SPRINGFIELD-CLARK CAREER TECHNOLOGY CENTER

CLARK COUNTY, OHIO

SINGLE AUDIT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2022

Julian & Grube
Serving Ohio Local Governments

OHIO AUDITOR OF STATE
KEITH FABER

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Board of Education
Springfield-Clark Career Technology Center
1901 Selma Rd
Springfield, OH 45505

We have reviewed the *Independent Auditor's Report* of the Springfield-Clark Career Technology Center, Clark County, prepared by Julian & Grube, Inc., for the audit period July 1, 2021 through June 30, 2022. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Keith Faber
Auditor of State
Columbus, Ohio

February 08, 2023

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SPRINGFIELD-CLARK CAREER TECHNOLOGY CENTER
CLARK COUNTY, OHIO

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Independent Auditor's Report

Springfield-Clark Career Technology Center
Clark County
1901 Selma Road
Springfield, Ohio 45505

To the Members of the Board of Education:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Springfield-Clark Career Technology Center, Clark County, Ohio, as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Springfield-Clark Career Technology Center's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Springfield-Clark Career Technology Center, as of June 30, 2022, and the respective changes in financial position, thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As described in Note 18 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Springfield-Clark Career Technology Center. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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 Springfield-Clark Career Technology Center's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2022 on our consideration of the Springfield-Clark Career Technology Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Springfield-Clark Career Technology 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 Springfield-Clark Career Technology Center's internal control over financial reporting and compliance.

Julian & Grube, Inc.

Julian & Grube, Inc.
December 22, 2022

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The management's discussion and analysis of the Springfield-Clark Career Technology Center (the "Center") financial performance provides an overall review of the Center's financial activities for the fiscal year ended June 30, 2022. The intent of this discussion and analysis is to look at the Center's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the Center's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2022 are as follows:

- In total, net position of governmental activities increased $1,165,441 which represents a 62.45% increase from June 30, 2021's net position.
- General revenues accounted for $9,524,812 in revenue or 70.24% of all revenues. Program specific revenues in the form of charges for services and sales and operating grants accounted for $4,035,482 or 29.76% of total revenues of $13,560,294.
- The Center had $12,394,853 in expenses related to governmental activities; $4,035,482 of these expenses were offset by program specific charges for services and operating grants and contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) were adequate to provide for these programs.
- The Center has one major fund: the general fund. The general fund had $12,242,666 in revenues and other financing sources and $12,139,833 in expenditures. The general fund's fund balance increased $102,833 from $10,983,418 to $11,086,251.

Using these Basic Financial Statements

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

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

Reporting the Center as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the Center to provide programs and activities, the view of the Center as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2022?" The statement of net position and the statement of activities answer this question. These statements include *all assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenses* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

The Center's statement of net position and statement of activities can be found on pages 15-16 of this report.

Reporting the Center's Most Significant Funds

Fund Financial Statements

The analysis of the Center's major governmental funds begins on page 12. Fund financial reports provide detailed information about the Center's major funds. The Center uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the Center's most significant funds. The Center's major governmental fund is the general fund.

Governmental Funds

Most of the Center's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial assets* that can readily be converted to cash. The governmental fund financial statements provide a detailed *short-term* view of the Center's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental *activities* (reported in the statement of net position and the statement of activities) and governmental *funds* is reconciled in the basic financial statements. The basic governmental fund financial statements can be found on pages 17-20 of this report.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 21-57 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Center's schedule of revenues, expenditures and changes in fund balance - budget and actual (non-GAAP budgetary basis), net pension liability and net OPEB liability/asset. The required supplementary information can be found on pages 59 -79 of this report.

The Center as a Whole

The statement of net position provides the perspective of the Center as a whole.

The table below provides a summary of the Center's net position at June 30, 2022 and June 30, 2021.

Net Position

	Governmental Activities 2022	Governmental Activities 2021
Assets		
Current and other assets	$ 19,000,697	$ 18,193,654
Net OPEB asset	1,029,938	848,224
Capital assets, net	3,732,632	4,014,923
Total assets	23,763,267	23,056,801
Deferred Outflows of Resources		
Pension	3,191,848	2,589,703
OPEB	266,769	319,223
Total deferred outflows of resources	3,458,617	2,908,926
Liabilities		
Current liabilities	1,503,710	1,236,038
Long-term liabilities:		
Due within one year	132,700	201,398
Due in more than one year:		
Net pension liability	7,726,980	14,321,435
Net OPEB liability	721,702	834,125
Other amounts	1,020,126	1,049,754
Total liabilities	11,105,218	17,642,750
Deferred Inflows of Resources		
Property taxes levied for next year	4,812,501	4,233,020
Pension	6,554,943	636,643
OPEB	1,717,478	1,587,011
Total deferred inflows of resources	13,084,922	6,456,674
Net Position		
Net investment in capital assets	3,263,528	3,497,392
Restricted	920,932	675,755
Unrestricted (deficit)	(1,152,716)	(2,306,844)
Total net position	$ 3,031,744	$ 1,866,303

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

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

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

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

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

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

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

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

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2022, the Center's assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources by $3,031,744.

Assets of the Center increased $706,466 or 3.06%. Current and other assets increased primarily due to an increase in equity in pooled cash and cash equivalents.

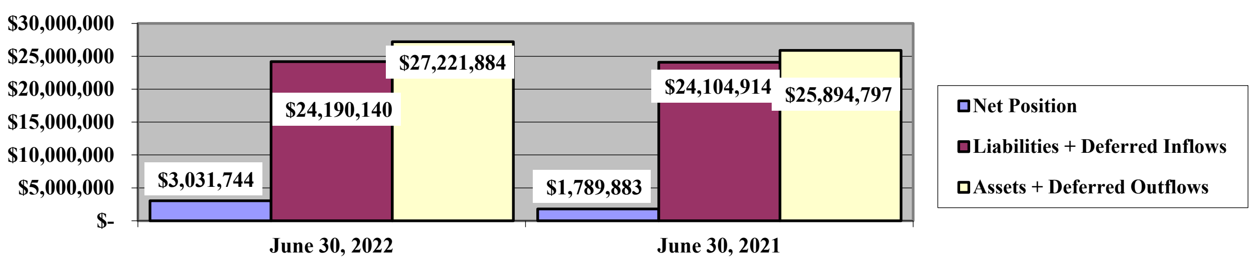
At year-end, capital assets represented 17.41% of total assets. Capital assets include land, land improvements, buildings and improvements, furniture, fixtures and equipment, vehicles, and intangible right to use assets. Net investment in capital assets at June 30, 2022, was $3,263,528. These capital assets are used to provide services to the students and are not available for future spending. Although the Center's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities. Capital assets decreased due to current year depreciation/amortization and disposals, net of accumulated depreciation/amortization exceeding additions.

The net pension liability decreased $6,594,455 or 46.05% and deferred inflows of resources related to pension increased $5,918,300 or 929.61%. These changes were the result of changes at the pension system level for the State Teachers Retirement System (STRS) and the School Employees Retirement System (SERS). Net investment income on investments at both pension systems exceeded estimates for the fiscal year 2021 measurement that are used for the fiscal year 2022 reporting which caused a large increase in their respective fiduciary net positions.

A portion of the Center's net position, $920,932 represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position is ($1,152,716).

The graph below shows the Center's assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position at June 30, 2022 and June 30, 2021.

Governmental Activities



The table below shows the change in net position for fiscal years 2022 and 2021.

Change in Net Position

	Governmental Activities 2022	Governmental Activities 2021
Revenues		
Program revenues:		
Charges for services and sales	$ 162,320	$ 555,748
Operating grants and contributions	3,873,162	1,072,321
General revenues:		
Property taxes	4,997,918	5,623,133
Grants and entitlements - unrestricted	4,630,076	6,433,717
Investment earnings	(115,375)	34,298
Miscellaneous	12,193	58,373
Total revenues	13,560,294	13,777,590

(Continued)

Change in Net Position (Continued)

	Governmental Activities 2022	Governmental Activities 2021
Expenses		
Program expenses:		
Instruction:		
Regular	$ 20	$ -
Special	629,530	721,526
Vocational	6,615,619	7,741,265
Adult/continuing	-	3,137
Other	122,426	142,951
Support services:		
Pupil	541,090	655,285
Instructional staff	580,444	651,949
Board of education	84,849	26,411
Administration	1,009,013	1,149,923
Fiscal	469,745	483,657
Business	807	1,092
Operations and maintenance	1,526,272	1,268,985
Pupil transportation	91,078	37,137
Central	21,505	15,654
Operations of non-instructional services:		
Food service operations	327,357	288,638
Other non-instructional services	149,594	32,040
Shared services	175,246	101,860
Extracurricular activities	34,499	32,275
Interest and fiscal charges	15,759	18,563
Total expenses	12,394,853	13,372,348
Change in net position	1,165,441	405,242
Net position at beginning of year	1,866,303	1,461,061
Net position at end of year	$ 3,031,744	$ 1,866,303

Governmental Activities

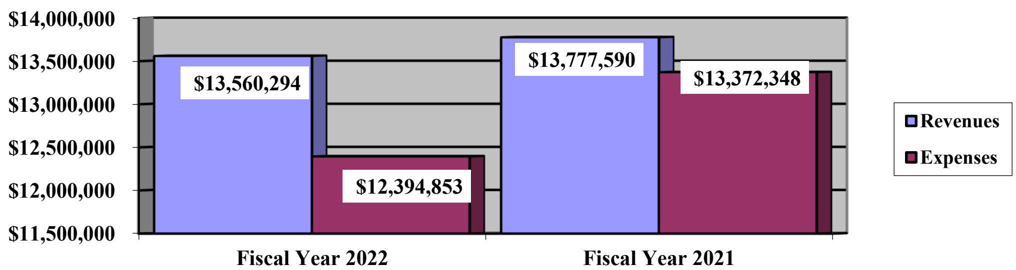
Net position of the Center's governmental activities increased $1,165,441. Total governmental expenses of $12,394,853 were offset by program revenues of $4,035,482 and general revenues of $9,524,812. Program revenues supported 32.56% of the total governmental expenses.

The primary sources of revenue for governmental activities are derived from property taxes and unrestricted grants and entitlements from the State. These revenue sources account for 71.00% of total governmental revenue. Investment earnings decreased due to a decrease in interest rates on the District's investments. Charges for services and sales decreased due to less food service and shared service revenues.

Overall, expenses of the governmental activities decreased $977,495 or 7.31%. This decrease is primarily the result of a decrease in pension expense. Pension expense decreased approximately $1,843,429. This decrease was the result of a decrease in expenses incurred at the pension system level for the State Teachers Retirement System (STRS) and the School Employees Retirement System (SERS) due to an increase in net investment income on investments compared to previous years.

The graph below presents the Center's governmental activities revenue and expenses for fiscal years 2022 and 2021.

