

**CUYAHOGA VALLEY CAREER CENTER**  
**CUYAHOGA COUNTY, OHIO**

**SINGLE AUDIT**

**FOR THE FISCAL YEAR ENDED**  
**JUNE 30, 2024**





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Board of Education  
Cuyahoga Valley Career Center  
8001 Brecksville Road  
Brecksville, Ohio 44141

We have reviewed the *Independent Auditor's Report* of the Cuyahoga Valley Career Center, Cuyahoga County, prepared by Julian & Grube, Inc., for the audit period July 1, 2023 through June 30, 2024. 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 Cuyahoga Valley Career Center is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio

February 20, 2025

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**CUYAHOGA VALLEY CAREER CENTER  
CUYAHOGA COUNTY, OHIO**

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## Independent Auditor's Report

Cuyahoga Valley Career Center  
Cuyahoga County  
8001 Brecksville Road  
Brecksville, Ohio 44141

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 Cuyahoga Valley Career Center, Cuyahoga County, Ohio, as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Cuyahoga Valley Career 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 Cuyahoga Valley Career Center, as of June 30, 2024, 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 Cuyahoga Valley Career Center and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 Cuyahoga Valley Career Center's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Cuyahoga Valley Career Center's ability to continue as a going concern for a reasonable period of time.

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

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules of net pension and other post-employment 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.

Cuyahoga Valley Career Center  
Cuyahoga County  
Independent Auditor's Report

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2024, on our consideration of the Cuyahoga Valley Career 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 Cuyahoga Valley Career Center's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Cuyahoga Valley Career Center's internal control over financial reporting and compliance.



Julian & Grube, Inc.  
December 19, 2024

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**CUYAHOGA VALLEY CAREER CENTER  
CUYAHOGA COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

The discussion and analysis of the Cuyahoga Valley Career Center's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2024. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and basic financial statements to enhance their understanding of the District's financial performance.

### **Financial Highlights**

Key financial highlights for 2024 are as follows:

- In total, net position of governmental activities increased \$4,222,972, which represents a 14.71% increase from 2023's net position.
- General revenues accounted for \$18,211,075 in revenue or 85.25% of all revenues. Program specific revenues in the form of charges for services and sales and operating grants and contributions accounted for \$3,150,636 or 14.75% of total revenues of \$21,361,711.
- The District had \$17,138,739 in expenses related to governmental activities; \$3,150,636 of these expenses was offset by program specific charges for services, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$18,211,075 were more than adequate to provide for these programs.
- The District's largest major governmental fund is the general fund. The general fund had \$18,730,242 in revenues and other financing sources and \$19,480,535 in expenditures and other financing uses. During fiscal 2024, the general fund's fund balance decreased from a balance of \$20,522,875 to \$19,772,515.
- The permanent improvement fund is the District's other major fund. The permanent improvement fund had \$5,032,142 of transfers-in from the general fund and \$2,791,629 in expenditures. During fiscal 2024, the permanent improvement fund's fund balance increased from a balance of \$3,373,441 to \$5,613,954.

### **Using this Annual Financial Report**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the District 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 District, presenting both an aggregate view of the District'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 District's most significant funds with all other nonmajor funds presented in total in one column. The District's major governmental funds are the general fund and permanent improvement funds. The general fund is by far the most significant fund.

### **Reporting the District as a Whole**

#### ***Statement of Net Position and the Statement of Activities***

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2024?" 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.

**CUYAHOGA VALLEY CAREER CENTER  
CUYAHOGA COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

These two statements report the District's *net position* and changes in that position. This change in net position is important because it tells the reader that, for the District as a whole, the *financial position* of the District 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 District'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 District's programs and services, including instruction, support services, operation and maintenance of plant, pupil transportation, extracurricular activities, adult education programs and food service operations.

**Reporting the District's Most Significant Funds**

***Fund Financial Statements***

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

***Governmental Funds***

Most of the District'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 District'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.

***Notes to the Basic Financial Statements***

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

***Required Supplementary Information***

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

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**CUYAHOGA VALLEY CAREER CENTER  
CUYAHOGA COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**The District as a Whole**

The table below provides a summary of the District's net position for June 30, 2024 and June 30, 2023.

	<b>Net Position</b>	
	Governmental Activities 2024	Governmental Activities 2023
<b><u>Assets</u></b>		
Current and other assets	\$ 45,795,286	\$ 39,466,731
Net OPEB asset	975,694	1,275,325
Capital assets	<u>21,810,369</u>	<u>19,577,095</u>
Total assets	<u>68,581,349</u>	<u>60,319,151</u>
<b><u>Deferred outflows of resources</u></b>		
Pension	2,884,956	3,367,355
OPEB	<u>546,920</u>	<u>305,110</u>
Total deferred outflows of resources	<u>3,431,876</u>	<u>3,672,465</u>
<b><u>Liabilities</u></b>		
Current liabilities	3,921,944	1,628,506
Long-term liabilities:		
Due within one year	127,316	266,019
Due in more than one year:		
Net pension liability	14,563,220	14,948,538
Net OPEB liability	1,046,103	965,958
Other amounts	<u>1,254,008</u>	<u>1,330,381</u>
Total liabilities	<u>20,912,591</u>	<u>19,139,402</u>
<b><u>Deferred inflows of resources</u></b>		
Property taxes levied for the next fiscal year	13,208,450	10,640,686
Payment in lieu of taxes levied		
for the next fiscal year	461,482	186,363
Lease	1,308,040	1,333,857
Pension	1,316,899	1,724,644
OPEB	<u>1,876,585</u>	<u>2,260,458</u>
Total deferred inflows of resources	<u>18,171,456</u>	<u>16,146,008</u>
<b><u>Net Position</u></b>		
Net investment in capital assets	21,350,802	19,151,932
Restricted	4,996,303	862,008
Unrestricted	<u>6,582,073</u>	<u>8,692,266</u>
Total net position	<u>\$ 32,929,178</u>	<u>\$ 28,706,206</u>

**CUYAHOGA VALLEY CAREER CENTER  
CUYAHOGA COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

The net pension liability is reported pursuant to Governmental Accounting Standards Board (GASB) Statement 68, "Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement 27." The net other postemployment benefits (OPEB) liability/asset is reported pursuant to GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the District'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/asset to equal the District'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 District 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 District'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.

**CUYAHOGA VALLEY CAREER CENTER  
CUYAHOGA COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Over time net position can serve as a useful indicator of a government's financial position. At June 30, 2024, the District's total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources by \$32,929,178.

At year-end, capital assets represented 31.80% of total assets. Capital assets include construction in progress, land, land improvements, buildings and improvements, furniture and equipment, vehicles and intangible right to use - leased equipment. The net investment in capital assets at June 30, 2024, was \$21,350,802. These capital assets are used to provide services to the students and are not available for future spending.

Total assets at fiscal year-end include a net OPEB asset reported by the State Teachers Retirement System (STRS). See Note 14 for more detail.

A portion of the District's net position at June 30, 2024, \$4,996,303, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position is \$6,582,073.

The table below shows the change in net position for fiscal years 2024 and 2023.

<b>Change in Net Position</b>			
	Governmental Activities <u>2024</u>	Governmental Activities <u>2023</u>	
<b><u>Revenues</u></b>			
Program revenues:			
Charges for services and sales	\$ 1,473,585	\$ 1,060,858	
Operating grants and contributions	1,285,358	1,127,431	
Capital grants and contributions	391,693	67,215	
General revenues:			
Property taxes	12,749,142	14,574,409	
Payment in lieu of taxes	270,216	186,096	
Grants and entitlements	3,793,334	3,524,213	
Investment earnings	879,123	527,869	
Change in fair value of investments	377,599	(180,847)	
Miscellaneous	<u>141,661</u>	<u>24,857</u>	
Total revenues	<u>21,361,711</u>	<u>20,912,101</u>	

(Continued)

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CUYAHOGA COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**Change in Net Position - (Continued)**

	Governmental Activities 2024	Governmental Activities 2023
<b><u>Expenses</u></b>		
Program expenses:		
Instruction:		
Regular	\$ 843,350	\$ 856,520
Vocational	7,255,450	7,605,523
Adult education	1,419,614	1,176,196
Support services:		
Pupil	1,188,155	1,108,612
Instructional staff	1,311,095	1,787,010
Board of education	28,700	31,815
Administration	1,807,947	1,529,069
Fiscal	854,961	734,206
Business	369,169	394,428
Operations and maintenance	1,565,073	1,603,145
Pupil transportation	10,146	20,111
Central	41,038	34,900
Operation of non-instructional services:		
Food service operations	143,748	140,063
Extracurricular activities	83,687	193,561
On behalf payments for other entities	208,158	274,508
Interest and fiscal charges	<u>8,448</u>	<u>11,201</u>
Total expenses	<u>17,138,739</u>	<u>17,500,868</u>
Change in net position	4,222,972	3,411,233
Net position at beginning of year	<u>28,706,206</u>	<u>25,294,973</u>
Net position at end of year	<u>\$ 32,929,178</u>	<u>\$ 28,706,206</u>

**Governmental Activities**

Net position of the District's governmental activities increased \$4,222,972 during fiscal year 2024. Total governmental expenses of \$17,138,739 were offset by program revenues of \$3,150,636 and general revenues of \$18,211,075. Program revenues supported 18.38% of the total governmental expenses. The District received capital grants and contributions of \$391,693 from the Ohio Facilities Construction Commission (OFCC) Career Technical Construction program for HVAC, electrical systems and construction trades. \$1,871,053 in relation to this capital grant has been reported in unearned revenue at June 30, 2024.

