.07484670%	0.07108500%	0.07053810%	0.07361000%	0.07361000%
$3,896,393	$4,471,925	$5,202,766	$4,024,972	$3,725,360	$4,377,350
$2,225,607	$2,300,593	$2,216,300	$2,123,566	$2,138,968	$2,177,327
175.07%	194.38%	234.75%	189.54%	174.17%	201.04%
71.36%	69.50%	62.98%	69.16%	71.70%	65.52%

East Central Ohio Educational Service Center
Required Supplementary Information
Schedule of the Educational Service Center's Proportionate Share of the Net Pension Liability
State Teachers Retirement System of Ohio
Last Ten Fiscal Years

	2023	2022	2021	2020
Educational Service Center's Proportion of the Net Pension Liability	0.070739640%	0.068018595%	0.059656930%	0.054506510%
Educational Service Center's Proportionate Share of the Net Pension Liability	$15,725,511	$8,696,790	$14,434,854	$12,053,787
Educational Service Center's Covered Payroll	$9,246,557	$8,454,521	$7,165,186	$6,448,993
Educational Service Center's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	170.07%	102.87%	201.46%	186.91%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.90%	87.80%	75.50%	77.40%

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

See accompanying notes to the required supplementary information

2019	2018	2017	2016	2015	2014
0.049200090%	0.056057370%	0.056885000%	0.055422840%	0.049720060%	0.04972006%
$10,817,995	$13,316,547	$19,041,124	$15,317,252	$12,093,639	$14,405,864
$5,676,393	$5,937,236	$6,162,321	$5,922,271	$5,080,015	$5,045,400
190.58%	224.29%	308.99%	258.64%	238.06%	285.52%
77.30%	75.30%	66.80%	72.10%	74.70%	69.30%

East Central Ohio Educational Service Center
Required Supplementary Information
Schedule of the Educational Service Center's Proportionate Share of the Net OPEB Liability
School Employees Retirement System of Ohio
*Last Seven Fiscal Years (1)**

	2023	2022	2021	2020
Educational Service Center's Proportion of the Net OPEB Liability	0.10899010%	0.10791420%	0.08235680%	0.07483520%
Educational Service Center's Proportionate Share of the Net OPEB Liability	$1,530,232	$2,042,366	$1,789,881	$1,881,948
Educational Service Center's Covered Payroll	$4,061,593	$3,644,657	$2,882,421	$2,547,407
Educational Service Center's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	37.60%	56.04%	62.10%	73.88%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	30.34%	24.08%	18.17%	15.57%

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

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

See accompanying notes to the required supplementary information

2019	2018	2017
0.06857270%	0.07586100%	0.07199520%
$1,902,392	$2,035,911	$2,052,130
$2,225,607	$2,300,593	$2,216,300
85.48%	88.50%	92.59%
13.57%	12.46%	11.49%

East Central Ohio Educational Service Center
Required Supplementary Information
Schedule of the Educational Service Center's Proportionate Share of the Net OPEB (Asset) Liability
State Teachers Retirement System of Ohio
*Last Seven Fiscal Years (1)**

	2023	2022	2021	2020
Educational Service Center's Proportion of the Net OPEB (Asset) Liability	0.070739640%	0.068018595%	0.059656930%	0.054506510%
Educational Service Center's Proportionate Share of the Net OPEB (Asset) Liability	($1,831,685)	($1,434,115)	($1,048,469)	($902,759)
Educational Service Center's Covered Payroll	$9,246,557	$8,454,521	$7,165,186	$6,448,993
Educational Service Center's Proportionate Share of the Net OPEB (Asset) Liability as a Percentage of its Covered Payroll	-19.81%	-16.96%	-14.63%	-14.00%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	230.70%	174.70%	182.10%	174.70%

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

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

See accompanying notes to required supplementary information

2019	2018	2017
0.049200090%	0.056057370%	0.056885000%
($790,597)	$2,187,152	$3,042,225
$5,676,393	$5,937,236	$6,162,321
-13.93%	36.84%	49.37%
176.00%	47.10%	37.30%