Governmental Activities - Revenues and Expenses



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

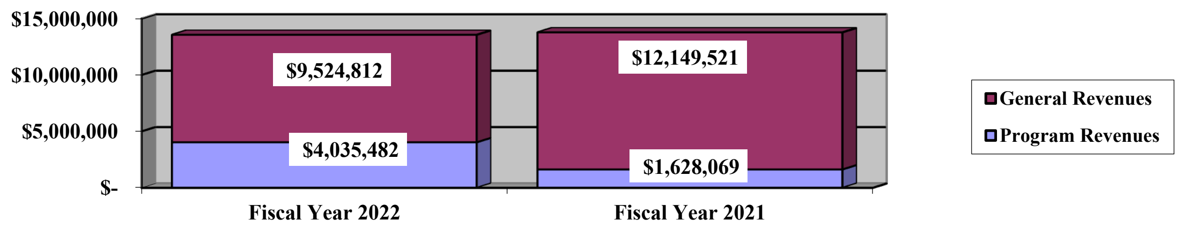
Governmental Activities

	Total Cost of Services 2022	Net Cost of Services 2022	Total Cost of Services 2021	Net Cost of Services 2021
Program expenses				
Instruction:				
Regular	$ 20	$ 20	$ -	$ -
Special	629,530	(65,590)	721,526	721,526
Vocational	6,615,619	4,210,770	7,741,265	6,649,374
Adult/continuing	-	-	3,137	854
Other	122,426	122,426	142,951	142,951
Support services:				
Pupil	541,090	397,291	655,285	510,728
Instructional staff	580,444	578,644	651,949	651,949
Board of education	84,849	84,849	26,411	26,411
Administration	1,009,013	1,009,013	1,149,923	1,149,923
Fiscal	469,745	469,745	483,657	483,619
Business	807	807	1,092	1,092
Operations and maintenance	1,526,272	1,526,262	1,268,985	1,268,985
Pupil transportation	91,078	91,078	37,137	37,137
Central	21,505	21,505	15,654	15,654
Operations of non-instructional services:				
Food service operations	327,357	(197,020)	288,638	31,501
Other non-instructional services	149,594	149,594	32,040	1,181
Shared services	175,246	27,269	101,860	3,367
Extracurricular activities	34,499	(83,051)	32,275	29,464
Interest and fiscal charges	15,759	15,759	18,563	18,563
Total	$ 12,394,853	$ 8,359,371	$ 13,372,348	$ 11,744,279

The dependence upon tax and other general revenues for governmental activities is apparent as 57.92% of instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is 67.44%. The Center's taxpayers and unrestricted grants and entitlements are the primary support for Center's students.

The graph below presents the Center's governmental activities revenue for fiscal years 2022 and 2021.

Governmental Activities - General and Program Revenues



The Center's Funds

The Center's governmental funds reported a combined fund balance of $12,102,860, which is higher than last year's total of $11,981,010.

The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2022 and 2021.

	Fund Balance June 30, 2022	Fund Balance June 30, 2021	Change	Percentage Change
General fund	$ 11,086,251	$ 10,983,418	$ 102,833	0.94 %
Other governmental funds	1,016,609	997,592	19,017	1.91 %
Total	$ 12,102,860	$ 11,981,010	$ 121,850	1.02 %

General Fund

During fiscal year 2022, the Center's general fund balance increased $102,833. The table that follows assists in illustrating the financial activities of the general fund.

	2022 Amount	2021 Amount	Change	Percentage Change
Revenues				
Property taxes	$ 5,096,018	$ 5,579,153	$ (483,135)	(8.66) %
Tuition	74,150	503,889	(429,739)	(85.28) %
Earnings on investments	(111,152)	34,794	(145,946)	(419.46) %
Intergovernmental	7,093,228	6,553,167	540,061	8.24 %
Other revenues	56,851	88,205	(31,354)	(35.55) %
Total	$ 12,209,095	$ 12,759,208	$ (550,113)	(4.31) %
Expenditures				
Instruction	$ 7,593,697	$ 7,630,957	$ (37,260)	(0.49) %
Support services	4,234,850	3,988,985	245,865	6.16 %
Non-instructional services	149,594	12,199	137,395	1,126.28 %
Extracurricular activities	28,777	24,080	4,697	19.51 %
Capital outlay	35,060	9,560	25,500	100.00 %
Debt service	97,855	98,088	(233)	(0.24) %
Total	$ 12,139,833	$ 11,763,869	$ 375,964	3.20 %

Revenues of the general fund decreased $550,113 or 4.31%. Property taxes decreased $483,135 or 8.66% due to a decrease in property taxes available for advance. Tuition decreased $429,739 or 85.28% due to the State's changes to the funding formula. Earnings on investment decreased $145,946 or 419.46% due to a decrease in earnings on investment because of current economic conditions.

Expenditures increased $375,964 or 3.20%. Support services and non-instructional services increased due to salary and benefit increases.

General Fund Budgeting Highlights

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

During the course of fiscal year 2022, the Center amended its general fund estimated revenue budget. For the general fund, original budgeted revenues plus other financing sources were $12,447,393 and final budgeted revenues were $11,814,105. Actual revenues plus other financing sources of $12,768,819 were $954,714 higher than final budgeted revenues plus other financing sources.

General fund actual expenditures plus other financing uses of $12,301,460 were $1,402,183 lower than final appropriations (appropriated expenditures plus other financing uses) of $13,703,643. Original appropriations were $13,132,865.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2022, the Center had $3,732,632 invested in land, land improvements, buildings and improvements, furniture, fixtures and equipment, vehicles, and intangible right to use assets. The capital assets at June 30, 2021 have been restated as described in Note 3. This entire amount is reported in governmental activities. The table that follows shows June 30, 2022 balances compared to June 30, 2021:

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

	Governmental Activities	
	2022	Restated 2021
Land	$ 647,488	$ 647,488
Land improvements	50,648	53,715
Buildings and improvements	2,370,197	2,531,521
Furniture, fixtures and equipment	613,977	743,158
Vehicles	1,199	3,699
Intangible right to use assets	49,203	35,342
Total	$ 3,732,712	$ 4,014,923

Capital assets decreased $282,291 during fiscal year 2022. The Center had $35,060 in additions and $317,351 in depreciation/amortization.

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

Debt Administration

At June 30, 2022 the Center had $469,104 in House Bill (HB) 264 bonds and capital leases outstanding. Of this total, $90,283 is due within one year and $378,821 is due in more than one year. The table below summarizes the long-term obligations outstanding.

Outstanding Debt, at Year End

	Governmental Activities 2022	Governmental Activities 2021
HB 264 Bonds	$ 420,000	$ 480,000
Leases payable	49,104	37,531
Total	$ 469,104	$ 517,531

See Note 13 to the basic financial statements for detail on the Center's debt administration.

For the Future

Springfield-Clark Career Technology Center continues to be flat-lined by the State of Ohio in terms of revenue. The Center is on the guarantee, which means they are not generating any more revenue for additional students, unless those students are career tech students. It is uncertain as to how long the Ohio Department of Education will keep the Center on this guarantee past fiscal year 2022.

The Center is constantly looking at ways to live within the budget. The Center is always looking at ways to do the things more efficiently and cheaper. As a vocational school, the Center is required to spend 75% of the weighted funds on vocational programs. This includes items such as; textbooks, workbooks, supplies, technology, equipment, etc.

The Springfield-Clark Career Technology Center is committed to providing the students of Clark County the best vocational education resources to enhance their learning capabilities. In order to do this, the Center must find ways to be innovative in the delivery methods, which includes using the most recent technology that industries are using. The Center can achieve this by living within their means and spending weighted and grant funds wisely.

Contacting the Center's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the Center's finances and to show the Center's accountability for the money it receives. If you have questions about this report or need additional financial information contact Ms. Julie Wallace, Treasurer, Springfield-Clark Career Technology Center, 1901 Selma Road, Springfield, Ohio 45505.

SPRINGFIELD-CLARK CAREER TECHNOLOGY CENTER
CLARK COUNTY, OHIO

STATEMENT OF NET POSITION
JUNE 30, 2022

		Governmental Activities
Assets:		
Equity in pooled cash and cash equivalents	$	12,361,788
Receivables:		
Property taxes		6,302,856
Accrued interest		10,731
Intergovernmental		289,688
Prepayments		6,685
Materials and supplies inventory		23,189
Inventory held for resale		5,760
Net OPEB asset		1,029,938
Capital assets:		
Nondepreciable capital assets		647,488
Depreciable capital assets, net		3,085,144
Capital assets, net		3,732,632
Total assets		23,763,267
Deferred outflows of resources:		
Pension		3,191,848
OPEB		266,769
Total deferred outflows of resources		3,458,617
Liabilities:		
Accounts payable		176,844
Accrued wages and benefits payable		1,101,395
Intergovernmental payable		82,287
Pension and postemployment benefits payable		142,046
Accrued interest payable		1,138
Long-term liabilities:		
Due within one year		132,700
Due in more than one year:		
Net pension liability		7,726,980
Net OPEB liability		721,702
Other amounts due in more than one year		1,020,126
Total liabilities		11,105,218
Deferred inflows of resources:		
Property taxes levied for the next fiscal year		4,812,501
Pension		6,554,943
OPEB		1,717,478
Total deferred inflows of resources		13,084,922
Net position:		
Net investment in capital assets		3,263,528
Restricted for:		
State funded programs		540
Food service operations		569,703
Extracurricular programs		39,440
Other purposes		311,249
Unrestricted (deficit)		(1,152,716)
Total net position	$	3,031,744

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

SPRINGFIELD-CLARK CAREER TECHNOLOGY CENTER
CLARK COUNTY, OHIO

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

		Program Revenues		Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental activities:				
Instruction:				
Regular	$ 20	$ -	$ -	$ (20)
Special	629,530	-	695,120	65,590
Vocational	6,615,619	118,798	2,286,051	(4,210,770)
Other	122,426	-	-	(122,426)
Support services:				
Pupil	541,090	-	143,799	(397,291)
Instructional staff	580,444	-	1,800	(578,644)
Board of education	84,849	-	-	(84,849)
Administration	1,009,013	-	-	(1,009,013)
Fiscal	469,745	-	-	(469,745)
Business	807	-	-	(807)
Operations and maintenance	1,526,272	10	-	(1,526,262)
Pupil transportation	91,078	-	-	(91,078)
Central	21,505	-	-	(21,505)
Operation of non-instructional services:				
Food service operations	327,357	24,643	499,734	197,020
Other non-instructional services	149,594	-	-	(149,594)
Shared services	175,246	12,784	245,513	83,051
Extracurricular activities	34,499	6,085	1,145	(27,269)
Interest and fiscal charges	15,759	-	-	(15,759)
Totals	$ 12,394,853	$ 162,320	$ 3,873,162	(8,359,371)

General revenues:	
Property taxes levied for:	
General purposes	4,997,918
Grants and entitlements not restricted to specific programs	4,630,076
Investment earnings	(115,375)
Miscellaneous	12,193
Total general revenues	9,524,812
Change in net position	1,165,441
Net position at beginning of year	1,866,303
Net position at end of year	$ 3,031,744

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

SPRINGFIELD-CLARK CAREER TECHNOLOGY CENTER
CLARK COUNTY, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

	General	Nonmajor Governmental Funds	Total Governmental Funds
Assets:			
Equity in pooled cash and cash equivalents	$ 11,298,669	$ 1,063,119	$ 12,361,788
Receivables:			
Property taxes	6,302,856	-	6,302,856
Accrued interest	10,670	61	10,731
Interfund loans	1,016	-	1,016
Intergovernmental	25,588	264,100	289,688
Prepayments	6,685	-	6,685
Materials and supplies inventory	20,143	3,046	23,189
Inventory held for resale	-	5,760	5,760
Due from other funds	96,409	-	96,409
Total assets	$ 17,762,036	$ 1,336,086	$ 19,098,122
Liabilities:			
Accounts payable	$ 81,791	$ 95,053	$ 176,844
Accrued wages and benefits payable	994,777	106,618	1,101,395
Intergovernmental payable	80,947	1,340	82,287
Pension and postemployment benefits payable	123,066	18,980	142,046
Interfund loans payable	-	1,016	1,016
Due to other funds	-	96,409	96,409
Total liabilities	1,280,581	319,416	1,599,997
Deferred inflows of resources:			
Property taxes levied for the next fiscal year	4,812,501	-	4,812,501
Delinquent property tax revenue not available	546,445	-	546,445
Intergovernmental revenue not available	25,588	-	25,588
Accrued interest not available	10,670	61	10,731
Total deferred inflows of resources	5,395,204	61	5,395,265
Fund balances:			
Nonspendable:			
Materials and supplies inventory	20,143	3,046	23,189
Prepaids	6,685	-	6,685
Restricted:			
Food service operations	-	574,812	574,812
State funded programs	-	540	540
Extracurricular programs	-	39,440	39,440
Other purposes	-	311,188	311,188
Assigned:			
Student instruction	25,377	-	25,377
Student and staff support	278,553	-	278,553
Subsequent year's appropriations	465,172	-	465,172
Capital projects	1,958	96,834	98,792
Unassigned (deficit)	10,288,363	(9,251)	10,279,112
Total fund balances	11,086,251	1,016,609	12,102,860
Total liabilities, deferred inflows and fund balances	$ 17,762,036	$ 1,336,086	$ 19,098,122