The primary sources of revenue for governmental activities are derived from levied taxes and unrestricted grants and entitlements. These revenue sources represent 78.70% of total governmental revenue for fiscal year 2024. The District operates at the 2-mill floor. Due to this, the District is able to receive the full advantage of property tax valuation increases. Property taxes decreased as a result of a fluctuation in property taxes collected by June 30, 2024, and available for advance to the District. Property taxes collected and available to the District are reported as revenue under accounting principles generally accepted in the United States of America (GAAP). The fluctuation in property tax revenues resulted from timing differences of when property tax receipts are collected by Cuyahoga and Summit counties. Grants and entitlements not restricted for specific programs increased due to changes in the State school foundation funding model. Interest earnings increased due to higher interest rates on investments in fiscal year 2024 and the positive change in fair value of investments increased from prior year as a result of fluctuations in the economy.

**CUYAHOGA VALLEY CAREER CENTER  
CUYAHOGA COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for fiscal years 2024 and 2023. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

<b>Governmental Activities</b>				
	<b>Total Cost of Services 2024</b>	<b>Net Cost of Services 2024</b>	<b>Total Cost of Services 2023</b>	<b>Net Cost of Services 2023</b>
<b>Program expenses</b>				
Instruction:				
Regular	\$ 843,350	\$ 843,350	\$ 856,520	\$ 856,520
Vocational	7,255,450	6,569,905	7,605,523	7,259,765
Adult Education	1,419,614	(261,444)	1,176,196	89,803
Support services:				
Pupil	1,188,155	1,184,456	1,108,612	1,107,066
Instructional staff	1,311,095	1,080,099	1,787,010	1,546,459
Board of education	28,700	28,700	31,815	31,635
Administration	1,807,947	1,458,029	1,529,069	1,289,792
Fiscal	854,961	854,257	734,206	733,780
Business	369,169	369,169	394,428	394,428
Operations and maintenance	1,565,073	1,534,766	1,603,145	1,585,608
Pupil transportation	10,146	10,146	20,111	20,111
Central	41,038	1,538	34,900	2,271
Operation of non-instructional services:				
Food service operations	143,748	40,091	140,063	50,239
Extracurricular activities	83,687	58,435	193,561	147,611
On behalf payments for other entities	208,158	208,158	274,508	119,075
Interest and fiscal charges	<u>8,448</u>	<u>8,448</u>	<u>11,201</u>	<u>11,201</u>
<b>Total expenses</b>	<b><u>\$ 17,138,739</u></b>	<b><u>\$ 13,988,103</u></b>	<b><u>\$ 17,500,868</u></b>	<b><u>\$ 15,245,364</u></b>

The dependence upon taxes and other general revenues for governmental activities is apparent; 75.14% of instruction activities are supported through taxes and other general revenues for fiscal year 2024. For all governmental activities, general revenue support is 81.62% for fiscal year 2024. The District's taxpayers, as a whole, are by far the primary support for District's students.

**The District's Funds**

The District's governmental funds reported a combined fund balance of \$26,243,679, which is higher than last year's total of \$24,451,696. The schedule indicates the fund balance and the total change in fund balance as of June 30, 2024 and 2023.

	<b>Fund Balance June 30, 2024</b>	<b>Fund Balance June 30, 2023</b>	<b>Increase (Decrease)</b>
General	\$ 19,772,515	\$ 20,522,875	\$ (750,360)
Permanent improvement fund	5,613,954	3,373,441	2,240,513
Other Governmental	<u>857,210</u>	<u>555,380</u>	<u>301,830</u>
<b>Total</b>	<b><u>\$ 26,243,679</u></b>	<b><u>\$ 24,451,696</u></b>	<b><u>\$ 1,791,983</u></b>

**CUYAHOGA VALLEY CAREER CENTER  
CUYAHOGA COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

***General Fund***

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

	2024 <u>Amount</u>	2023 <u>Amount</u>	Percentage <u>Change</u>
<b><u>Revenues</u></b>			
Taxes	\$ 13,450,373	\$ 14,378,430	(6.45) %
Tuition and fees	26,309	40,229	(34.60) %
Earnings on investments	871,020	497,518	75.07 %
Intergovernmental	3,793,334	3,584,344	5.83 %
Other revenues	<u>589,206</u>	<u>101,241</u>	481.98 %
<b>Total</b>	<b><u>\$ 18,730,242</u></b>	<b><u>\$ 18,420,915</u></b>	1.68 %
<b><u>Expenditures</u></b>			
Instruction	\$ 7,354,152	\$ 7,214,301	1.94 %
Support services	6,578,867	6,405,225	2.71 %
Extracurricular activities	60,580	51,287	18.12 %
On behalf payments for other entities	208,158	169,075	23.12 %
Debt service	<u>65,013</u>	<u>65,013</u>	- %
<b>Total</b>	<b><u>\$ 14,266,770</u></b>	<b><u>\$ 13,904,901</u></b>	2.60 %

The general fund balance decreased by \$750,293 and had a change in reserve for inventory of (\$67) during fiscal year 2024.

Total general fund revenues increased \$309,327 or 1.68% during the fiscal year. Tax revenue decreased 6.45%, when compared to the prior fiscal year due to the fluctuation in tax advance available at fiscal year-end. Earnings on investments increased and the positive change in fair value of investments increased during the fiscal year due to changes in the economy and higher interest rates. Other revenues increased in fiscal year 2024, as the District received additional payment in lieu of taxes and reported a positive change in fair value of investments.

Total general fund expenditures increased \$361,869 or 2.60% during fiscal year 2024. Instruction and support services increased due to overall increases in salaries and benefits. Extracurricular activities increased from fewer student activities; and the District made more payments on behalf of other entities during fiscal year 2024.

***General Fund Budgeting Highlights***

The District'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 2024, the District amended its general fund budget several times. For the general fund, original and final budgeted revenues and other financing sources were \$17,886,779 and \$18,946,857, respectively. Actual revenues and other financing sources for fiscal 2024 were \$19,338,232. This represents a \$391,375 increase from final budgeted revenues and other financing sources.

General fund original appropriations (appropriated expenditures plus other financing uses) of \$17,966,825 increased to \$20,729,825 in the final budget. The actual budget basis expenditures and other financing uses for fiscal year 2024 totaled \$19,761,040, which was \$968,785 less than the final budget appropriations. The positive variance with final and original budgeted appropriations was caused by the District's conservative spending.

**CUYAHOGA VALLEY CAREER CENTER  
CUYAHOGA COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

***Permanent Improvement Fund***

The permanent improvement fund had \$2,791,629 in expenditures during fiscal year 2024. The fund accounted for the ongoing building exterior and storage building construction projects, as well as various other maintenance and repair expenditures. The permanent improvement fund received transfers of \$5,032,142 from the general fund during fiscal year 2024 to finance various capital projects. \$3,127,456 of fund balance is restricted for the local share of the Center's project with the OFCC Career Technical Construction program.

**Capital Assets**

At the end of fiscal 2024, the District had \$21,810,369 invested in land, construction in progress, land improvements, buildings and improvements, furniture and equipment, vehicles, and intangible right to use - leased equipment. This entire amount is reported in governmental activities. The following table shows fiscal 2024 balances compared to 2023:

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

	<u>Governmental Activities</u>	
	2024	2023
Land	\$ 563,010	\$ 563,010
Construction in progress	711,188	375,540
Land improvements	1,186,041	1,093,039
Building and improvements	16,613,358	15,146,304
Furniture and equipment	2,440,900	2,006,699
Vehicles	197,345	234,689
Intangible right to use:		
Leased equipment	<u>98,527</u>	<u>157,814</u>
Total	<u><u>\$ 21,810,369</u></u>	<u><u>\$ 19,577,095</u></u>

The overall increase in capital assets of \$2,233,274 is due to capital outlays (net of construction in progress disposals) of \$3,378,885 exceeding depreciation/amortization expense of \$1,130,750 and disposals (net of accumulated depreciation) of \$10,861.

See Note 9 to the basic financial statements for additional information on the District's capital assets.

**Debt Administration**

At June 30, 2024, the District had \$138,079 in lease payable. Of this total, \$59,459 is due within one year and \$78,620 is due in more than one year.