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

	2023	2022	2021	2020
Net Pension Liability				
Contractually Required Contribution	$661,752	$568,623	$510,252	$403,539
Contributions in Relation to the Contractually Required Contribution	(661,752)	(568,623)	(510,252)	(403,539)
Contribution Deficiency (Excess)	$0	$0	$0	$0
Educational Service Center's Covered Payroll (1)	$4,726,800	$4,061,593	$3,644,657	$2,882,421
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%
Net OPEB Liability				
Contractually Required Contribution (2)	$84,592	$68,964	$66,790	$36,734
Contributions in Relation to the Contractually Required Contribution	(84,592)	(68,964)	(66,790)	(36,734)
Contribution Deficiency (Excess)	$0	$0	$0	$0
OPEB Contributions as a Percentage of Covered Payroll	1.79%	1.70%	1.83%	1.27%
Total Contributions as a Percentage of Covered Payroll (2)	15.79%	15.70%	15.83%	15.27%

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

See accompanying notes to the required supplementary information

2019	2018	2017	2016	2015	2014
$343,900	$300,457	$322,083	$310,282	$279,886	$296,461
(343,900)	(300,457)	(322,083)	(310,282)	(279,886)	(296,461)
$0	$0	$0	$0	$0	$0
$2,547,407	$2,225,607	$2,300,593	$2,216,300	$2,123,566	$2,138,968
13.50%	13.50%	14.00%	14.00%	13.18%	13.86%
$52,496	$46,188	$40,925	$36,252	$53,649	$39,927
(52,496)	(46,188)	(40,925)	(36,252)	(53,649)	(39,927)
$0	$0	$0	$0	$0	$0
2.06%	2.08%	1.78%	1.64%	2.53%	1.87%
15.56%	15.58%	15.78%	15.64%	15.71%	15.73%

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

	2023	2022	2021	2020
Net Pension Liability				
Contractually Required Contribution	$1,594,572	$1,294,518	$1,183,633	$1,003,126
Contributions in Relation to the Contractually Required Contribution	(1,594,572)	(1,294,518)	(1,183,633)	(1,003,126)
Contribution Deficiency (Excess)	$0	$0	$0	$0
Educational Service Center's Covered Payroll (1)	$11,389,800	$9,246,557	$8,454,521	$7,165,186
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%
Net OPEB (Asset) Liability				
Contractually Required Contribution	$0	$0	$0	$0
Contributions in Relation to the Contractually Required Contribution	0	0	0	0
Contribution Deficiency (Excess)	$0	$0	$0	$0
OPEB Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%
Total Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%

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

See accompanying notes to the required supplementary information

2019	2018	2017	2016	2015	2014
$902,859	$794,695	$831,213	$862,725	$829,118	$660,402
(902,859)	(794,695)	(831,213)	(862,725)	(829,118)	(660,402)
$0	$0	$0	$0	$0	$0
$6,448,993	$5,676,393	$5,937,236	$6,162,321	$5,922,271	$5,080,015
14.00%	14.00%	14.00%	14.00%	14.00%	13.00%
$0	$0	$0	$0	$0	$50,800
0	0	0	0	0	(50,800)
$0	$0	$0	$0	$0	$0
0.00%	0.00%	0.00%	0.00%	0.00%	1.00%
14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

Net Pension Liability

Changes in Assumptions – SERS

Beginning in fiscal year 2018, on each anniversary of the initial retirement, the allowance of all retirees and survivors may be increased by the annual rate of increase in the CPI-W measured as of the June preceding the beginning of the applicable calendar year. The annual rate of increase shall not be less than 0 percent nor greater than 2.5 percent. The COLA was suspended for 2018-2020. Prior to 2018, an assumption of 3 percent was used.

Amounts reported in 2022 incorporate changes in assumptions used by SERS in calculating the total pension liability in the latest actuarial valuation. These assumptions compared with those used in prior years are presented below:

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

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

Amounts report for 2017 through 2021 use mortality rates that are based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females. Amounts reported for fiscal year 2016 and prior, use mortality assumptions that are based on the 1994 Group Annuity Mortality Table set back one year for both men and women. Special mortality tables were used for the period after disability retirement.