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

SPRINGFIELD-CLARK CAREER TECHNOLOGY CENTER
CLARK COUNTY, OHIO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2022

Total governmental fund balances		$ 12,102,860
Amounts reported for governmental activities on the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		3,732,632
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Property taxes receivable	$ 546,445	
Accrued interest receivable	10,731	
Intergovernmental receivable	25,588	
Total		582,764
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(1,138)
The net pension/OPEB assets & liabilities are not due and payable in the current period; therefore, the assets, liabilities and related deferred inflows/outflows are not reported in governmental funds.		
Deferred outflows - pension	3,191,848	
Deferred inflows - pension	(6,554,943)	
Net pension liability	(7,726,980)	
Deferred outflows - OPEB	266,769	
Deferred inflows - OPEB	(1,717,478)	
Net OPEB asset	1,029,938	
Net OPEB liability	(721,702)	
Total		(12,232,548)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
HB 264 bonds	(420,000)	
Leases payable	(49,104)	
Compensated absences	(683,722)	
Total		(1,152,826)
Net position of governmental activities		$ 3,031,744

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

SPRINGFIELD-CLARK CAREER TECHNOLOGY CENTER
CLARK COUNTY, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	General	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:			
Property taxes	$ 5,096,018	$ -	$ 5,096,018
Intergovernmental	7,093,228	1,360,165	8,453,393
Investment earnings	(111,152)	(3,075)	(114,227)
Tuition and fees	74,150	-	74,150
Extracurricular	-	6,085	6,085
Rental income	10	-	10
Charges for services	44,648	37,427	82,075
Contributions and donations	2,992	18,939	21,931
Miscellaneous	9,201	12,393	21,594
Total revenues	12,209,095	1,431,934	13,641,029
Expenditures:			
Current:			
Instruction:			
Regular	20	-	20
Special	711,461	-	711,461
Vocational	6,738,342	631,562	7,369,904
Other	143,874	-	143,874
Support services:			
Pupil	616,484	750	617,234
Instructional staff	605,360	3,960	609,320
Board of education	47,994	-	47,994
Administration	1,134,582	-	1,134,582
Fiscal	519,831	322	520,153
Business	807	-	807
Operations and maintenance	1,255,820	2,003	1,257,823
Pupil transportation	46,980	44,297	91,277
Central	6,992	-	6,992
Operation of non-instructional services:			
Food service operations	-	356,708	356,708
Other non-instructional services	149,594	-	149,594
Shared services	-	175,246	175,246
Extracurricular activities	28,777	10,142	38,919
Facilities acquisition and construction	-	187,927	187,927
Capital outlay	35,060	-	35,060
Debt service:			
Principal retirement	81,998	-	81,998
Interest and fiscal charges	15,857	-	15,857
Total expenditures	12,139,833	1,412,917	13,552,750
Excess of revenues over expenditures	69,262	19,017	88,279
Other financing sources:			
Lease transaction	33,571	-	33,571
Total other financing sources	33,571	-	33,571
Net change in fund balances	102,833	19,017	121,850
Fund balances at beginning of year	10,983,418	997,592	11,981,010
Fund balances at end of year	$ 11,086,251	$ 1,016,609	$ 12,102,860

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

SPRINGFIELD-CLARK CAREER TECHNOLOGY CENTER
CLARK COUNTY, OHIO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Net change in fund balances - total governmental funds		$ 121,850
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense.		
Capital asset additions	$ 35,060	
Current year depreciation/amortization	(317,351)	
Total		(282,291)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	(98,100)	
Earnings on investments	(4,223)	
Intergovernmental	21,588	
Total		(80,735)
Repayment of bond and lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.		81,998
Issuance of leases are recorded as other financing sources in the funds; however, in the statement of activities, they are not reported as other financing sources as they increase liabilities on the statement of net position.		(33,571)
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in additional interest being reported in the statement of activities:		
Change in accrued interest payable		98
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	1,058,650	
OPEB	7,100	
Total		1,065,750
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability/asset are reported as pension/OPEB expense in the statement of activities.		
Pension	219,650	
OPEB	104,116	
Total		323,766
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.		(31,424)
Change in net position of governmental activities		$ 1,165,441

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 - DESCRIPTION OF THE CENTER AND REPORTING ENTITY

The Springfield-Clark Career Technology Center (the "Center") is a joint vocational school district as defined by Section 3322.28 of the Ohio Revised Code. The Center is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The Springfield-Clark County "JVS Plan" was approved by the State Department of Education on April 13, 1964. On May 18, 1964, the Springfield-Clark County Joint Vocational School Board of Education was organized. The Board is comprised of two (2) members of the Springfield City Board of Education (the "City School District") and one (1) from the Clark County Educational Service Center (the "Educational Service Center"). The number of representatives from the City School District and the Educational Service Center was based on the student population at the time. The City School District and the Educational Service center each selected who will also serve as members of the board of the Center. In 1998, the Board of Education passed a resolution to expand from the five (5) board members to a nine (9) member Board of Education with local, Educational Service Center, and City School District representatives. Each district including: Clark-Shawnee Local, Greenon Local, Northeastern Local, Northwestern Local, Southeastern Local, and Tecumseh Local would have one (1) seat. The ESC would have one (1) seat and the City School District would have two (2) seats. The Center is staffed by 29 classified employees, 65 certified teaching personnel, and 7 administrative employees who provide services to 674 students and other community members. The Center currently operates six (6) instructional buildings and an administrative building. During 2008, our name was changed from Joint Vocational School to Career Technology Center.

The school systems participating in the Center include: Springfield City, Northeastern Local, Southeastern Local, Clark-Shawnee Local, Greenon Local, Tecumseh Local and Northwestern Local. Each of these districts may send students to the Center, which offers students job training leading to employment upon graduation from high school. Each of the participating districts appoints a member from its Board to the Springfield-Clark Career Technology Center Board.

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the Center. For the Center, this includes general operations, food service and student related activities of the Center.

Component units are legally separate organizations for which the Center is financially accountable. The Center is financially accountable for an organization if the Center appoints a voting majority of the organization's governing board and (1) the Center is able to significantly influence the programs or services performed or provided by the organization; or (2) the Center is legally entitled to or can otherwise access the organization's resources; or (3) the Center is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the Center is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Center in that the Center approves the budget, the issuance of debt, or the levying of taxes. The Center has no component units.

The following entity which performs activities within the Center boundaries for the benefit of its residents is excluded from the accompanying financial statements because the Center is not financially accountable for this entity nor is it fiscally dependent on the Center.

City of Springfield **-** The city government of Springfield is a separate body politic and corporate. The council is elected independent of any Center relationships and administers the provision of traditional city services. Council acts as the taxing and budgeting authority for these city services.

NOTE 1 - DESCRIPTION OF THE CENTER AND REPORTING ENTITY - (Continued)

The Center is associated with one joint venture, two jointly governed organizations and one insurance purchasing pool. These organizations are discussed in Notes 14, 15 and 16 to the basic financial statements. These organizations are:

Joint Venture:
Early Childhood Education Center (the ECE Center)

Jointly Governed Organizations:
Miami Valley Educational Computer Association (MVECA) and Southwestern Ohio Educational Purchasing Council (EPC)

Insurance Purchasing Pool:
Ohio School Boards Association Workers' Compensation Group Rating Plan

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

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

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

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

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

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

B. Fund Accounting

The Center uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Center functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The various funds of the Center are grouped into the category governmental.

GOVERNMENTAL FUNDS

Governmental funds focus 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, deferred outflows of resources, liabilities, and deferred inflows of resources is reported as fund balance. The general fund is the major fund of the Center.

General Fund - The general fund is used to account for all financial resources, except those required to be accounted for in another fund. The general fund is available to the Center for any purpose provided it is expended or transferred according to the general laws of Ohio.

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

C. Measurement Focus

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

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

D. Basis of Accounting

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

Revenues - Exchange and Nonexchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, are 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 Center, available means expected to be received within sixty days of fiscal year end.

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

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

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

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

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the Center, see Notes 10 and 11 for deferred outflows of resources related the Center's net pension liability and net OPEB liability/asset, respectively.

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the Center, deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2022, but which were levied to finance fiscal year 2023 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables which will not be collected within the available period. For the Center unavailable revenue includes, but is not limited to, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

For the Center, see Notes 10 and 11 for deferred inflows of resources related to the Center's net pension liability and net OPEB liability/asset, respectively. This deferred inflow of resources is only reported on the government-wide statement of net position.

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

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

E. Equity in Pooled Cash and Investments

To improve cash management, cash received by the Center is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the Center's records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the statement of net position and governmental funds balance sheet.

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

During fiscal year 2022, investments included were limited to non-negotiable certificates of deposits, Federal Home Loan Mortgage Corporation (FHLMC) Notes, Federal Farm Credit Bank (FFCB) Notes, Federal Home Loan Bank (FHLB) Notes, Federal National Mortgage Association Notes (FNMA), negotiable certificates of deposit, U.S. Treasury bills, STAR Ohio, and money market accounts.

During fiscal year 2022, the Center invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The Center measures their 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 a NAV per share that approximates fair value.

For the fiscal year 2022, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding $100 million. STAR Ohio reserves the right to limit the transaction to $250 million, requiring the excess amount to be transacted the following business day(s), but only to the $250 million limit. All accounts of the participant will be combined for these purposes.

The Center allocates interest according to State statutes. Interest revenue credited to the general fund during fiscal year 2022 was ($111,152), including ($10,177) allocated from other funds.

F. Prepayments

Certain payments to vendors reflect the costs applicable to future accounting periods and are recorded as prepayments in both government-wide and fund financial statements. These items are reported as assets on the balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of the purchase and the expenditure/expense is reported in the year in which services are consumed. At fiscal year end, because prepayments are not available to finance future governmental fund expenditures, the fund balance is nonspendable on the fund financial statements by an amount equal to the carrying value of the asset.

G. Inventory

On the government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used.

On the fund financial statements, inventories of governmental funds are stated at cost. For all funds, cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items is recorded as an expenditure in the governmental funds when purchased. Donated commodities are presented at their entitlement value. Reported inventory is also reported as nonspendable fund balance.

H. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

I. Capital Assets and Depreciation/Amortization

Capital assets, which include land, land improvements, buildings and improvements, furniture, fixtures, equipment, vehicles, and intangible right to use assets are reported in the government-wide financial statements. All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements throughout the year. Donated capital assets are recorded at their acquisition value as of the date received. The Center maintains a capitalization threshold of $2,500. The Center does not possess any infrastructure. Improvements are capitalized; the cost 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 for land are depreciated/amortized. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation/amortization is computed using the straight-line method over the following useful lives.

Description	Estimated Lives
Land improvements	15 - 30 years
Buildings and improvements	20 - 40 years
Furniture, fixtures and equipment	5 - 20 years
Vehicles	5 years
Intangible right to use assets	5 years

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

J. Interfund Activity

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

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

K. 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 Center will compensate the employees for the benefits through paid time off or some other means. The Center records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

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

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

For governmental funds, the current portion of unpaid compensated absences is the amount normally due for payment during the current year. These amounts are reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The entire liability is reported on the government-wide statement of net position.