See Note 10 to the basic financial statements for additional information on the District's other long-term obligations.

**Current Related Financial Activities**

The District has carefully managed its general fund budget in order to optimize the dollars available for educating the students and community it serves, and to minimize the cost from the citizens while maximizing the opportunities available. The District is always presented with challenges and opportunities. National events economically affect the School District and the surrounding area. Yet, the District has a strong financial outlook.

**CUYAHOGA VALLEY CAREER CENTER  
CUYAHOGA COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

The State of Ohio was found by the Ohio Supreme Court in March 1997 to be operating an unconstitutional educational system, one that was neither “adequate” nor “equitable.” Since 1997, the State has directed additional revenue growth toward the support of School Districts with little property tax wealth. Cuyahoga Valley Career Center is a high wealth tax district. The reliance of the District on property tax will increase while the contribution from the state remains stagnant.

The District has committed itself to educational and financial excellence for many years. The District, with Board guidance, is committed to providing the necessary preparation for youth and adults to enter, compete, and advance in an ever-changing work world by being a responsive leader to technical and career needs of our community.

**Contacting the District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Mr. Richard Berdine, Treasurer/CFO, Cuyahoga Valley Career Center, 8001 Brecksville Road, Brecksville, Ohio 44141.

**CUYAHOGA VALLEY CAREER CENTER  
CUYAHOGA COUNTY, OHIO**

**STATEMENT OF NET POSITION  
JUNE 30, 2024**

	<b>Governmental Activities</b>
<b>Assets:</b>	
Equity in pooled cash and cash equivalents	\$ 10,698,864
Investments	18,286,846
Receivables:	
Property taxes	14,800,895
Payment in lieu of taxes	461,482
Accounts	3,974
Accrued interest	123,841
Intergovernmental	18,255
Lease	1,383,431
Prepayments	5,524
Materials and supplies inventory	9,512
Inventory held for resale	2,662
Net OPEB asset	975,694
Capital assets:	
Nondepreciable/amortized capital assets	1,274,198
Depreciable/amortized capital assets, net	<u>20,536,171</u>
Capital assets, net	<u>21,810,369</u>
Total assets	<u>68,581,349</u>
<b>Deferred outflows of resources:</b>	
Pension	2,884,956
OPEB	<u>546,920</u>
Total deferred outflows of resources	<u>3,431,876</u>
<b>Liabilities:</b>	
Accounts payable	39,066
Contracts payable	295,904
Retainage payable	25,584
Accrued wages and benefits payable	1,143,750
Intergovernmental payable	154,388
Unearned revenue	2,263,252
Long-term liabilities:	
Due within one year	127,316
Due in more than one year:	
Net pension liability	14,563,220
Net OPEB liability	1,046,103
Other amounts due in more than one year	<u>1,254,008</u>
Total liabilities	<u>20,912,591</u>
<b>Deferred inflows of resources:</b>	
Property taxes levied for the next fiscal year	13,208,450
Payment in lieu of taxes levied for the next fiscal year	461,482
Lease	1,308,040
Pension	1,316,899
OPEB	<u>1,876,585</u>
Total deferred inflows of resources	<u>18,171,456</u>
<b>Net position:</b>	
Net investment in capital assets	21,350,802
Restricted for:	
Capital projects	3,127,456
Adult education	779,603
Student activities	52,146
OPEB	975,694
Other purposes	61,404
Unrestricted	<u>6,582,073</u>
Total net position	<u>\$ 32,929,178</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CUYAHOGA VALLEY CAREER CENTER  
CUYAHOGA COUNTY, OHIO**

**STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<b>Expenses</b>	<b>Program Revenues</b>			<b>Net (Expense) Revenue and Changes in Net Position</b>
		<b>Charges for Services and Sales</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	
<b>Governmental activities:</b>					
Instruction:					
Regular	\$ 843,350	\$ -	\$ -	\$ -	\$ (843,350)
Vocational	7,255,450	85,171	208,681	391,693	(6,569,905)
Adult/continuing	1,419,614	1,059,983	621,075	-	261,444
Support services:					
Pupil	1,188,155	3,699	-	-	(1,184,456)
Instructional staff	1,311,095	4,512	226,484	-	(1,080,099)
Board of education	28,700	-	-	-	(28,700)
Administration	1,807,947	264,521	85,397	-	(1,458,029)
Fiscal	854,961	704	-	-	(854,257)
Business	369,169	-	-	-	(369,169)
Operations and maintenance	1,565,073	-	30,307	-	(1,534,766)
Pupil transportation	10,146	-	-	-	(10,146)
Central	41,038	-	39,500	-	(1,538)
Operation of non-instructional services:					
Food service operations	143,748	34,226	69,431	-	(40,091)
Extracurricular activities	83,687	20,769	4,483	-	(58,435)
On behalf payments for other entities	208,158	-	-	-	(208,158)
Interest and fiscal charges	8,448	-	-	-	(8,448)
<b>Totals</b>	<b>\$ 17,138,739</b>	<b>\$ 1,473,585</b>	<b>\$ 1,285,358</b>	<b>\$ 391,693</b>	<b>(13,988,103)</b>

**General revenues:**

Property taxes levied for:

General purposes 12,749,142

Payments in lieu of taxes 270,216

Grants and entitlements not restricted

to specific programs 3,793,334

Investment earnings 879,123

Change in fair value of investments 377,599

Miscellaneous 141,661

Total general revenues 18,211,075

Change in net position 4,222,972

**Net position at beginning of year** 28,706,206

**Net position at end of year** \$ 32,929,178

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CUYAHOGA VALLEY CAREER CENTER  
CUYAHOGA COUNTY, OHIO**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2024**

	<b>General</b>	<b>Permanent Improvement</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents	\$ 1,531,357	\$ 5,898,952	\$ 3,268,555	\$ 10,698,864
Investments	18,286,846	-	-	18,286,846
Receivables:				
Property taxes	14,800,895	-	-	14,800,895
Payment in lieu of taxes	461,482	-	-	461,482
Accounts	2,253	-	1,721	3,974
Accrued interest	123,841	-	-	123,841
Interfund loans	90,119	-	-	90,119
Intergovernmental	-	-	18,255	18,255
Lease	1,383,431	-	-	1,383,431
Prepayments	4,953	-	571	5,524
Materials and supplies inventory	698	-	8,814	9,512
Inventory held for resale	-	-	2,662	2,662
Total assets	<u><u>\$ 36,685,875</u></u>	<u><u>\$ 5,898,952</u></u>	<u><u>\$ 3,300,578</u></u>	<u><u>\$ 45,885,405</u></u>
<b>Liabilities:</b>				
Accounts payable	\$ 32,964	\$ 1,543	\$ 4,559	\$ 39,066
Contracts payable	-	257,871	38,033	295,904
Retainage payable	-	25,584	-	25,584
Accrued wages and benefits payable	1,104,839	-	38,911	1,143,750
Compensated absences payable	18,222	-	-	18,222
Intergovernmental payable	145,894	-	8,494	154,388
Interfund loans payable	-	-	90,119	90,119
Unearned revenue	-	-	2,263,252	2,263,252
Total liabilities	<u><u>1,301,919</u></u>	<u><u>284,998</u></u>	<u><u>2,443,368</u></u>	<u><u>4,030,285</u></u>
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next fiscal year	13,208,450	-	-	13,208,450
Payment in lieu of taxes levied for the next fiscal year	461,482	-	-	461,482
Delinquent property tax revenue not available	570,814	-	-	570,814
Accrued interest not available	62,655	-	-	62,655
Lease	1,308,040	-	-	1,308,040
Total deferred inflows of resources	<u><u>15,611,441</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>15,611,441</u></u>
<b>Fund balances:</b>				
Nonspendable:				
Materials and supplies inventory	698	-	8,814	9,512
Prepays	4,953	-	571	5,524
Unclaimed monies	9,046	-	-	9,046
Restricted:				
Capital improvements	-	3,127,456	-	3,127,456
Adult education	-	-	799,540	799,540
Extracurricular	-	-	52,146	52,146
Other purposes	-	-	52,358	52,358
Committed:				
Capital improvements	-	2,486,498	-	2,486,498
Assigned:				
Student instruction	38,671	-	-	38,671
Student and staff support	443,018	-	-	443,018
On behalf payments to other entities	30,000	-	-	30,000
Supplies	8,933	-	-	8,933
Other purposes	207,253	-	-	207,253
Unassigned (deficit)	<u><u>19,029,943</u></u>	<u><u>-</u></u>	<u><u>(56,219)</u></u>	<u><u>18,973,724</u></u>
Total fund balances	<u><u>19,772,515</u></u>	<u><u>5,613,954</u></u>	<u><u>857,210</u></u>	<u><u>26,243,679</u></u>
Total liabilities, deferred inflows and fund balances	<u><u>\$ 36,685,875</u></u>	<u><u>\$ 5,898,952</u></u>	<u><u>\$ 3,300,578</u></u>	<u><u>\$ 45,885,405</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CUYAHOGA VALLEY CAREER CENTER  
CUYAHOGA COUNTY, OHIO**