Changes in Assumptions - STRS

Beginning with fiscal year 2022, amounts reported incorporate changes in assumptions and changes in benefit terms used by STRS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in fiscal years 2018-2021 and fiscal year 2017 and prior are presented as follows:

	Fiscal Year 2022	Fiscal Years 2021-2018	Fiscal Year 2017 and Prior
Inflation	2.50 percent	2.50 percent	2.75 percent
Projected salary increases	From 2.5 percent to 12.5 percent based on age	12.50 percent at age 20 to 2.50 percent at age 65	12.25 percent at age 20 to 2.75 percent at age 70
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation	7.45 percent, net of investment expenses, including inflation	7.75 percent, net of investment expenses, including inflation
Payroll Increases	3 percent	3 percent	3.5 percent
Cost-of-Living Adjustments (COLA)	0.0 percent, effective July 1, 2017	0.0 percent, effective July 1, 2017	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, ,2013 or later, 2 percent COLA commences on fifth anniversary of retirement date

Beginning with fiscal year 2022, post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110 percent 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 percent 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.

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

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

Changes in Benefit Term – STRS Pension

For fiscal year 2023, the Board approved a one-time 3 percent COLA effective on the anniversary of a benefit recipient's retirement date for those eligible during fiscal year 2023 and eliminated the age 60 requirement to receive unreduced retirement that was scheduled to go into effect August 1, 2026.

Net OPEB Liability

Changes in Assumptions – SERS

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

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

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

Municipal Bond Index Rate:	
Fiscal year 2023	3.69 percent
Fiscal year 2022	1.92 percent
Fiscal year 2021	2.45 percent
Fiscal year 2020	3.13 percent
Fiscal year 2019	3.62 percent
Fiscal year 2018	3.56 percent
Fiscal year 2017	2.92 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation	
Fiscal year 2023	4.08 percent
Fiscal year 2022	2.27 percent
Fiscal year 2021	2.63 percent
Fiscal year 2020	3.22 percent
Fiscal year 2019	3.70 percent
Fiscal year 2018	3.63 percent
Fiscal year 2017	2.98 percent

Changes in Assumptions – STRS

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

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

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

For fiscal year 2023, the projected salary increases were changed from age based (2.5 percent to 12.50 percent) to service based (2.5 percent to 8.5 percent.)

Changes in Benefit Terms – STRS OPEB

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

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

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

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

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

For fiscal year 2023, healthcare trends were updated to reflect emerging claims and recoveries experience.

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EAST CENTRAL OHIO EDUCATIONAL SERVICE CENTER
TUSCARAWAS COUNTY

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

FEDERAL GRANTOR *Pass Through Grantor* Program / Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through Ohio Department of Education and Workforce			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	$51,872
National School Lunch Program	10.555	N/A	106,287
Total Child Nutrition Cluster			158,159
Total U.S. Department of Agriculture			158,159
U.S. DEPARTMENT OF LABOR			
Passed Through the Belmont County Department of Jobs and Family Services			
WIOA Cluster:			
WIOA Youth Program	17.259	N/A	56,190
Total WIOA Cluster:			56,190
Total U.S. Department of Labor			56,190
U.S. DEPARTMENT OF EDUCATION			
Passed Through Ohio Department of Education and Workforce			
Title I Grants to Local Educational Agencies	84.010	S010A220035	418,399
Special Education Cluster (IDEA):			
Special Education - Preschool Grants (IDEA Preschool)	84.173	H173A220119	57,109
COVID-19 Special Education - Preschool Grants (IDEA Preschool)		H173X210119	16,174
Total Special Education Cluster			73,283
Education for Homeless Children and Youth	84.196	S196A210036	232,078
21st Century Community Learning Centers	84.287	S287C210035	348,437
Improving Teacher Quality	84.367	N/A	14,706
Ohio Strengths Collaborative	84.424A	S424A210036	500,000
Education Stabilization Fund:			
Governor's Emergency Education Relief (GEER) Fund	84.425C	S425C200040	17,283
Governor's Emergency Education Relief (GEER II) Fund	84.425C	HB169	183,542
Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	S425D200035	36,241
American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	S425U210035	737,716
American Rescue Plan - Elementary and Secondary School Emergency Relief - Homeless Chidren and Youth	84.425W	S425W210036	26,409
Total Education Stabilization Fund			1,001,191
Total U.S. Department of Education			2,588,094
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed Through the Belmont County Department of Jobs and Family Services			
Temporary Assistance for Needy Families (TANF)	93.558	N/A	131,110
Passed Through the Mental Health and Recovery Board Belmont, Harrison, and Monroe Counties			
Block Grants for Prevention and Treatment of Substance Abuse	93.959	N/A	61,172
Total U.S. Department of Health and Human Services			192,282
Total Expenditures of Federal Awards			**2,994,725**

The accompanying notes are an integral part of this Schedule.