L. Accrued Liabilities and Long-Term Obligations

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

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

M. Pensions/Other Postemployment Benefits (OPEB)

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

N. Net Position

Net position represents the difference between assets plus deferred outflows and liabilities plus deferred inflows. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the Center or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The Center applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available. None of the Center's net position is restricted by enabling legislation. The amount restricted for other purposes represents amounts restricted for special trust activities and other grants.

O. Fund Balance

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

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

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

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

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

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

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

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

P. Fair Value

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For fiscal year 2022, the Center has implemented GASB Statement No. 87, "*Leases*", GASB Implementation Guide 2019-3, "*Leases*", GASB Statement No. 89, "*Accounting for Interest Cost Incurred before the End of a Construction Period*", GASB Implementation Guide 2020-1, "*Implementation Guide Update - 2020*", GASB Statement No. 92, "*Omnibus 2020*", GASB Statement No. 93, "*Replacement of Interbank Offered Rates*", GASB Statement No. 97, "*Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*" and certain paragraphs of GASB Statement No. 99, "*Omnibus 2022*".

GASB Statement No. 87 and GASB Implementation Guide 2019-3 enhance the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The implementation of GASB Statement No. 87 and Implementation Guide 2019-3 did not have an impact on beginning net position.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

GASB Statement No. 89 establishes accounting requirements for interest cost incurred before the end of a construction period. GASB Statement No. 89 requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. GASB Statement No. 89 also reiterates that financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The implementation of GASB Statement No. 89 did not have an effect on the financial statements of the Center.

GASB Implementation Guide 2020-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2020-1 did not have an effect on the financial statements of the Center.

GASB Statement No. 92 enhances comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The implementation of GASB Statement No. 92 did not have an effect on the financial statements of the Center.

GASB Statement No. 93 establishes accounting and financial reporting requirements related to the replacement of Interbank Offered Rates (IBORs) in hedging derivative instruments and leases. It also identifies appropriate benchmark interest rates for hedging derivative instruments. The implementation of GASB Statement No. 93 did not have an effect on the financial statements of the Center.

GASB Statement No. 97 is to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The implementation of GASB Statement No. 97 did not have an effect on the financial statements of the Center.

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

B. Deficit Fund Balances

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

Nonmajor funds	Deficit
Vocational Education Enhancement	$ 1,016
Vocational Education	8,235

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

NOTE 4 - EQUITY IN POOLED CASH AND INVESTMENTS

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

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

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

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;

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

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

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

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

NOTE 4 - EQUITY IN POOLED CASH AND INVESTMENTS - (Continued)

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

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

8. Certain banker's acceptance and commercial paper notes for a period not to exceed one-hundred-eighty days and two-hundred-seventy days, respectively, from the purchase date in an amount not to exceed forty percent of the interim monies available for investment at any one time if training requirements are met.

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

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

A. Cash on Hand

At fiscal year end, the Center had $2,230 in undeposited cash on hand which is included on the financial statements of the Center as part of "equity in pooled cash and cash equivalents".

B. Deposits

At June 30, 2022, the carrying amount of all Center deposits was $6,447,772, including $1,500,000 in non-negotiable certificates of deposit, and the bank balance of all Center deposits was $6,501,347. Of the bank balance, $4,890,246 was covered by the FDIC, and $1,611,101 was exposed to custodial credit risk.

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

NOTE 4 - EQUITY IN POOLED CASH AND INVESTMENTS - (Continued)

C. Investments

As of June 30, 2022, the Center had the following investments:

		Investment Maturities				
Measurement/ Investment type	Measurement Value	6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater than 24 months
Fair Value:						
FFCB	$ 1,253,624	$ 417,091	$ 589,023	$ 96,816	$ 150,694	$ -
FHLB	912,367	-	486,620	-	-	425,747
FNMA	147,765	-	-	-	-	147,765
FHLMC	322,768	-	-	134,814	-	187,954
U.S. Treasury bills	806,232	660,129	146,103	-	-	-
Negotiable CDs	2,454,169	248,726	985,266	488,101	492,555	239,521
U.S. Government money market	14,860	14,860	-	-	-	-
Amortized Cost:						
STAR Ohio	1	-	-	-	-	-
Total	$ 5,911,786	$ 1,340,806	$ 2,207,012	$ 719,731	$ 643,249	$ 1,000,987

The weighted average of maturity of investments is 1.06 years.

The Center's investments in U.S. Government money market mutual funds are valued using quoted market prices in active markets (Level 1 inputs). The Center's investments in federal agency securities (FNMA, FHLMC, FHLB, FFCB), U.S. Treasury bills, and negotiable certificates of deposit are valued using quoted prices in markets that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly (Level 2 inputs).

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with the investment policy, the Center manages its exposure to decline in fair values by limiting the weighted average maturity of its investment portfolio.

Credit Risk - The Center’s federal agency securities were rated AA+ and Aaa by Standard & Poor’s and Moody’s Investor Services, respectively. U.S. Treasury bills were rated P-1 by Moody’s Investor Service. The Money Market Funds and Certificates of Deposit are not rated. STAR Ohio carried a rating of AAAm by Standard & Poor’s. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The Center’s investment policy does not specifically address credit risk beyond requiring the Center to only invest in securities authorized by State statute.

Custodial Credit Risk - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Center will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The federal agency securities are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty’s trust department or agent but not in the Center’s name. The Center has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

NOTE 4 - EQUITY IN POOLED CASH AND INVESTMENTS - (Continued)

Concentration of Credit Risk: The Center places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the Center at June 30, 2022:

Measurement/ Investment type	Measurement Value	% of Total
Fair Value:		
FFCB	$ 1,253,624	21.21
FHLB	912,367	15.43
FNMA	147,765	2.50
FHLMC	322,768	5.46
U.S. Treasury bills	806,232	13.64
Negotiable CD's	2,454,169	41.51
U.S. Government money market	14,860	0.25
Amortized Cost:		
STAR Ohio	1	-
Total	$ 5,911,786	100.00

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

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of June 30, 2022:

Cash and investments per note	
Carrying amount of deposits	$ 6,447,772
Investments	5,911,786
Cash on hand	2,230
Total	$ 12,361,788
Cash and investments per statement of net position	
Governmental activities	$ 12,361,788
Total	$ 12,361,788

NOTE 5 - INTERFUND ACTIVITY

A. Interfund loans receivable and payable consisted of the following at June 30, 2022, as reported on the fund financial statements:

Receivable fund	Payable fund	Amount
General fund	Nonmajor governmental fund	$ 1,016

The primary purpose of the interfund balances is to cover costs in specific funds where revenues were not received by June 30. These interfund balances will be repaid once the anticipated revenues are received.

Interfund balances between governmental fund are eliminated on the government-wide statement of net position.

NOTE 5 - INTERFUND ACTIVITY - (Continued)

B. Due to/from other funds consisted of the following at June 30, 2022, as reported on the fund statement:

Receivable fund	Payable fund	Amount
General fund	Nonmajor governmental funds	$ 96,409

The primary purpose of the amount due to the general fund from the nonmajor governmental funds was to eliminate negative cash balances. The amount will be repaid once cash is received.

Amounts due to/from between governmental funds are eliminated on the government-wide statements.

NOTE 6 - PROPERTY TAXES

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

Property taxes include amounts levied against all real property and public utility property. Real property tax revenues received in calendar year 2022 represent the collection of calendar year 2021 taxes. Real property taxes received in calendar year 2022 were levied after April 1, 2021, on the assessed values as of January 1, 2021, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. Public utility property tax revenues received in calendar year 2022 represent the collection of calendar year 2021 taxes. Public utility real and personal property taxes received in calendar year 2020 became a lien on December 31, 2020, were levied after April 1, 2021, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

The Center receives property taxes from Clark, Miami, Champaign and Greene Counties. The County Auditors periodically advances to the Center its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2022, are available to finance fiscal year 2022 operations. The amount available as an advance at June 30, 2022 was $943,910 in the general fund. This amount is recorded as revenue. The amount available for advance at June 30, 2021 was $1,208,329 in the general fund. The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

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

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

NOTE 6 - PROPERTY TAXES – (Continued)

The assessed values upon which the fiscal year 2022 taxes were collected are:

	2021 Second Half Collections		2022 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/residential and other real estate	$ 2,439,276,928	93.40	$ 2,453,174,308	92.99
Public utility personal	172,329,800	6.60	184,917,640	7.01
Total	$ 2,611,606,728	100.00	$ 2,638,091,948	100.00
Tax rate per $1,000 of assessed valuation	$3.00		$3.00	

NOTE 7 - RECEIVABLES

Receivables at June 30, 2022 consisted of property taxes, accrued interest and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current year guarantee of federal funds. A summary of the principal items of receivables reported on the statement of net position follows:

Governmental activities:	
Property taxes - current and delinquent	$ 6,302,856
Accrued interest	10,731
Intergovernmental	289,688
Total governmental receivables	$ 6,603,275

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

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NOTE 8 - CAPITAL ASSETS

Governmental activities capital asset activity for the fiscal year ended June 30, 2022, was as follows:

	Balance June 30, 2021	Additions	Disposals	Balance June 30, 2022
Governmental activities:				
Capital assets, not being depreciated/amortized:				
Land	$ 647,488	$ -	$ -	$ 647,488
Total capital assets, not being depreciated/amortized	647,488	-	-	647,488
Capital assets, being depreciated/amortized:				
Land improvements	425,220	-	-	425,220
Buildings and improvements	8,812,780	-	-	8,812,780
Furniture, fixtures and equipment	3,314,128	-	(13,682)	3,300,446
Vehicles	107,516	-	-	107,516
Intangible right to use:				
Leased equipment	98,689	35,060	-	133,749
Total capital assets, being depreciated/amortized	12,758,333	35,060	(13,682)	12,779,711
Less: accumulated depreciation/amortization				
Land improvements	(371,505)	(3,067)	-	(374,572)
Buildings and improvements	(6,281,259)	(161,324)	-	(6,442,583)
Furniture, fixtures and equipment	(2,570,970)	(129,181)	13,682	(2,686,469)
Vehicles	(103,817)	(2,580)	-	(106,397)
Intangible right to use:				
Leased equipment	(63,347)	(21,199)	-	(84,546)
Total accumulated depreciation/amortization	(9,390,898)	(317,351)	13,682	(9,694,567)
Governmental activities capital assets, net	$ 4,014,923	$ (282,291)	$ -	$ 3,732,632

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

Instruction:	
Vocational	$ 81,302
Support services:	
Instructional staff	19,287
Administration	26,189
Operations and maintenance	173,283
Central	14,513
Food service operations	2,777
Total depreciation/amortization expense	$ 317,351

NOTE 9 - RISK MANAGEMENT

Property and Liability

The 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 2022, the Center contracted with Great American Insurance Company and Travelers Insurance Company for the coverages identified below.

Building and Contents - Replacement Cost (no deductible)	$ 350,000,000
Automobile Liability (no deductible)	5,000,000
General Liability:	
Per Occurrence	5,000,000
Total per Year	5,000,000

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

Workers' Compensation

For fiscal year 2022, the Center participated in the Ohio School Board Association Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool (Note 16). The intent of the GRP is to achieve the benefit of a reduced premium for the Center by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participants is calculated as one experience and a common premium rate is applied to all participants in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate.

Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm Comp Management, Inc. provides administrative, cost control and actuarial services to the plan.

NOTE 10 - DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability/Net OPEB Liability/Asset

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

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

The net pension/OPEB liability (asset) represent the 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.

NOTE 10- DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

The remainder of this note includes the required pension disclosures. See Note 11 for the required OPEB disclosures.