**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO  
NET POSITION OF GOVERNMENTAL ACTIVITIES  
JUNE 30, 2024**

<b>Total governmental fund balances</b>	\$ 26,243,679
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	21,810,369
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.	
Property taxes receivable	\$ 570,814
Accrued interest receivable	<u>62,655</u>
Total	633,469
The net pension/OPEB assets & liabilities are not due and payable in the current period; therefore, the assets, liabilities and related deferred inflows/outflows are not reported in governmental funds.	
Deferred outflows - pension	2,884,956
Deferred inflows - pension	(1,316,899)
Net pension liability	(14,563,220)
Deferred outflows - OPEB	546,920
Deferred inflows - OPEB	(1,876,585)
Net OPEB asset	975,694
Net OPEB liability	<u>(1,046,103)</u>
Total	(14,395,237)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Lease payable	(138,079)
Compensated absences	<u>(1,225,023)</u>
Total	<u>(1,363,102)</u>
<b>Net position of governmental activities</b>	<u><u>\$ 32,929,178</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CUYAHOGA VALLEY CAREER CENTER  
CUYAHOGA COUNTY, OHIO**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<b>General</b>	<b>Permanent Improvement</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues:</b>				
Property taxes	\$ 13,180,157	\$ -	\$ -	\$ 13,180,157
Intergovernmental	3,793,334	- -	1,641,115	5,434,449
Investment earnings	871,020	- -	3,079	874,099
Tuition and fees	26,309	- -	1,303,675	1,329,984
Extracurricular	- -	- -	38,379	38,379
Rental income	33,875	- -	2	33,877
Charges for services	29,671	- -	37,390	67,061
Contributions and donations	6,400	- -	6,352	12,752
Payment in lieu of taxes	270,216	- -	- -	270,216
Miscellaneous	141,661	- -	26,505	168,166
Change in fair value of investments	377,599	- -	- -	377,599
Total revenues	<u>18,730,242</u>	<u>- -</u>	<u>3,056,497</u>	<u>21,786,739</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	866,671	- -	- -	866,671
Vocational	6,487,481	- -	248,740	6,736,221
Adult/continuing	- -	- -	1,495,914	1,495,914
Support services:				
Pupil	1,202,393	- -	- -	1,202,393
Instructional staff	1,146,538	248,347	226,530	1,621,415
Board of education	28,943	- -	- -	28,943
Administration	1,536,918	- -	286,023	1,822,941
Fiscal	848,533	- -	- -	848,533
Business	376,789	- -	- -	376,789
Operations and maintenance	1,427,014	- -	80,841	1,507,855
Pupil transportation	10,201	- -	- -	10,201
Central	1,538	- -	39,500	41,038
Operation of non-instructional services:				
Food service operations	- -	- -	145,135	145,135
Extracurricular activities	60,580	- -	23,107	83,687
On behalf payments for other entities	208,158	- -	- -	208,158
Facilities acquisition and construction	- -	2,543,282	391,393	2,934,675
Debt service:				
Principal retirement	56,565	- -	- -	56,565
Interest and fiscal charges	8,448	- -	- -	8,448
Total expenditures	<u>14,266,770</u>	<u>2,791,629</u>	<u>2,937,183</u>	<u>19,995,582</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,463,472</u>	<u>(2,791,629)</u>	<u>119,314</u>	<u>1,791,157</u>
<b>Other financing sources (uses):</b>				
Transfers in	- -	5,032,142	181,623	5,213,765
Transfers (out)	(5,213,765)	- -	- -	(5,213,765)
Total other financing sources (uses)	<u>(5,213,765)</u>	<u>5,032,142</u>	<u>181,623</u>	<u>- -</u>
Net change in fund balances	(750,293)	2,240,513	300,937	1,791,157
<b>Fund balances at beginning of year</b>	<b>20,522,875</b>	<b>3,373,441</b>	<b>555,380</b>	<b>24,451,696</b>
<b>Change in reserve for inventory</b>	<b>(67)</b>	<b>-</b>	<b>893</b>	<b>826</b>
<b>Fund balances at end of year</b>	<b><u>\$ 19,772,515</u></b>	<b><u>\$ 5,613,954</u></b>	<b><u>\$ 857,210</u></b>	<b><u>\$ 26,243,679</u></b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CUYAHOGA VALLEY CAREER CENTER  
CUYAHOGA 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, 2024**

<b>Net change in fund balances - total governmental funds</b>	\$ 1,791,157
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense.	
Capital asset additions	\$ 3,374,885
Current year depreciation	<u>(1,130,750)</u>
Total	2,244,135
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.	
	(10,861)
Governmental funds report expenditures for inventory when purchased. However, in the statement of activities, they are reported as an expense when consumed.	
	826
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Property taxes	(431,016)
Tuition	<u>(2,115)</u>
Earnings on investments	<u>8,103</u>
Total	(425,028)
Repayment of lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.	
	56,565
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.	
Pension	1,319,984
OPEB	<u>14,241</u>
Total	1,334,225
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability/asset are reported as pension/OPEB expense in the statement of activities.	
Pension	(1,009,321)
OPEB	<u>231,667</u>
Total	(777,654)
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.	
	9,607
<b>Change in net position of governmental activities</b>	<u><u>\$ 4,222,972</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CUYAHOGA VALLEY CAREER CENTER  
CUYAHOGA COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT**

The Cuyahoga Valley Career Center (the “District”) is a joint vocational school district organized under Section 3311.18 of the Ohio Revised Code. The District provides vocational education for eight school districts serving an eligible student population of approximately 7,676 throughout northeastern Ohio, including Cuyahoga and Summit counties. A nine-member Board of Education governs the District, which is supported by a 2.0 mil operating levy assessed over a 7.4 billion dollar tax duplicate and by funds from the State of Ohio Joint Vocational School Foundation Program. The Board controls the District’s educational facilities, which are staffed by 54 certified employees, 9 administrative employees and 53 full-time support staff employees. The District fosters cooperative relationships with business and industry, professional organizations, participating school districts and other interested, concerned groups and organizations to consider, plan and implement educational programs designed to meet the common needs and interests of 7,676 eligible students.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements of the District 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 District’s significant accounting policies are described below.

**A. Reporting Entity**

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

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

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

The following organizations are described due to their relationship to the District:

*JOINTLY GOVERNED ORGANIZATIONS*

Ohio Schools' Council Association

The Ohio Schools' Council Association (Council) is a jointly governed organization among 198 school districts. The jointly governed organization was formed to purchase quality products and services at the lowest possible cost to the member districts. Each district supports the Council by paying an annual participation fee. The Council's Board consists of seven superintendents of the participating districts whose term rotates every year. The degree of control exercised by any district is limited to its representation on the Board. In fiscal year 2024, the District paid \$54,767 to the Council. Financial information can be obtained by contacting William Zelei, Executive Director of the Ohio Schools Council at 6393 Oak Tree Blvd., Suite 377, Independence, Ohio, 44131.

The District participates in the Council's prepaid natural gas purchase program. This program allows school districts to purchase natural gas at reduced rates. Compass Energy has been selected as the supplier and program manager for the period program. There are currently 151 participants in the program including Cuyahoga Valley Career Center. Each September, these estimated payments are compared to their actual usage for the year (July to June). Districts that paid more in estimated billings than their actual billings are issued credits on future billings beginning in September until the credits are exhausted and districts that did not pay enough on estimated billings are invoiced for the difference on the September monthly estimated billing.

The Council has partnered with the Ohio Association of Business Officials, the Ohio School Boards Association and the Buckeye Association of School Administrators to form the Power4Schools program to bring savings on electric generation costs and budget certainty to Ohio public schools by pooling purchasing power statewide. Power4Schools has selected FirstEnergy Solutions as its exclusive provider for school districts in the Ohio Edison, The Illuminating Company, Toledo Edison, Duke Energy, and AEP Ohio Power service areas.