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE 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 East Central Ohio Educational Service Center (the Educational Service Center) 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 Educational Service Center, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Educational Service 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 Educational Service 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 Educational Service Center commingles cash receipts from the U.S. Department of Agriculture with similar State grants. When reporting expenditures on this Schedule, the Educational Service Center assumes it expends federal monies first.

NOTE E - TRANSFERS BETWEEN PROGRAM YEARS

Federal regulations require schools to obligate certain federal awards by June 30. However, with Ohio Department of Education and Workforce's consent, schools can transfer unobligated amounts to the subsequent fiscal year's program. The Educational Service Center transferred the following amounts from 2023 to 2024 programs:

Program Title	AL Number	Amt. Transferred
Education for Homeless Children and Youth	84.196	$11,908
Elementary and Secondary School Emergency Relief (ARP ESSER)	84.424U	$502,217
Elementary and Secondary School Emergency Relife - Homeless Children and Youth	84.425U	$157,166

OHIO AUDITOR OF STATE
KEITH FABER

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

East Central Ohio Educational Service Center
Tuscarawas County
834 East High Avenue
New Philadelphia, Ohio 44663

To the Governing Board:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States *(Government Auditing Standards)*, the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the East Central Ohio Educational Service Center, Tuscarawas County, Ohio (the Educational Service Center), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Educational Service Center's basic financial statements and have issued our report thereon dated March 1, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Educational Service 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 Educational Service Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Educational Service 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 Educational Service 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 Educational Service 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 Educational Service 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 Educational Service Center’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Keith Faber
Auditor of State
Columbus, Ohio

March 1, 2024

OHIO AUDITOR OF STATE
KEITH FABER

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

East Central Ohio Educational Service Center
Tuscarawas County
834 East High Avenue
New Philadelphia, Ohio 44663

To the Governing Board:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited East Central Ohio Educational Service Center's, Tuscarawas County, Ohio (the Educational Service 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 the East Central Ohio Educational Service Center's major federal program for the year ended June 30, 2023. East Central Ohio Educational Service Center's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying Schedule of Findings.

In our opinion, East Central Ohio Educational Service Center complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2023.

Basis for Opinion on the Major Federal Program

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

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

Responsibilities of Management for Compliance

The Educational Service 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 Educational Service 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 Educational Service 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 Educational Service 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 Educational Service 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 Educational Service 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 Educational Service Center's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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

Keith Faber
Auditor of State
Columbus, Ohio

March 1, 2024

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EAST CENTRAL OHIO EDUCATIONAL SERVICE CENTER
TUSCARAWAS 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?**	No
(d)(1)(iv)	**Were there any significant deficiencies in internal control reported for major federal programs?**	No
(d)(1)(v)	**Type of Major Programs' Compliance Opinion**	Unmodified
(d)(1)(vi)	**Are there any reportable findings under 2 CFR § 200.516(a)?**	No
(d)(1)(vii)	**Major Programs (list):**	Education Stabilization Fund; AL #84.425C, 84.425D, 84.425U and 84.425W
(d)(1)(viii)	**Dollar Threshold: Type A\B Programs**	Type A: > $ 750,000 Type B: all others
(d)(1)(ix)	**Low Risk Auditee under 2 CFR § 200.520?**	Yes

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

None.

3. FINDINGS FOR FEDERAL AWARDS

None.

OHIO AUDITOR OF STATE
KEITH FABER

EAST CENTRAL OHIO EDUCATIONAL SERVICE CENTER

TUSCARAWAS COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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

Certified for Release 3/21/2024

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