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

Plan Description - School Employees Retirement System (SERS)

Plan Description - The 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, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS' fiduciary net position. That report can be obtained by visiting the SERS website at www.ohsers.org under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

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

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

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

NOTE 10- DEFINED BENEFIT PENSION PLANS - (Continued)

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost-of-living adjustment (COLA) on the first anniversary date of the benefit. Beginning April 1, 2018, new benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. A three-year COLA suspension was in effect for all benefit recipients for the years 2018, 2019, and 2020. Upon resumption of the COLA, it will be indexed to the percentage increase in the CPI-W, not to exceed 2.5% and with a floor of 0%. In 2021, the Board of Trustees approved a 2.5% cost-of-living adjustment (COLA) for eligible retirees and beneficiaries in 2022.

Funding Policy - Plan members are required to contribute 10.00% of their annual covered salary and the Center is required to contribute 14.00% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10.00% for plan members and 14.00% for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2022, the allocation to pension, death benefits, and Medicare B was 14.00%. For fiscal year 2022, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The Center's contractually required contribution to SERS was $201,573 for fiscal year 2022. Of this amount, $6,691 is reported as pension and postemployment benefits payable.

Plan Description - State Teachers Retirement System (STRS)

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

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

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.20% of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0% to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of living increases are not affected by this change. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five year of service credit and age 65, or 35 years of service credit and at least age 60.

Eligibility changes for DB Plan members who retire with actuarially reduced benefits will be phased in until August 1, 2026, when retirement eligibility will be five years of qualifying service credit and age 60, or 30 years of service credit at any age.

The DC Plan allows members to place all of their member contributions and 9.53% of the 14% employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.47% of the 14% employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

Funding Policy - Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The fiscal year 2022 employer and employee contribution rate of 14% was equal to the statutory maximum rates. For fiscal year 2022, the full employer contribution was allocated to pension.

The Center's contractually required contribution to STRS was $857,077 for fiscal year 2022. Of this amount, $127,121 is reported as pension and postemployment benefits payable.

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

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Center's proportion of the net pension liability was based on the Center's share of contributions to the pension plan relative to the projected contributions of all participating entities.

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

	SERS	STRS	Total
Proportion of the net pension liability prior measurement date	0.039966600%	0.048263130%	
Proportion of the net pension liability current measurement date	0.040144500%	0.048848849%	
Change in proportionate share	0.000177900%	0.000585719%	
Proportionate share of the net pension liability	$ 1,481,216	$ 6,245,764	$ 7,726,980
Pension expense	$ (151,620)	$ (68,030)	$ (219,650)

NOTE 10 – DEFINED BENEFIT PENSION PLANS – (Continued)

At June 30, 2022, the Center reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	SERS	STRS	Total
Deferred outflows of resources			
Differences between expected and actual experience	$ 143	$ 192,966	$ 193,109
Changes of assumptions	31,190	1,732,687	1,763,877
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	6,588	169,624	176,212
Contributions subsequent to the measurement date	201,573	857,077	1,058,650
Total deferred outflows of resources	$ 239,494	$ 2,952,354	$ 3,191,848

	SERS	STRS	Total
Deferred inflows of resources			
Differences between expected and actual experience	$ 38,414	$ 39,150	$ 77,564
Net difference between projected and actual earnings on pension plan investments	762,868	5,382,654	6,145,522
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	48,727	283,130	331,857
Total deferred inflows of resources	$ 850,009	$ 5,704,934	$ 6,554,943

$1,058,650 reported as deferred outflows of resources related to pension resulting from Center contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2023.

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

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2023	$ (232,419)	$ (896,488)	$ (1,128,907)
2024	(164,133)	(782,022)	(946,155)
2025	(181,383)	(882,250)	(1,063,633)
2026	(234,153)	(1,048,897)	(1,283,050)
Total	$ (812,088)	$ (3,609,657)	$ (4,421,745)

NOTE 10 – DEFINED BENEFIT PENSION PLANS – (Continued)

Actuarial Assumptions – SERS

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

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

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2021, are presented below:

Wage inflation:	
Current measurement date	2.40%
Prior measurement date	3.00%
Future salary increases, including inflation:	
Current measurement date	3.25% to 13.58%
Prior measurement date	3.50% to 18.20%
COLA or ad hoc COLA:	
Current measurement date	2.00%
Prior measurement date	2.50%
Investment rate of return:	
Current measurement date	7.00% net of system expenses
Prior measurement date	7.50% net of system expenses
Discount rate:	
Current measurement date	7.00%
Prior measurement date	7.50%
Actuarial cost method	Entry age normal (level percent of payroll)

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

NOTE 10 – DEFINED BENEFIT PENSION PLANS – (Continued)

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

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

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class are 43umarized in the following table:

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

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

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

	1% Decrease	Current Discount Rate	1% Increase
Center's proportionate share of the net pension liability	$ 2,464,379	$ 1,481,216	$ 652,071

NOTE 10 – DEFINED BENEFIT PENSION PLANS – (Continued)

Actuarial Assumptions – STRS

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

	June 30, 2021	June 30, 2020
Inflation	2.50%	2.50%
Projected salary increases	12.50% at age 20 to 2.50% at age 65	12.50% at age 20 to 2.50% at age 65
Investment rate of return	7.00%, net of investment expenses, including inflation	7.45%, net of investment expenses, including inflation
Discount rate of return	7.00%	7.45%
Payroll increases	3.00%	3.00%
Cost-of-living adjustments (COLA)	0.00%	0.00%

For the June 30, 2021, actuarial valuation, post-retirement mortality rates are based on the RP-2014 Annuitant Mortality Tables with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Tables, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Tables with 90% of rates for males and 100% of rates for females, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the June 30, 2021 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

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

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

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

NOTE 10 – DEFINED BENEFIT PENSION PLANS – (Continued)

Discount Rate – The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with the rates described previously. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS Ohio's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2021. Therefore, the long-term expected rate of return on pension plan investments of 7.00% was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2021.

Sensitivity of the Center's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following table represents the net pension liability as of June 30, 2021, calculated using the current period discount rate assumption of 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current assumption:

	1% Decrease	Current Discount Rate	1% Increase
Center's proportionate share of the net pension liability	$ 11,695,979	$ 6,245,764	$ 1,640,345

Changes Between Measurement Date and Reporting Date – STRS approved a one-time 3.00% cost-of-living adjustment to eligible benefit recipients effective July 1, 2022. It is unknown what the effect this change will have on the net pension liability.

NOTE 11 – DEFINED BENEFIT OPEB PLANS

Net OPEB Liability/Asset

See Note 10 for a description of the net OPEB liability (asset).

Plan Description – School Employees Retirement System (SERS)

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

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105€. 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.

NOTE 11 – DEFINED BENEFIT OPEB PLANS – (Continued)

Funding Policy – State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14% of covered payroll to the Health Care Fund in accordance with the funding policy. For the fiscal year ended June 30, 2022, SERS did not allocate any employer contributions to post-employment health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2022, this amount was $25,000. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2022, the Center's surcharge obligation was $7,100.

The surcharge added to the allocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The Center's contractually required contribution to SERS was $7,100 for fiscal year 2022. Of this amount, $7,100 is reported as pension and postemployment benefits payable.

Plan Description – State Teachers Retirement System (STRS)

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

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14% of covered payroll. For the fiscal year ended June 30, 2022, STRS did not allocate any employer contributions to post-employment health care.

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

The net OPEB liability/asset was measured as of June 30, 2021, and the total OPEB liability/asset used to calculate the net OPEB liability/asset was determined by an actuarial valuation as of that date. The Center's proportion of the net OPEB liability/asset was based on the Center's share of contributions to the respective retirement systems relative to the contributions of all participating entities.

NOTE 11 – DEFINED BENEFIT OPEB PLANS – (Continued)

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

	SERS	STRS	Total
Proportion of the net OPEB liability/asset prior measurement date	0.038380100%	0.048263130%	
Proportion of the net OPEB liability/asset current measurement date	0.038133200%	0.048848849%	
Change in proportionate share	-0.000246900%	0.000585719%	
Proportionate share of the net OPEB liability	$ 721,702	$ -	$ 721,702
Proportionate share of the net OPEB asset	$ -	$ (1,029,938)	$ (1,029,938)
OPEB expense	$ (34,418)	$ (69,698)	$ (104,116)

At June 30, 2022, the Center reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	SERS	STRS	Total
Deferred outflows of resources			
Differences between expected and actual experience	$ 7,693	$ 36,672	$ 44,365
Changes of assumptions	113,220	65,789	179,009
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	18,554	17,741	36,295
Contributions subsequent to the measurement date	7,100	-	7,100
Total deferred outflows of resources	$ 146,567	$ 120,202	$ 266,769

	SERS	STRS	Total
Deferred inflows of resources			
Differences between expected and actual experience	$ 359,440	$ 188,705	$ 548,145
Net difference between projected and actual earnings on OPEB plan investments	15,679	285,482	301,161
Changes of assumptions	98,829	614,432	713,261
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	147,845	7,066	154,911
Total deferred inflows of resources	$ 621,793	$ 1,095,685	$ 1,717,478

$7,100 reported as deferred outflows of resources related to OPEB resulting from Center contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability/asset in the fiscal year ending June 30, 2023.

NOTE 11 – DEFINED BENEFIT OPEB PLANS – (Continued)

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

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2023	$ (108,042)	$ (279,080)	$ (387,122)
2024	(108,153)	(271,941)	(380,094)
2025	(111,794)	(265,268)	(377,062)
2026	(94,527)	(119,177)	(213,704)
2027	(46,074)	(41,008)	(87,082)
Thereafter	(13,736)	991	(12,745)
Total	$ (482,326)	$ (975,483)	$ (1,457,809)

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.

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NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2021 are presented below:

Wage inflation:	
Current measurement date	2.40%
Prior measurement date	3.00%
Future salary increases, including inflation:	
Current measurement date	3.25% to 13.58%
Prior measurement date	3.50% to 18.20%
Investment rate of return:	
Current measurement date	7.00% net of investment expense, including inflation
Prior measurement date	7.50% net of investment expense, including inflation
Municipal bond index rate:	
Current measurement date	1.92%
Prior measurement date	2.45%
Single equivalent interest rate, net of plan investment expense, including price inflation:	
Current measurement date	2.27%
Prior measurement date	2.63%
Medical trend assumption:	
Current measurement date	
Medicare	5.125 to 4.400%
Pre-Medicare	6.750 to 4.400%
Prior measurement date	
Medicare	5.25 to 4.75%
Pre-Medicare	7.00 to 4.75%

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

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

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

NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2015 through 2020 and was adopted by the Board in 2021. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.00%, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class, as used in the June 30, 2020 five-year experience study, are summarized as follows:

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

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

NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)

Sensitivity of the Center's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates - The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability, what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.27%) and higher (3.27%) than the current discount rate (2.27%). Also shown is what the net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (5.75% decreasing to 3.40%) and higher (7.75% decreasing to 5.40%) than the current rate (6.75% decreasing to 4.40%).