Connect

The District is a member of Connect, formerly known as the North Coast Council, which was formed when the Lakeshore Northeast Ohio Computer Association and the Lake Erie Educational Computer Association merged during fiscal year 2012. Connect was organized for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among 34-member districts. Each of the governments of these schools supports the Connect based on a per pupil charge. The District contributed \$27,937 to Connect during fiscal year 2024 for managed wireless hosting, phone VOIP services, data services, hardware maintenance and switch installation. Connect is governed by a nine-member Board of Directors consisting of superintendents from member school districts. Financial information can be obtained by contacting the Treasurer at the Cuyahoga County Educational Service Center, who serves as fiscal agent, at 5700 West Canal Road, Valley View, Ohio 44125.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

*INSURANCE PURCHASING POOLS*

Suburban Health Consortium

The Suburban Health Consortium (Consortium) is a shared health risk pool created on October 1, 2001, formed by the Boards of Education of several school districts in northeast Ohio, for the purposes of maximizing benefits and/or reducing costs of group health, life, dental and/or other insurance coverages for their employees and the eligible dependents and designated beneficiaries of such employees. The Consortium was formed and operates as a legally separate entity under Ohio Revised Code Section 9.833. The Board of Directors shall be the governing body of the Consortium. The Board of Education of each Consortium Member shall appoint its Superintendent or such Superintendent's designee to be its representative of the Board of Directors. The officers of the Board of Directors shall consist of a Chairman, Vice-Chairman and Recording Secretary, who shall be elected at the annual meeting of Board of Directors and serve until the next annual meeting. All of the authority of the Consortium shall be exercised by or under the direction of the Board of Directors. The Board of Directors shall also set all premiums and other amounts to be paid by the Consortium Members and the Board of Directors shall also have the authority to waive premiums and other payments. All members of the Board of Directors shall serve without compensation.

The Fiscal Agent shall be the Board of Education responsible for administering the financial transactions of the Consortium (Orange City School District). The Fiscal Agent shall carry out the responsibilities of the Consortium Fund, enter into contracts on behalf of the Consortium as authorized by the Directors and carry out such other responsibilities as approved by the Directors and agreed to by the Fiscal Agent. Each District Member enrolled in a benefit program may require contributions from its employees toward the cost of any benefit program being offered by such District Member, and such contributions shall be included in the payments from such District Member to the Fiscal Agent for such benefit program. Contributions are to be submitted by each District Member to the Fiscal Agent, required under the terms of the Consortium Agreement and any benefit program in which such District Member is enrolled to the Fiscal Agent on a monthly basis, or as otherwise required in accordance with any benefit program in which such District Member is enrolled. All general administrative costs incurred by the Consortium that are not covered by the premium payments shall be shared equally by the Consortium Members as approved by the Directors and shall be paid by each Consortium Member upon receipt of notice from the Fiscal Agent that such payment is due. It is the express intention of the Consortium Members that the Consortium Agreement and the Consortium shall continue for an indefinite term, but may be terminated as provided in the Consortium Agreement. Any Consortium Member wishing to withdraw from participation in the Consortium or any benefit program shall notify the Fiscal Agent at least one-hundred-eighty days prior to the effective date of withdrawal.

Upon withdrawal of a Consortium Member, the Consortium shall pay the run out of all claims for such Consortium Member provided such Consortium Member has paid to the Consortium, prior to the effective date of withdrawal a withdrawal fee in the amount equal to two months' premiums at the Consortium Member's current rate. Payment of the withdrawal fee does not extend insurance coverage for two months. Upon automatic withdrawal, for non-payment of premiums required by the Consortium Agreement, the Consortium shall pay the run out of all claims for such Consortium Member provided that the Consortium has received from such Consortium Member all outstanding and unpaid premiums and other amounts and the withdrawal fee equal to two months' premiums at the Consortium Member's current rates. Any Consortium Member which withdraws from the Consortium pursuant to the Consortium Agreement shall have no claim to the Consortium's assets.

Financial information for the Consortium can be obtained from Todd Puster, Treasurer of Orange City School District (Fiscal Agent) at 32000 Chagrin Blvd., Pepper Pike, Ohio 44124-5974.

Workers' Compensation Group Rating Program

The District participates in a Workers' Compensation Group Rating Program (GRP) administered by CompManagement, Inc. The intent of the GRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. The District pays a fee to the GRP to cover the costs of administering the program.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

**B. Fund Accounting**

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary. The District has no proprietary or fiduciary funds.

*GOVERNMENTAL FUNDS*

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

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

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

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

**C. Basis of Presentation and Measurement Focus**

*Government-Wide Financial Statements* - The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the governmental activities of the District. 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 amounts paid by the recipient of 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 not classified as program revenues are presented as general revenues of the District.

The government-wide financial statements are prepared using the economic resources measurement focus. All assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of the District are included on the statement of net position.

*Fund Financial Statements* - Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column, and all nonmajor funds are aggregated into one column.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

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, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days of fiscal year end.

Nonexchange transactions, in which the District 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 District must provide local resources to be used for a specified purpose and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

*Deferred Outflows of Resources and Deferred Inflows of Resources* - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. See Notes 13 and 14 for deferred outflows of resources related to net pension liability and net OPEB liability/asset, respectively.

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include property taxes, payments in lieu of taxes and unavailable revenue. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of June 30, 2024, but which were levied to finance fiscal year 2025 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 District unavailable revenue includes, but is not limited to, delinquent property taxes and intergovernmental grants.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The deferred inflow of resources for leases is related to the lease receivable and is being amortized to lease revenue in a systematic and rational manner over the term of the lease. For the District, see Notes 13 and 14 for deferred inflows of resources related to the District'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 fund 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. Budgetary Data**

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than custodial funds, are legally required to be budgeted and appropriated. The primary level of budgetary control is at the fund level. Any budgetary modifications at this level may only be made by resolution of the Board of Education.

Advances in and advances out are not required to be budgeted since they represent a temporary cash flow and are intended to be repaid.

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

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

*Estimated Resources* - Prior to April 1, unless a later date is approved by the Tax Commissioner, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's certificate of estimated resources which states the projected revenue of each fund. Prior to July 1, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as a basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered balances from the preceding year as reported by the District Treasurer. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported as final budgeted amounts in the budgetary schedule reflect the amounts set forth in the final amended certificate of estimated resources issued for fiscal year 2024.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

*Appropriations* - Upon receipt from the County Fiscal Officer of an amended certificate of estimated resources based on final assessed values and tax rates or a certificate saying no new certificate is necessary, the annual appropriation resolution must be legally enacted by the Board of Education at the fund level of expenditures, which is the legal level of budgetary control. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation to meet the ordinary expenses of the District. The appropriation resolution, by fund, must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals at the level of control. Any revisions that alter the total of any fund appropriation must be approved by the Board of Education. The Treasurer maintains budgetary information at the object level and has the authority to allocate appropriations at the function and object level without resolution from the Board of Education. The Board may pass supplemental fund appropriations so long as the total appropriations by fund do not exceed the amounts set forth in the most recent certificate of estimated resources. During the year, supplemental appropriations were legally enacted by the Board.

The budget figures which appear in the budgetary schedules as final budgeted amounts represent the final appropriation amounts, including all supplemental appropriations. Formal budgetary integration is employed as a management control device during the year for all funds, other than custodial funds, consistent with statutory provisions.

*Lapsing of Appropriations* - At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriation. Encumbered appropriations are carried forward to the succeeding fiscal year and are not reappropriated.

**F. Cash and Investments**

To improve cash management, cash received by the District is pooled. Monies for all funds are maintained in the pool. Individual fund integrity is maintained through District records. During fiscal year 2024, investments consisted of Federal Agency securities, negotiable certificates of deposit (CDs), U.S. government money market fund, U.S. Treasury notes and STAR Ohio. Except for STAR Ohio, investments are reported at fair value, which is based on quoted market prices.

The District 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 District 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 an NAV per share that approximates fair value.

There were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, 24 hours notice in advance of all deposits and withdrawals exceeding \$100 million is encouraged. 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.

Under existing Ohio statutes all investment earnings are assigned to the general fund except for those specifically related to the private purpose trust and public support funds which are individually authorized by Board resolution. Interest revenue credited to the general fund during fiscal year 2024 amounted to \$871,020 which includes \$217,519 assigned from other District funds.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

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

An analysis of the District's investment account at year end is provided in Note 4.

**G. Inventory**

On government-wide and fund financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used. Donated commodities are presented at their entitlement value. Inventories are accounted for using the purchase method on the fund financial statements and using the consumption method on the government-wide statements. On the fund financial statements, reported materials and supplies inventory is equally offset by a nonspendable fund balance in the governmental funds, which indicates that it does not constitute available spendable resources even though it is a component of net current assets.

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

**H. Capital Assets**

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The District maintains a capitalization threshold of \$1,000 for its general capital assets. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets except land and construction in progress 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:

<u>Description</u>	<u>Governmental Activities</u>	<u>Estimated Lives</u>
Land improvements		25 years
Buildings and improvements		25 - 50 years
Furniture and equipment		5 - 20 years
Vehicles		6 - 10 years
Intangible right to use: Leased equipment		5 years

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

**I. Interfund Balances**

On fund financial statements, receivables and payables resulting from interfund loans are classified as "interfund loans receivable/payable". These amounts are eliminated in the governmental activities column on the statement of net position.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**J. Compensated Absences**

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

In accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences", a liability for vacation leave is accrued if a) the employees' rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination (severance) payments. Sick leave benefits are accrued as a liability using the vesting method. Under this method, a liability for sick leave is based on the sick leave accumulated at the balance sheet date by those employees who are currently eligible to receive termination (severance) payments, as well as those employees expected to become eligible in the future. Anticipated retirement was based on 40 years of age and at least 6 years experience at the District. If 6 years experience was achieved, the District anticipated at least 10 years of service at retirement.

The total liability for vacation and sick leave payments has been calculated using pay rates in effect at June 30, 2024 and reduced to the maximum payment allowed by labor contract and/or statute, plus any additional salary related payments.

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

For governmental fund financial statements, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported.

**K. Accrued Liabilities and Long-Term Obligations**

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

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

**L. Fund Balance**

Fund balance is divided into five classifications based primarily on the extent to which the District 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 either in spendable form or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable in the general fund.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

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

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the District Board of Education (the highest level of decision making authority). Those committed amounts cannot be used for any other purpose unless the District 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 District 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 amounts include all remaining amounts that are not classified as nonspendable and are neither restricted nor committed. In the general fund, assigned amounts represent intended uses established by policies of the District 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 District applies restricted resources first when expenditures are incurred for purposes for which restricted and unrestricted (committed, assigned, and unassigned) fund balance is available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**M. Net Position**

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

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

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

**N. Prepayments**

Certain payments to vendors reflect the costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. These items are reported as assets on the balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of the purchase and the expenditure/expense is reported in the year in which services are consumed. On the fund financial statements, reported prepayments are equally offset by non-spendable fund balance in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets.

**O. Estimates**

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

**P. Interfund Activity**

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

**Q. On Behalf Payments for Other Entities**

The District receives monies that are spent on behalf of another school district or entity, which is reported on the financial statements as "On behalf payments for other entities". These activities are reported as a governmental activity of the District.

**R. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. During fiscal 2024, there were no extraordinary or special items.

**S. 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.

**T. Fair Value**

The District categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. 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; and Level 3 inputs are significant unobservable inputs.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE**

**A. Change in Accounting Principles**

For fiscal year 2024, the District has implemented certain paragraphs from GASB Implementation Guide No. 2021-1, certain paragraphs of GASB Statement No. 99, "Omnibus 2022", GASB Statement No. 100, "Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62" and Implementation Guide No. 2023-1.

GASB Implementation Guide 2021-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2021-1 did not have an effect on balances previously reported by the District.

GASB Statement No. 99 is 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 District.

GASB Statement No. 100 is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The implementation of GASB Statement No. 100 did not have an effect on the financial statements of the District.

GASB Implementation Guide 2023-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2023-1 did not have an effect on the financial statements of the District.

**B. Deficit Fund Balances**

Fund balances at June 30, 2024 included the following individual fund deficits:

<u>Nonmajor special revenue funds</u>	<u>Deficit</u>
Food service	\$ 53,904
Miscellaneous state grants	2,276

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

**NOTE 4 - DEPOSITS AND INVESTMENTS**

State statutes classify monies held by the District 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 District 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.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

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 subdivision of the State of Ohio, if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in 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 bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and,

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 District, 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.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

**A. Cash on Hand**

At fiscal year end, the District had \$1,500 in undeposited cash on hand which is included on the financial statements of the District as part of “equity in pooled cash and cash equivalents”.

**B. Deposits with Financial Institutions**

At June 30, 2024, the carrying amount of all District deposits was \$620,376 and the bank balance of all District deposits was \$738,349. Of the bank balance, \$250,000 was covered by the FDIC, \$195,339 was covered by the Ohio Pooled Collateral System (OPCS), and \$293,010 was exposed to custodial credit risk because the amount was uninsured and uncollateralized.

Custodial credit risk is the risk that, in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. The District has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the District and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For 2024, the District’s financial institutions were approved for a reduced collateral rate of 60 percent through the OPCS but had 40 percent collateralized. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the District to a successful claim by the FDIC.

**C. Investments**

As of June 30, 2024, the District had the following investments and maturities:

Measurement/ <u>Investment Type</u>	Measurement <u>Value</u>	Investment Maturities					
		6 months or <u>less</u>	7 to 12 <u>months</u>	13 to 18 <u>months</u>	19 to 24 <u>months</u>	Greater than <u>24 months</u>	
<i>Fair Value:</i>							
FHLMC	\$ 141,768	\$ -	\$ -	\$ 141,768	\$ -	\$ -	\$ -
FNMA	446,165	299,967	-	146,198	-	-	-
FHLB	1,600,285	-	-	-	228,031	1,372,254	
FFCB	5,491,244	991,675	239,750	702,033	464,380	3,093,406	
FAMC	573,939	-	-	-	-	573,939	
Negotiable CDs	2,057,594	495,863	242,379	-	-	1,319,352	
<i>U.S. Government</i>							
money market	68,735	68,735	-	-	-	-	-
U.S. Treasury Notes	7,975,851	636,147	948,877	707,770	1,108,765	4,574,292	
<i>Amortized Cost:</i>							
STAR Ohio	<u>10,008,253</u>	<u>10,008,253</u>	-	-	-	-	-
Total	<u>\$ 28,363,834</u>	<u>\$ 12,500,640</u>	<u>\$ 1,431,006</u>	<u>\$ 1,697,769</u>	<u>\$ 1,801,176</u>	<u>\$ 10,933,243</u>	

The weighted average maturity of investments is 1.59 years.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

The District's investments in U.S. Government money markets are valued using quoted market prices in active markets (Level 1 inputs). The District's investments in federal agency securities (FHLMC, FNMA, FHLB, FAMC and FFCB), U.S. Treasury notes, and negotiable CDs 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:* As a means of limiting its exposure to fair value losses arising from rising interest rates and according to State law, the District's investment policy limits investment portfolio maturities to five years or less.

*Credit Risk:* The District's investments in Federal Agency securities and U.S. Treasury notes were rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively. The negotiable CDs were not rated. The negotiable CDs were fully covered by the FDIC. Standard & Poor's has assigned U.S. Government money market and STAR Ohio an AAAm money market rating. Ohio Law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard service rating. The District's investment policy does not specifically address credit risk beyond requiring the District 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 District 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 District's name. The District has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

*Concentration of Credit Risk:* The District 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 District at June 30, 2024:

<u>Measurement/Investment type</u>	<u>Measurement</u>	
	<u>Value</u>	<u>% to Total</u>
<i>Fair Value:</i>		
FHLMC	\$141,768	0.50%
FNMA	446,165	1.57%
FHLB	1,600,285	5.64%
FFCB	5,491,244	19.36%
U.S. Treasury Note	7,975,851	28.12%
FAMC	573,939	2.02%
Negotiable CDs	2,057,594	7.25%
U.S. Government money market	68,735	0.24%
<i>Amortized Cost:</i>		
STAR Ohio	10,008,253	35.29%
<b>Total</b>	<b>\$ 28,363,834</b>	<b>100.00</b>

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

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

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of June 30, 2024:

<u>Cash and investments per note</u>		
Carrying amount of deposits		\$ 620,376
Investments		28,363,834
Cash on hand		<u>1,500</u>
Total		<u>\$ 28,985,710</u>

<u>Cash and investments per statement of net position</u>		
Governmental activities		<u>\$ 28,985,710</u>

**NOTE 5 - INTERFUND TRANSACTIONS**

**A. Interfund balances at June 30, 2024 as reported on the fund statements, consist of the following individual interfund loans receivable and payable:**

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General	Nonmajor special revenue funds:	
	Food service	\$ 75,000
	Vocational education	<u>15,119</u>
	Total interfund loans receivable/payable	<u>\$ 90,119</u>

The primary purpose of the interfund balance is to cover costs in specific funds where revenues were not received by June 30. The interfund balance will be repaid once the anticipated revenues are received and is expected to be repaid within one year.

Interfund balances between governmental funds are eliminated on the government-wide financial statements; therefore, no internal balances at June 30, 2024 are reported on the Statement of Net Position.

**B. Interfund transfers for the year ended June 30, 2024, consisted of the following, as reported on the fund statements:**

<u>Transfers from:</u>	<u>Transfers to:</u>	<u>Amount</u>
General fund	Permanent improvement fund	\$ 5,032,142
	Nonmajor special revenue funds:	
	Food service	40,295
	Student managed activities	<u>141,328</u>
	Total transfers	<u>\$ 5,213,765</u>

Transfers are used to move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Interfund transfers between governmental funds are eliminated on the government-wide financial statements. All transfers were made in compliance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 6 - PROPERTY TAXES**

Property taxes are levied and assessed on a calendar year basis while the District fiscal year runs from July through June. First half tax collections are received by the District 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 2024 represent the collection of calendar year 2023 taxes. Real property taxes received in calendar year 2024 were levied after April 1, 2023, on the assessed values as of January 1, 2023, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised fair 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 2024 represent the collection of calendar year 2023 taxes. Public utility real and personal property taxes received in calendar year 2024 became a lien on December 31, 2022, were levied after April 1, 2023, 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 District receives property taxes from Cuyahoga and Summit Counties. The County Auditors periodically advance to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2024, are available to finance fiscal year 2024 operations. The amount available as an advance at June 30, 2024 and 2023 were:

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
General fund	\$ 1,021,631	\$ 2,057,747

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, 2024 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows.