	1% Decrease	Current Discount Rate	1% Increase
Center's proportionate share of the net OPEB liability	$ 894,276	$ 721,702	$ 583,838

	1% Decrease	Current Trend Rate	1% Increase
Center's proportionate share of the net OPEB liability	$ 555,651	$ 721,702	$ 943,495

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2021, actuarial valuation, compared with June 30, 2020, are presented below:

	June 30, 2021		June 30, 2020	
Inflation	2.50%		2.50%	
Projected salary increases	12.50% at age 20 to 2.50% at age 65		12.50% at age 20 to 2.50% at age 65	
Investment rate of return	7.00%, net of investment expenses, including inflation		7.45%, net of investment expenses, including inflation	
Payroll increases	3.00%		3.00%	
Cost-of-living adjustments (COLA)	0.00%		0.00%	
Discount rate of return	7.00%		7.45%	
Blended discount rate of return	N/A		N/A	
Health care cost trends				
	Initial	Ultimate	Initial	Ultimate
Medical				
Pre-Medicare	5.00%	4.00%	5.00%	4.00%
Medicare	-16.18%	4.00%	-6.69%	4.00%
Prescription Drug				
Pre-Medicare	6.50%	4.00%	6.50%	4.00%
Medicare	29.98%	4.00%	11.87%	4.00%

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

NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

Actuarial assumptions used in the June 30, 2021 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

Assumption Changes Since the Prior Measurement Date - The discount rate was adjusted to 7.00% from 7.45% for the June 30, 2021 valuation.

Benefit Term Changes Since the Prior Measurement Date - The non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055% to 2.100%. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D subsidy was updated to reflect it is expected to be negative in CY2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

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

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

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

Discount Rate - The discount rate used to measure the total OPEB asset was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2021. Therefore, the long-term expected rate of return on health care fund investments of 7.00% was applied to all periods of projected health care costs to determine the total OPEB liability as of June 30, 2021.

NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)

Sensitivity of the Center's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate - The following table represents the net OPEB asset as of June 30, 2021, calculated using the current period discount rate assumption of 7.00%, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease	Current Discount Rate	1% Increase
Center's proportionate share of the net OPEB asset	$ 869,108	$ 1,029,938	$ 1,164,287

	1% Decrease	Current Trend Rate	1% Increase
Center's proportionate share of the net OPEB asset	$ 1,158,843	$ 1,029,938	$ 870,535

NOTE 12 - OTHER EMPLOYEE BENEFITS

Compensated Absences

The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees earn ten (10) to twenty (20) days of vacation per fiscal year, depending upon length of service.

Accumulated, unused vacation time is paid to classified employees upon termination of employment. Teachers and administrators do not earn vacation time with the exception of the Superintendent, Treasurer, and Technology Director.

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 240 days for all employees. Upon retirement, payment is made for 25% of the first 120 days of sick leave days and 20.833% of sick leave days accumulated in excess of 120. The maximum severance is not to exceed 55 days for teachers and classified employees. For administrators, 30% of the first 120 days of total sick leave accumulation is paid, plus 20% of days in excess of 120 up to a maximum of 65 days for administrative personnel.

Insurance Benefits

The Center provides life insurance to most employees through Coresource. Medical benefits are provided through Anthem Blue Cross and Blue Shield. Dental benefits are provided through Coresource. Vision benefits are provided through VSP.

NOTE 13 - LONG-TERM OBLIGATIONS

Changes in long-term obligations of the Center during fiscal year 2022 were as follows:

	Balance June 30, 2021	Additions	Reductions	Balance June 30, 2022	Amounts Due in One Year
Governmental activities:					
2014 HB264 Bond - direct borrowing	$ 480,000	$ -	$ (60,000)	$ 420,000	$ 60,000
Net pension liability	14,321,435	-	(6,594,455)	7,726,980	-
Net OPEB liability	834,125	-	(112,423)	721,702	-
Leases payable	37,531	33,571	(21,998)	49,104	30,283
Compensated absences	733,621	69,511	(119,410)	683,722	42,417
Total governmental activities - long-term liabilities	$ 16,406,712	$ 103,082	$ (6,908,286)	$ 9,601,508	$ 132,700

2014 HB 264 Bonds: On December 1, 2013 the Center issued HB264 bonds in the amount of $897,020 at an interest rate of 3.25% for the purposes of school energy improvements. This issuance is considered a direct borrowing in that the terms have been negotiated between the Center and the lender and are not offered for public sale. The bonds will be retired from the general fund. The bonds mature on December 1, 2028.

Principal and interest requirements to retire general obligation debt outstanding at year end are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2023	$ 60,000	$ 12,675	$ 72,675
2024	60,000	10,725	70,725
2025	60,000	8,775	68,775
2026	60,000	6,825	66,825
2027	60,000	4,875	64,875
2028 - 2029	120,000	3,900	123,900
Total	$ 420,000	$ 47,775	$ 467,775

Net Pension Liability and Net OPEB Liability/Asset: See Notes 10 and 11 for details. The Center pays obligations related to employee compensation from the fund benefiting from their service.

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

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

Leases	Lease Commencement Date (Fiscal Year)	Years	Lease End Date (Fiscal Year)	Payment Method
ProSource Copiers	2022	2	2024	Monthly
ProSource Copiers	2018	5	2023	Monthly
Quadient Postage Machine	2021	3	2024	Monthly

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

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

Fiscal Year	Principal	Interest	Total
2023	$ 30,283	$ 871	$ 31,154
2024	18,821	219	19,040
Total	$ 49,104	$ 1,090	$ 50,194

Compensated Absences: The Center pays compensated absences primarily from the general fund and food service fund (a nonmajor governmental fund).

NOTE 14 - JOINT VENTURE

Early Childhood Education Center

The Springfield-Clark Career Technology Center had entered into an agreement with Clark State Community College to operate the Early Childhood Education Center (the ECE Center) until the Center's Board of Education approved the termination of the ECE Agreement, which dissolved the Council of Clark County Day Care Center and its COG effective January 1, 2017. Clark State Community College has acted as the ECE Center's fiscal agent. The Center has a financial responsibility to the ECE Center to finance any operating deficits based upon a formula in the agreement. The ECE Center did not incur an operating loss during fiscal year 2022. To obtain financial information, write to Early Childhood Education Center c/o Clark State Community College at 570 East Leffel Lane, Springfield, Ohio 45505.

NOTE 15 - JOINTLY GOVERNED ORGANIZATIONS

Miami Valley Educational Computer Association

The Center is a participant in the Miami Valley Educational Computer Association (MVECA) which is a computer consortium. MVECA is an association of public school districts within the boundaries of Clark, Clinton, Fayette, Greene, Ross, Madison, Montgomery and Highland Counties.

The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The governing board of MVECA consists of six representatives from the member districts elected by majority vote of all charter member school districts within each county plus one representative from the fiscal agent. The Center paid MVECA $27,495 for services provided during the fiscal year. Financial information can be obtained from MVECA at MVECA at 330 Enon Road, Yellow Springs, Ohio 45387.

Southwestern Ohio Educational Purchasing Council

The Southwestern Ohio Educational Purchasing Council (EPC) is a purchasing cooperative made up of 124 school districts in 18 counties. The purpose of the cooperative is to obtain prices for quality merchandise and services commonly used by schools. All member districts are obligated to pay all fees, charges, or other assessments as established by the EPC. Each member district has one voting representative. Title to any and all equipment, furniture and supplies purchased by the EPC is held in trust for the member districts. Any district withdrawing from the EPC shall forfeit its claim to any and all EPC assets. One year prior notice is necessary for withdrawal from the group.

During this time, the withdrawing member is liable for all member obligations. Payments to EPC are made from the general fund. During fiscal year 2022, the Center paid $51,879. to the EPC. To obtain financial information, write to the Southwestern Ohio Educational Purchasing Council at 303 Corporate Center Drive, Suite 208, Vandalia, OH 45377.

NOTE 16 - INSURANCE POOL

Ohio School Boards Association (OSBA) Workers' Compensation Group Rating Plan

The Center participates in a group rating plan for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. The Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP) was established through the Ohio School Boards Association (OSBA) as an insurance purchasing pool. The GRP's business and affairs are conducted by a three member Board of Directors consisting of the President, the President-Elect, and the Immediate Past President of the OSBA. The Executive Director of the OSBA, or his designee, serves as coordinator of the GRP. Each year, the participants pay an enrollment fee to the GRP to cover the costs of administering the program.

NOTE 17 - CONTINGENCIES

A. Grants

The Center receives significant financial assistance from numerous federal, state and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and 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 effect on any of the financial statements included herein or on the overall financial position of the Center as of June 30, 2022.

B. Litigation

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

NOTE 18 - COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency continues. During 2021, the Center received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Center. The impact on the Center's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

The Center's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined.

NOTE 19 - SET-ASIDES

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

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

NOTE 19 - SET-ASIDES - (Continued)

	Capital Improvements
Set-aside balance June 30, 2021	$ -
Current year set-aside requirement	130,978
Current year offsets	-
Prior year offset from bond proceeds	(130,978)
Total	$ -
Balance carried forward to fiscal year 2023	$ -
Set-aside balance June 30, 2022	$ -

During fiscal year 2013, the Center issued $897,020 in capital related school improvement bonds. The amount presented for prior year offset from bond proceeds is limited to an amount needed to reduce the capital improvements set-aside balance to zero. The Center is responsible for tracking the amount of bond proceeds that may be used as an offset in future periods, which was $690,650 at June 30, 2022.

NOTE 20 - OTHER COMMITMENTS

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

Fund	Year-End Encumbrances
General fund	$ 281,320
Nonmajor governmental funds	394,396
Total	$ 675,716

NOTE 21 - TAX ABATEMENT AGREEMENTS ENTERED INTO BY OTHER GOVERNMENTS

Various taxing districts including the City of Springfield and Clark County entered into Community Redevelopment Agreements (CRA) and Economic Zone Agreement (EZs) with various companies for the abatement of property taxes to bring jobs and economic development into the area. Under the agreement, the companies' property taxes assessed to the Center have been abated. During fiscal year 2022, the Center's property taxes were reduced by approximately $24,961.

NOTE 22 - SHARED SERVICE AGREEMENT

For fiscal year 2022, the Center entered into an agreement with the Global Impact STEM Academy ("Academy") to provide food service for the Academy. Under the agreement, the Center agrees to share staffing and equipment to provide lunches to the Academy's students. Activity related to the shared service agreement is included in the food service fund (a nonmajor governmental fund).

REQUIRED SUPPLEMENTARY INFORMATION

SPRINGFIELD-CLARK CAREER TECHNOLOGY CENTER
CLARK COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Budgeted Amounts			Variance with Final Budget Positive
	Original	**Final**	**Actual**	**(Negative)**
Revenues:				
Property taxes	$ 5,417,274	$ 5,047,058	$ 5,549,357	$ 502,299
Intergovernmental	6,942,114	6,667,120	7,111,375	444,255
Investment earnings	81,970	76,369	83,969	7,600
Tuition and fees	20	18	20	2
Rental income	10	9	10	1
Charges for services	222	206	227	21
Miscellaneous	5,783	5,388	5,924	536
Total revenues	12,447,393	11,796,168	12,750,882	954,714
Expenditures:				
Current:				
Instruction:				
Special	755,108	727,863	712,437	15,426
Vocational	7,323,434	7,428,144	6,691,154	736,990
Other	150,551	158,499	143,539	14,960
Support services:				
Pupil	627,889	632,836	612,455	20,381
Instructional staff	755,249	806,124	654,031	152,093
Board of education	37,423	50,994	47,667	3,327
Administration	1,186,373	1,257,364	1,158,722	98,642
Fiscal	534,148	551,731	526,942	24,789
Business	10,376	11,034	3,809	7,225
Operations and maintenance	1,552,607	1,579,960	1,453,342	126,618
Pupil transportation	70,254	101,703	47,951	53,752
Central	25,940	25,000	5,887	19,113
Operation of non-instructional services:				
Other non-instructional services	-	172,565	140,106	32,459
Extracurricular activities	26,083	27,777	27,777	-
Debt service:				
Principal	62,255	60,000	60,000	-
Interest and fiscal charges	15,175	14,625	14,625	-
Total expenditures	13,132,865	13,606,219	12,300,444	1,305,775
Excess (deficiency) of revenues over (under) expenditures	(685,472)	(1,810,051)	450,438	2,260,489
Other financing sources (uses):				
Refund of prior year's expenditures	-	15,567	15,567	-
Advances in	-	2,370	2,370	-
Advances (out)	-	(97,424)	(1,016)	96,408
Total other financing sources (uses)	-	(79,487)	16,921	96,408
Net change in fund balance	(685,472)	(1,889,538)	467,359	2,356,897
Fund balance at beginning of year	9,940,365	9,940,365	9,940,365	-
Prior year encumbrances appropriated	303,232	303,232	303,232	-
Fund balance at end of year	$ 9,558,125	$ 8,354,059	$ 10,710,956	$ 2,356,897

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

SPRINGFIELD-CLARK CAREER TECHNOLOGY CENTER
CLARK COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST NINE FISCAL YEARS

	2022	2021	2020	2019
Center's proportion of the net pension liability	0.040144500%	0.03996660%	0.04358760%	0.04703530%
Center's proportionate share of the net pension liability	$ 1,481,216	$ 2,643,475	$ 2,607,923	$ 2,693,799
Center's covered payroll	$ 1,385,529	$ 1,403,529	$ 1,495,756	$ 1,545,267
Center's proportionate share of the net pension liability as a percentage of its covered payroll	106.91%	188.34%	174.35%	174.33%
Plan fiduciary net position as a percentage of the total pension liability	82.86%	68.55%	70.85%	71.36%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2018	2017	2016	2015	2014
0.04356190%	0.04399480%	0.04512770%	0.04335400%	0.04335400%
$ 2,602,727	$ 3,220,013	$ 2,575,029	$ 2,194,121	$ 2,578,898
$ 1,414,979	$ 1,366,314	$ 1,600,099	$ 1,272,518	$ 1,480,029
183.94%	235.67%	160.93%	172.42%	174.25%
69.50%	62.98%	69.16%	71.70%	65.52%

SPRINGFIELD-CLARK CAREER TECHNOLOGY CENTER
CLARK COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST NINE FISCAL YEARS

	2022	**2021**	**2020**	**2019**
Center's proportion of the net pension liability	0.048848849%	0.04826313%	0.05046113%	0.04936301%
Center's proportionate share of the net pension liability	$ 6,245,764	$ 11,677,960	$ 11,159,176	$ 10,853,818
Center's covered payroll	$ 6,024,657	$ 5,869,936	$ 5,933,107	$ 5,662,493
Center's proportionate share of the net pension liability as a percentage of its covered payroll	103.67%	198.95%	188.08%	191.68%
Plan fiduciary net position as a percentage of the total pension liability	87.78%	75.48%	77.40%	77.31%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

	2018	2017	2016	2015	2014
	0.04862058%	0.04891548%	0.04876012%	0.05003805%	0.05003805%
	$ 11,549,923	$ 16,373,486	$ 13,475,871	$ 12,170,985	$ 14,458,954
	$ 5,430,257	$ 5,463,221	$ 5,386,371	$ 5,505,777	$ 5,690,277
	212.70%	299.70%	250.18%	221.06%	254.10%
	75.30%	66.80%	72.10%	74.70%	69.30%

SPRINGFIELD-CLARK CAREER TECHNOLOGY CENTER
CLARK COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2022	2021	2020	2019
Contractually required contribution	$ 201,573	$ 193,974	$ 196,494	$ 201,927
Contributions in relation to the contractually required contribution	(201,573)	(193,974)	(196,494)	(201,927)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Center's covered payroll	$ 1,439,807	$ 1,385,529	$ 1,403,529	$ 1,495,756
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	13.50%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2018		2017		2016		2015		2014		2013	
$	208,611	$	198,097	$	191,284	$	210,893	$	176,371	$	204,836
	(208,611)		(198,097)		(191,284)		(210,893)		(176,371)		(204,836)
$	-	$	-	$	-	$	-	$	-	$	-
$	1,545,267	$	1,414,979	$	1,366,314	$	1,600,099	$	1,272,518	$	1,480,029
	13.50%		14.00%		14.00%		13.18%		13.86%		13.84%

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2022	2021	2020	2019
Contractually required contribution	$ 857,077	$ 843,452	$ 821,791	$ 830,635
Contributions in relation to the contractually required contribution	(857,077)	(843,452)	(821,791)	(830,635)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Center's covered payroll	$ 6,121,979	$ 6,024,657	$ 5,869,936	$ 5,933,107
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2018		2017		2016		2015		2014		2013	
$	792,749	$	760,236	$	764,851	$	754,092	$	715,751	$	739,736
	(792,749)		(760,236)		(764,851)		(754,092)		(715,751)		(739,736)
$	-	$	-	$	-	$	-	$	-	$	-
$	5,662,493	$	5,430,257	$	5,463,221	$	5,386,371	$	5,505,777	$	5,690,277
	14.00%		14.00%		14.00%		14.00%		13.00%		13.00%

SPRINGFIELD-CLARK CAREER TECHNOLOGY CENTER
CLARK COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SIX FISCAL YEARS

	2022	2021	2020	2019	2018	2017
Center's proportion of the net OPEB liability	0.038133200%	0.03838010%	0.04128610%	0.04393380%	0.04126360%	0.04137032%
Center's proportionate share of the net OPEB liability	$ 721,702	$ 834,125	$ 1,038,259	$ 1,218,842	$ 1,107,407	$ 1,179,207
Center's covered payroll	$ 1,385,529	$ 1,403,529	$ 1,495,756	$ 1,545,267	$ 1,414,979	$ 1,366,314
Center's proportionate share of the net OPEB liability as a percentage of its covered payroll	52.09%	59.43%	69.41%	78.88%	78.26%	86.31%
Plan fiduciary net position as a percentage of the total OPEB liability	24.08%	18.17%	15.57%	13.57%	12.46%	11.49%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

SPRINGFIELD-CLARK CAREER TECHNOLOGY CENTER
CLARK COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SIX FISCAL YEARS

	2022	2021	2020	2019	2018	2017
Center's proportion of the net OPEB liability/asset	0.048848849%	0.04826313%	0.05046113%	0.04936301%	0.04862058%	0.04891548%
Center's proportionate share of the net OPEB liability/(asset)	$ (1,029,938)	$ (848,224)	$ (835,757)	$ (793,213)	$ 1,896,996	$ 2,616,013
Center's covered payroll	$ 6,024,657	$ 5,869,936	$ 5,933,107	$ 5,662,493	$ 5,430,257	$ 5,463,221
Center's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	17.10%	14.45%	14.09%	14.01%	34.93%	47.88%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	174.73%	182.10%	174.70%	176.00%	47.10%	37.30%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

SPRINGFIELD-CLARK CAREER TECHNOLOGY CENTER
CLARK COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2022	2021	2020	2019
Contractually required contribution	$ 7,100	$ 9,440	$ 10,026	$ 16,826
Contributions in relation to the contractually required contribution	(7,100)	(9,440)	(10,026)	(16,826)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Center's covered payroll	$ 1,439,807	$ 1,385,529	$ 1,403,529	$ 1,495,756
Contributions as a percentage of covered payroll	0.49%	0.68%	0.71%	1.12%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2018		2017		2016		2015		2014		2013	
$	14,659	$	8,883	$	7,146	$	17,978	$	2,145	$	2,341
	(14,659)		(8,883)		(7,146)		(17,978)		(2,145)		(2,341)
$	-	$	-	$	-	$	-	$	-	$	-
$	1,545,267	$	1,414,979	$	1,366,314	$	1,600,099	$	1,272,518	$	1,480,029
	0.95%		0.63%		0.52%		1.12%		0.17%		0.16%

SPRINGFIELD-CLARK CAREER TECHNOLOGY CENTER
CLARK COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2022	2021	2020	2019
Contractually required contribution	$ -	$ -	$ -	$ -
Contributions in relation to the contractually required contribution	-	-	-	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Center's covered payroll	$ 6,121,979	$ 6,024,657	$ 5,869,936	$ 5,933,107
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2018	2017	2016	2015	2014	2013
$ -	$ -	$ -	$ -	$ 54,164	$ 52,838
-	-	-	-	(54,164)	(52,838)
$ -	$ -	$ -	$ -	$ -	$ -
$ 5,662,493	$ 5,430,257	$ 5,463,221	$ 5,386,371	$ 5,505,777	$ 5,690,277
0.00%	0.00%	0.00%	0.00%	1.00%	1.00%

NOTE 1 - BUDGETARY PROCESS

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Center Treasurer. The amounts reported as the original budgeted amounts on the budgetary schedules reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary schedules reflect the amounts on the final amended certificate of estimated resources issued during the fiscal year 2022.

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

While the Center is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis) presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are as follows:

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

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

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

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

(e) Investments are reported at cost (budget basis) as opposed to fair value (GAAP basis); and,

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

NOTE 1 - BUDGETARY PROCESS - (Continued)

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

Net Change in Fund Balance

	General fund
Budget basis	$ 467,359
Net adjustment for revenue accruals	(666,607)
Net adjustment for expenditure accruals	(31,481)
Net adjustment for other sources/uses	16,650
Funds budgeted elsewhere	(49,921)
Adjustment for encumbrances	366,833
GAAP basis	$ 102,833

Certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes the rotary fund, the uniform school supplies fund, the public school fund and unclaimed monies fund.

NOTE 2 - REQUIRED SUPPLEMENTARY INFORMATION FOR THE CENTER'S NET PENSION LIABILITY

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for fiscal years 2014-2017.
- For fiscal year 2018, SERS changed from a fixed 3% annual increase to a Cost of Living Adjustment (COLA) based on the changes in the Consumer Price Index (CPI-W), with a cap of 2.5% and a floor of 0%.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2019.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2020.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2021.
- For fiscal year 2022, SERS changed from a Cost of Living Adjustment (COLA) of 2.5% to 2.0%.

Changes in assumptions :

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2016.
- For fiscal year 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females, (f) mortality among service retired members and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates and 110% of female rates, (g) mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement and (h) the discount rate was reduced from 7.75% to 7.50%.

NOTE 2 - REQUIRED SUPPLEMENTARY INFORMATION FOR THE CENTER'S NET PENSION LIABILITY - (Continued)

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2018.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2019.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2020.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2021.
- For fiscal year 2022, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) wage inflation decreased from 3.00% to 2.40%, (b) future salary increases changed from 3.50%-18.20% to 3.25%-13.58%, (c) investment rate of return decreased from 7.50% to 7.00%, (d) discount rate decreased from 7.50% to 7.00% and (e) mortality tables changed from the RP-2014 Blue Collar mortality table to the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table.

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms :

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

Changes in assumptions :

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

NOTE 3 - REQUIRED SUPPLEMENTARY INFORMATION FOR THE CENTER'S NET OPEB LIABILITY/ASSET

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for fiscal years 2014-2022.

Changes in assumptions :

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017.
- For fiscal year 2018, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement, and disability were updated to reflect recent experience, (e) mortality among active members was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females, (f) mortality among service retired members and beneficiaries was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, (g) mortality among disabled members was updated to the following: RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement, (h) the municipal bond index rate increased from 2.92% to 3.56% and (i) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 2.98% to 3.63%.
- For fiscal year 2019, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate increased from 3.63% to 3.70%, (b) the health care cost trend rates for Medicare were changed from a range of 5.50%- 5.00% to a range of 5.375%-4.75% and Pre-Medicare were changed from a range of 7.50%-5.00% to a range of 7.25%-4.75%, (c) the municipal bond index rate increased from 3.56% to 3.62% and (d) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 3.63% to 3.70%.
- For fiscal year 2020, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate decreased from 3.70% to 3.22%, (b) the health care cost trend rates for Medicare were changed from a range of 5.375%-4.75% to a range of 5.25%-4.75% and Pre-Medicare were changed from a range of 7.25%-4.75% to a range of 7.00%- 4.75%, (c) the municipal bond index rate decreased from 3.62% to 3.13% and (d) the single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.70% to 3.22%.
- For fiscal year 2021, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate decreased from 3.22% to 2.63% and (b) the municipal bond index rate decreased from 3.13% to 2.45%.
- For fiscal year 2022, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) wage inflation decreased from 3.00% to 2.40%, (b) future salary increases changed from 3.50%-18.20% to 3.25%-13.58%, (c) investment rate of return decreased from 7.50% to 7.00%, (d) discount rate decreased from 7.50% to 7.00% and (e) mortality tables changed from the RP-2014 Blue Collar mortality table to the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table.