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

The assessed values upon which the fiscal year 2024 taxes were collected are:

	2023 Second Half Collections		2024 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 7,115,969,220	95.59	\$ 8,012,338,850	96.00
Public utility personal	<u>328,125,800</u>	<u>4.41</u>	<u>344,228,070</u>	<u>4.00</u>
Total	<u>\$ 7,444,095,020</u>	<u>100.00</u>	<u>\$ 8,356,566,920</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation		\$ 2.00		\$ 2.00

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 7 - TAX ABATEMENTS ENTERED INTO BY OTHER GOVERNMENTS**

Other governments entered into property tax abatement agreements with property and business owners under Enterprise Zone Agreements (“EZAs”) and the Ohio Community Reinvestment Area (“CRA”) program with the taxing districts of the District. The EZAs and CRA program are directive incentive tax exemption programs benefiting property and business owners who renovate or construct new buildings or bring new jobs into the area. Under these programs, the other governments designated areas to encourage revitalization of the existing housing stock, the development of new structures, and economic growth. Within the taxing districts of the District, certain municipal governments located in the counties of Cuyahoga and Summit have entered into such agreements. Under these agreements, the District’s property taxes were reduced by \$101,122 during fiscal year 2024. The District is not receiving any amounts from the other governments in association with the forgone property tax revenue.

**NOTE 8 – RECEIVABLES**

**A.** Receivables at June 30, 2024 consisted of taxes, payment in lieu of taxes, accounts (billings for user charged services and student fees), intergovernmental, accrued interest, and a lease. 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	\$ 14,800,895
Payment in lieu of taxes	461,482
Accounts	3,974
Accrued interest	123,841
Intergovernmental	18,255
Lease	<u>1,383,431</u>
Total	<u>\$ 16,791,878</u>

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

**B. Lease Receivable**

The District has entered into a site lease agreement for a cell tower which commenced on May 27, 2003. A second amendment was made to the lease on September 8, 2021, which has an expiration date of February 28, 2075. Payments are made monthly and are reported in the general fund.

The District is reporting leases receivable of \$1,383,431 in the general fund at June 30, 2024. For fiscal year 2024, the District recognized interest revenue of \$27,730.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 8 - RECEIVABLES - (Continued)**

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ -	\$ 27,799	\$ 27,799
2026	-	29,833	29,833
2027	1,011	28,822	29,833
2028	2,205	27,628	29,833
2029	2,249	27,584	29,833
2030 - 2034	25,166	136,676	161,842
2035 - 2039	44,807	133,220	178,027
2040 - 2044	68,211	127,619	195,830
2045 - 2049	95,944	119,469	215,413
2050 - 2054	128,647	108,307	236,954
2055 - 2059	167,050	93,600	260,650
2060 - 2064	211,976	74,739	286,715
2065 - 2069	264,360	51,026	315,386
2070 - 2074	325,259	21,665	346,924
2075	46,546	350	46,896
Total	<u>\$ 1,383,431</u>	<u>\$ 1,008,337</u>	<u>\$ 2,391,768</u>

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 9 - CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2024, was as follows:

	<u>Balance</u> <u>06/30/23</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>06/30/24</u>
<i>Capital assets, not being depreciated/amortized:</i>				
Land	\$ 563,010			\$ 563,010
Construction in progress	<u>375,540</u>	<u>2,614,050</u>	<u>(2,278,402)</u>	<u>711,188</u>
Total capital assets, not being depreciated/amortized	<u>938,550</u>	<u>2,614,050</u>	<u>(2,278,402)</u>	<u>1,274,198</u>
<i>Capital assets, being depreciated/amortized:</i>				
Land improvements	1,123,513	118,509		- 1,242,022
Buildings and improvements	28,063,433	2,159,893		- 30,223,326
Furniture and equipment	5,562,822	753,326	(19,297)	6,296,851
Vehicles	454,436	7,509		- 461,945
Intangible right to use:				
Leased equipment	<u>296,436</u>	<u>-</u>	<u>-</u>	<u>296,436</u>
Total capital assets, being depreciated/amortized	<u>35,500,640</u>	<u>3,039,237</u>	<u>(19,297)</u>	<u>38,520,580</u>
<i>Less: accumulated depreciation/amortization</i>				
Land improvements	(30,474)	(25,507)		- (55,981)
Buildings and improvements	(12,917,129)	(692,839)		- (13,609,968)
Furniture and equipment	(3,556,123)	(308,264)	8,436	(3,855,951)
Vehicles	(219,747)	(44,853)		- (264,600)
Intangible right to use:				
Leased equipment	<u>(138,622)</u>	<u>(59,287)</u>	<u>-</u>	<u>(197,909)</u>
Total accumulated depreciation/amortization	<u>(16,862,095)</u>	<u>(1,130,750)</u>	<u>8,436</u>	<u>(17,984,409)</u>
Governmental activities capital assets, net	<u>\$ 19,577,095</u>	<u>\$ 4,522,537</u>	<u>\$ (2,289,263)</u>	<u>\$ 21,810,369</u>

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 9 - CAPITAL ASSETS - (Continued)**

Depreciation expense was charged to governmental functions as follows:

Instruction:

Regular	\$ 22,996
Vocational	875,415
Adult education	43,248

Support services:

Pupil	37,084
Instructional staff	35,895
Board of education	423
Administration	52,476
Fiscal	17,654
Business	14,281
Operations and maintenance	28,616
Pupil transportation	94
Food service operations	<u>2,568</u>
Total depreciation expense	<u>\$ 1,130,750</u>

**NOTE 10 - LONG-TERM OBLIGATIONS**

During fiscal year 2024, the following changes occurred in the governmental activities long-term obligations.

	<u>Balance</u>				<u>Balance</u>	<u>Amounts due in one year</u>	
	<u>06/30/23</u>	<u>Additions</u>	<u>Reductions</u>	<u>06/30/24</u>	<u>06/30/24</u>	<u>06/30/24</u>	<u>06/30/24</u>
<b>Governmental activities:</b>							
Lease payable	\$ 194,644	\$ -	\$ (56,565)	\$ 138,079	\$ 59,459		
Compensated absences payable	1,401,756	50,943	(209,454)	1,243,245	67,857		
Net pension liability	14,948,538	-	(385,318)	14,563,220	-		
Net OPEB liability	<u>965,958</u>	<u>80,145</u>	<u>-</u>	<u>1,046,103</u>	<u>-</u>		
Total long-term obligations	<u>\$ 17,510,896</u>	<u>\$ 131,088</u>	<u>\$ (651,337)</u>	<u>\$ 16,990,647</u>	<u>\$ 127,316</u>		

Lease Payable - In previous fiscal years, the District entered into a lease agreement for copier equipment. Lease payments have been reclassified and are reflected as debt service expenditures in the basic financial statements.

The District entered into an office equipment lease in fiscal year 2021 for a term of 63 months with a maturity of September 2026. The lease is being paid from the general fund.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)**

Principal and interest requirements to retire the lease payable are as follows:

<b>Fiscal Year Ending June 30,</b>	<b>Lease Payable</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2025	\$ 59,459	\$ 5,554	\$ 65,013
2026	62,501	2,511	65,012
2027	16,119	134	16,253
<b>Total</b>	<b>\$ 138,079</b>	<b>\$ 8,199</b>	<b>\$ 146,278</b>

Compensated absences - Compensated absences will be paid from the fund from which the employee is paid. The compensated absences payments primarily will be made from the general fund.

Net pension liability - The District pays obligations related to employee compensation from the fund benefitting from their service. See Note 13 for details.

Net OPEB liability/asset - The District pays obligations related to employee compensation from the fund benefitting from their service. See Note 14 for details.

**Legal Debt Margin**

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the District. The assessed valuation used in determining the District's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the District's legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property and personal property owned or leased by a railroad company and used in railroad operations. The effects of these debt limitations at June 30, 2024, are a voted debt margin of \$752,091,023 and an unvoted debt margin of \$8,356,567.