NOTE 3 - REQUIRED SUPPLEMENTARY INFORMATION FOR THE CENTER'S NET OPEB LIABILITY/ASSET - (Continued)

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms :

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

Changes in assumptions:

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

NOTE 3 - REQUIRED SUPPLEMENTARY INFORMATION FOR THE CENTER'S NET OPEB LIABILITY/ASSET - (Continued)

- For fiscal year 2020, health care cost trend rates were changed to the following: medical pre-Medicare from 6.00% initial - 4.00% ultimate down to 5.87% initial - 4.00% ultimate; medical Medicare from 5.00% initial - 4.00% ultimate down to 4.93% initial - 4.00% ultimate; prescription drug pre-Medicare from 8.00% initial - 4.00% ultimate down to 7.73% initial - 4.00% ultimate and (5.23%) initial - 4.00% ultimate up to 9.62% initial - 4.00% ultimate.
- For fiscal year 2021, health care cost trend rates were changed to the following: medical pre-Medicare from 5.87% initial - 4.00% ultimate down to 5.00% initial - 4.00% ultimate; medical Medicare from 4.93% initial - 4.00% ultimate down to -6.69% initial - 4.00% ultimate; prescription drug pre-Medicare from 7.73% initial - 4.00% ultimate down to 6.50% initial - 4.00% ultimate; prescription drug Medicare from 9.62% initial - 4.00% ultimate up to 11.87% initial - 4.00% ultimate.
- For fiscal year 2022, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.45% to 7.00%, (b) the discount rate of return was reduced from 7.45% to 7.00% and (c) health care cost trend rates were changed to the following: medical Medicare from -6.69% initial - 4.00% ultimate down to -16.18% initial - 4.00% ultimate; prescription drug Medicare from 11.87% initial - 4.00% ultimate up to 29.98% initial - 4.00% ultimate.

SUPPLEMENTARY INFORMATION

SPRINGFIELD-CLARK CAREER TECHNOLOGY CENTER
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

FEDERAL GRANTOR/ SUB GRANTOR/ PROGRAM/CLUSTER TITLE	ASSISTANCE LISTING NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER/ ADDITIONAL AWARD IDENTIFICATION	TOTAL EXPENDITURES OF FEDERAL AWARDS
U.S. DEPARTMENT OF AGRICULTURE PASSED THROUGH THE OHIO DEPARTMENT OF EDUCATION			
Child Nutrition Cluster:			
School Breakfast Program	10.553	2022	$ 154,870
National School Lunch Program	10.555	2022	284,323
COVID-19 - National Lunch Program	10.555	COVID-19, 2022	46,042
National School Lunch Program - Food Donation	10.555	2022	27,705
Total National School Lunch Program			358,070
Total Child Nutrition Cluster			512,940
COVID-19 - State Pandemic Electronic Benefit Transfer (P-EBT) Administrative Costs Grant	10.649	COVID-19, 2022	614
Total U.S. Department of Agriculture			513,554
U.S. DEPARTMENT OF EDUCATION PASSED THROUGH THE OHIO DEPARTMENT OF EDUCATION			
Career and Technical Education_Baisic Grants to States	84.048A	84.048A, 2021	57,208
Career and Technical Education_Baisic Grants to States	84.048A	84.048A, 2022	340,666
Total Career and Technical Education_Baisc Grants to States			397,874
COVID-19 - Governor's Emergency Eduation Relief (GEER) Fund	84.425C	COVID-19, 84.425C, 2021	16,079
COVID-19 - Governor's Emergency Eduation Relief (GEER) Fund	84.425C	COVID-19, 84.425C, 2022	77,255
Total Education Stabilization Fund			93,334
Total U.S. Department of Education			491,208
Total Federal Financial Assistance			$ 1,004,762

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 FISCAL YEAR ENDED JUNE 30, 2022

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

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Springfield-Clark Career Technology Center, Clark County, Ohio (the "Center") under programs of the federal government for the fiscal year ended June 30, 2022 and is prepared in accordance with the cash basis of accounting. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Center, it is not intended to and does not present the financial position or changes in financial position of the Center. Such expenditures are recognized following cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be limited to as to reimbursement.

NOTE 2 – DE MINIMIS COST RATE

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

NOTE 3 – CHILD NUTRITION CLUSTER

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

NOTE 4 – FOOD DONATION PROGRAM

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

Julian & Grube

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

Springfield-Clark Career Technology Center
Clark County
1901 Selma Road
Springfield, Ohio 45505

To the Members of the Board of Education:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Springfield-Clark Career Technology Center, Clark County, Ohio, as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Springfield-Clark Career Technology Center's basic financial statements, and have issued our report thereon dated December 22, 2022, wherein we noted as described in Note 18 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Springfield-Clark Career Technology Center's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Springfield-Clark Career Technology Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Springfield-Clark Career Technology 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 Springfield-Clark Career Technology 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings as item 2022-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Springfield-Clark Career Technology 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*.

Springfield-Clark Career Technology Center's Response to the Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Springfield-Clark Career Technology Center's response to the finding identified in our audit and described in the accompanying corrective action plan. The Springfield-Clark Career Technology Center's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 Springfield-Clark Career Technology 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 Springfield-Clark Career Technology Center's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Julian & Grube, Inc.

Julian & Grube, Inc.
December 22, 2022

Julian & Grube

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

Springfield-Clark Career Technology Center
Clark County
1901 Selma Road
Springfield, Ohio 45505

To the Members of the Board of Education:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Springfield-Clark Career Technology Center's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the Springfield-Clark Career Technology Center's major federal programs for the fiscal year ended June 30, 2022. The Springfield-Clark Career Technology Center's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings.

In our opinion, the Springfield-Clark Career Technology Center complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the fiscal year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (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 Springfield-Clark Career Technology Center and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Springfield-Clark Career Technology Center's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Springfield-Clark Career Technology 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 Springfield-Clark Career Technology 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 Springfield-Clark Career Technology Center's compliance with the requirements of each 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 Springfield-Clark Career Technology 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 Springfield-Clark Career Technology 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 Springfield-Clark Career Technology Center's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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

Julian & Grube, Inc.

Julian & Grube, Inc.
December 22, 2022

SPRINGFIELD-CLARK CAREER TECHNOLOGY CENTER
CLARK COUNTY, OHIO

SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2022

1. SUMMARY OF AUDITOR'S RESULTS		
(d)(1)(i)	*Type of Financial Statement Opinion*	Unmodified
(d)(1)(ii)	*Were there any material control weaknesses 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)?*	Yes
(d)(1)(iii)	*Was there any reported material noncompliance at the financial statement level (GAGAS)?*	No
(d)(1)(iv)	*Were there any material internal control weaknesses 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 Program (listed):*	Child Nutrition Cluster
(d)(1)(viii)	*Dollar Threshold: Type A/B Programs*	Type A: >$750,000 Type B: all others
(d)(1)(ix)	*Low Risk Auditee under 2 CFR § 200.520?*	No

SPRINGFIELD-CLARK CAREER TECHNOLOGY CENTER
CLARK COUNTY, OHIO

SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2022

2. FINDINGS RELATED TO THE BASIC FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS	
Finding Number	2022-001

<u>Significant Deficiency – Financial Statement Presentation</u>

Management is responsible for preparing complete and accurate financial statements in accordance with the applicable financial reporting framework even if the financial statement compilation is outsourced to a third party. Control and monitoring activities typically associated with the period-end financial reporting process include reviewing and approving manual journal entries, consolidating entries, and any entries that are recorded directly to the financial statements.

The following adjustments were the result of a singular missed payable check and were made to the Center's financial statements.

- An adjustment was made to increase Support Services – Instructional Staff by $12,281 and increase Vocational Instruction by $52,151 for the General Fund on the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds. Also, an adjustment was made to increase Accounts Payable by $64,432 for the General Fund on the Balance Sheet – Governmental Funds.

- An adjustment was made to increase Vocational Instruction by $92,317 for Nonmajor Governmental Funds on the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds. Also, an adjustment was made to increase Accounts Payable by $92,317 for Nonmajor Governmental Funds on the Balance Sheet – Governmental Funds.

- An adjustment was made to increase Intergovernmental Revenues by $89,912 for Nonmajor Governmental Funds on the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds. Also, an adjustment was made to increase Intergovernmental Receivables by $89,912 for Nonmajor Governmental Funds on the Balance Sheet – Governmental Funds.

- An adjustment was made to increase Operating Grants and Contributions for Vocational Instruction by $89,912, increase Vocational Instruction by $144,468, and increase Support Services – Instructional Staff by $12,281 on the Statement of Activities. Also, an adjustment was made to increase Intergovernmental Receivable and Accounts Payable by $89,912 and $156,749, respectively, on the Statement of Net Position. Also, an adjustment was made to decrease Restricted for Other Purposes and Unrestricted (deficit) by $2,405 and $64,432, respectively, on the Statement of Net Position.

- An adjustment was made to decrease Assigned for Student Instruction by $52,151 and decrease Assigned for Student and Staff Support by $12,281 for the General Fund on the Balance Sheet - Governmental Funds. Also, an adjustment was made to decrease Restricted for Other Purposes by $2,405 for Nonmajor Governmental Funds on the Balance Sheet - Governmental Funds.

Without a review of the completed unaudited financial statements and supporting workpapers by management prior to filing with the Hinkle system, financial information could be misrepresented.

We recommend the Center review the adjustments posted to the current year audit report. Further we recommend the Center designate an individual to review future unaudited reports prior to their Hinkle submission to ensure all financial activity is accurately reflected.

SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2022

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

SPRINGFIELD-CLARK CTC
CAREER TECHNOLOGY CENTER
The Path to Success

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CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
JUNE 30, 2022

Finding Number	Planned Corrective Action	Anticipation Completion Date	Responsible Contact Person
2022-001	The Center had a total of $255,577.88 of estimated encumbrances on June 30, 2022. This increased amount was due to summer projects mostly from GEER funds. All of these transactions listed on the citation are from one disbursement check with multiple invoices from expenditure accounts including GEER funds for technology purchases. The request from Julian & Grube was as follows: List of accounts receivable by fund and receipt code for services provided to CTC prior to June 30, 2022 but not paid until July or August if we are unable to run the PAYABL report on MVECA. Most of these items were received at the end of June and were overlooked during sorting of over 2000+ line items since the firm was unable to run the payable report in the new USAS Re-design software. This oversight on the payables would not have been apparent during the review of unaudited reports since it was determined by delivery dates for the Hinkle report filing which is also prepared by Julian & Grube. Lastly, per AOS guidance dated November 17, 2022 School Federal Grant Receivable, "As such, for fiscal year 2022 audits auditors should not issue internal control deficiencies related to adjustment of school CCIP Federal program receivables if the school's financial framework reporting controls otherwise adequately were designed over the financial reporting process." The firm referenced this AOS guidance for the corrective action plan citation which occurred due to a missed payable item.	Fiscal Year 2023	Julie Wallace, Treasurer

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OHIO AUDITOR OF STATE
KEITH FABER

SPRINGFIELD-CLARK CAREER TECHNOLOGY CENTER

CLARK 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 2/21/2023

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