**NOTE 11 - EMPLOYEE BENEFITS**

**A. Compensated Absences**

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified Ohio Association of Public School Employees (OAPSE) employees earn 5 to 25 days of vacation per year, depending upon length of service and or hours worked. Accumulated unused vacation time is paid to classified employees upon termination of employment. Teachers do not earn vacation time. Administrators, support, and classified exempt employees employed to work two hundred sixty (260) days per year earn up to 20 days of vacation per year and are granted 1 additional day of vacation after the first 2 years of uninterrupted service with the District and 1 additional day of vacation for every 2 years following the second year, up to a maximum of five (5) additional days. OAPSE employees employed to work two hundred sixty (260) days per year earn 5 days of vacation after completing the first 90 days of employment. After 1 year of service they are granted 5 additional days of vacation. After 5 years of uninterrupted service an additional 5 days of vacation are granted. After 10 years an additional 5 days of vacation are granted. After 15 years an additional 5 days of vacation are again granted, for a total of 5 weeks of vacation. Certified and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated to a maximum of 380 days for both teachers and OAPSE employees. Administrative, support and classified exempt employees' sick leave maximum is unlimited.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 11 - EMPLOYEE BENEFITS - (Continued)**

Upon retirement, all employees are entitled to the following severance payments:

Administrative, support, classified exempt and certified employees receive a payment for twenty-five percent of their accrued, but unused sick leave to a maximum of seventy-five (75) days. Certified employees are also entitled to one-quarter day of additional severance pay for each unused sick day in the final two years prior to severance. This additional severance shall not exceed seven and a half (7.5) days.

All OAPSE employees are entitled to payment for twenty-five percent of their accrued, but unused sick leave to a maximum of seventy-five (75) days. OAPSE employees are also entitled to one day of additional severance pay for each unused sick day in the final two years prior to severance. This additional severance shall not exceed thirty (30) days.

**B. Retirement Stipends**

The District provides a retirement stipend for administrative employees under the provisions of Ohio Revised Code (O.R.C.) 3307.35 for qualifying persons who meet the eligibility requirements of the retirement stipend and elect to retire under STRS/SERS Ohio. A retirement stipend up to \$30,000 is offered to those employees who began work prior to July 1, 2015 and retire under STRS/SERS Ohio on or before July 31, of the contract year in which they are first eligible to retire. Employees must have notified the District no later than the last business day of October of the contract year during which the employee first becomes or will become eligible to retire, of his/her intention to retire on or before July 31. The District had no administrative STRS/SERS Ohio employees who took advantage of the retirement stipend during fiscal year 2024.

The District provides a retirement stipend for support and classified exempt employees under the provisions of O.R.C. 3307.35 for qualifying persons who meet the eligibility requirements of the stipend and elect to retire under STRS/SERS. The retirement stipend is equal to 25% of the employee's annual base salary and is offered to employees who began work prior to July 1, 2015 and retire on or before June 30, of the contract year in which they are first eligible to retire. Employees must have notified the District no later than the last business day of October of the contract year of retirement, stating his/her intentions to retire. The District had one support employee who took advantage of the retirement stipend during fiscal year 2024.

The District provides a retirement stipend for OAPSE employees under the provisions of O.R.C. 3307.35 for qualifying persons who meet the eligibility requirements of the stipend and elect to retire under SERS. The retirement stipend is equal to 25% of the employee's annual base salary and is offered to employees hired prior to October 1, 2015 who retire before June 30 of the contract year in which they are first eligible to retire. Employees must have notified the District no later than October 30 of the contract year of retirement, stating his/her intentions to retire. The District had no OAPSE employees who took advantage of the retirement stipend during fiscal year 2024.

The District provides a retirement stipend for certified employees under the provisions of O.R.C. 3307.35 for qualifying persons who meet the eligibility requirements of the stipend and elect to retire under STS. The retirement stipend is equal to \$30,000 and is offered to employees who began work prior to July 1, 2015 who retire on or after July 1, 2001 but on or before June 30 of the contract year in which they are first eligible to retire. Employees must have notified the District no later than October 30 of the contract year of retirement, stating his/her intentions to retire. The District had no certified employees who took advantage of the retirement stipend during fiscal year 2024.

**C. Retirement Pick-up**

For all administrative, supervisory support and classified exempt central office employees who began work prior to August 1, 2018, the Board has established procedures for the automatic pick-up of the employee's portion of the retirement system contribution and Medicare tax from the employee's salary.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 12 - RISK MANAGEMENT**

**A. Comprehensive**

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains comprehensive commercial insurance coverage for liability, property, fleet and excess liability through Wells Fargo Insurance Services USA Inc.

<u>Coverage</u>	<u>Limits of Coverage</u>
Liability:	
General liability - per occurrence/aggregate	\$1,000,000/\$3,000,000
Sexual abuse/molestation - per occurrence	\$1,000,000
Errors and omission - per occurrence/aggregate	\$1,000,000/\$1,000,000
Property:	
Blanket building and contents - value/deductible	\$60,284,884/\$1,000
Inland marine	\$500 deductible
EDP	\$500 deductible
Equipment breakdown	\$10,000 deductible
Fleet:	
Combined single limit	\$1,000,000
Uninsured motorist	\$1,000,000
Comprehensive/collision	\$2,500/\$2,500
Medical payments	\$5,000
Excess liability - per occurrence/aggregate	\$5,000,000 in addition to Each line of coverage

There has been no significant reduction in insurance coverages from coverages in the prior year. Settled claims have not exceeded this commercial coverage in any of the past three years.

**B. Life Insurance**

The District provides life insurance and accidental death and dismemberment insurance to all regular full-time contracted employees in the following amounts:

Certified employees - \$50,000

Administrative, support, and classified exempt employees - 2.5 times their annual salary

Classified employees - \$50,000

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 12 - RISK MANAGEMENT - (Continued)**

**C. Employee Health Benefits**

The District (Consortium Member) participates in the Suburban Health Consortium (Consortium), a shared risk pool (Note 2.A.), to provide group health, life, dental and/or other insurance coverages. Consortium Member premium rates are set or determined by the Board of Directors. To the extent and in the manner permitted by any applicable agreements, policies, rules, regulations and laws, each Consortium Member may require contributions from its employees toward the cost of any benefit program being offered by the Consortium Member and such contributions shall be included in the payments from such Consortium Member to the Fiscal Agent of the Consortium for such benefit program. Consortium Members pay a monthly premium to the Consortium. Because the District is a member of the Consortium and the Consortium holds the reserves for Incurred But Not Reported (IBNR) claims, not the individual districts, IBNR information is not available on a district-by-district basis.

**D. Workers' Compensation**

The District participates in a Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 2.A.). The intent of the GRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts 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. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "equity pooling fund." This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of CompManagement, Inc. provides administrative, cost control and actuarial services to the GRP.

**NOTE 13 - DEFINED BENEFIT PENSION PLANS**

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

***Net Pension Liability/Net OPEB Liability/Asset***

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

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

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

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 14 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 intergovernmental payable on both the accrual and modified accrual bases of accounting.

***Plan Description - School Employees Retirement System (SERS)***

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

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 13 - 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 2023, the Board of Trustees approved a 2.5% cost-of-living adjustment (COLA) for eligible retirees and beneficiaries in 2024.

**Funding Policy** - Plan members are required to contribute 10.00% of their annual covered salary and the District 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, 2024, the allocation to pension, death benefits, and Medicare B was 14.00%. For fiscal year 2024, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The District's contractually required contribution to SERS was \$379,761 for fiscal year 2024. Of this amount, \$20,244 is reported as intergovernmental 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](http://www.strsoh.org).

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

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

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

The DC Plan allows members to place all of their member contributions and 9.53% of the 14% employer contributions into an investment account. The member determines how to allocate the member and employer money among various investment choices offered by STRS. 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.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 13 - 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, on or after July 1, 2013, must have at least ten years of qualifying service credit to apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance.

Eligible survivors of members who die before service retirement may qualify for monthly benefits. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

**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 2024 employer and employee contribution rate of 14% was equal to the statutory maximum rates. For fiscal year 2024, the full employer contribution was allocated to pension.

The District's contractually required contribution to STRS was \$940,223 for fiscal year 2024. Of this amount, \$105,516 is reported as intergovernmental payable.

***Net 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, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating entities.

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

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

	SERS	STRS	Total
Proportion of the net pension liability prior measurement date	0.073945000%	0.049253060%	
Proportion of the net pension liability current measurement date	<u>0.068041100%</u>	<u>0.050167770%</u>	
Change in proportionate share	<u>-0.005903900%</u>	<u>0.000914710%</u>	
Proportionate share of the net pension liability	\$ 3,759,622	\$ 10,803,598	\$ 14,563,220
Pension expense	\$ 253,005	\$ 756,316	\$ 1,009,321

At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	SERS	STRS	Total
<b>Deferred outflows of resources</b>			
Differences between expected and actual experience	\$ 161,598	\$ 393,879	\$ 555,477
Changes of assumptions	26,630	889,736	916,366
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	-	93,129	93,129
Contributions subsequent to the measurement date	<u>379,761</u>	<u>940,223</u>	<u>1,319,984</u>
Total deferred outflows of resources	<u>\$ 567,989</u>	<u>\$ 2,316,967</u>	<u>\$ 2,884,956</u>
 <b>Deferred inflows of resources</b>			
Differences between expected and actual experience	\$ -	\$ 23,973	\$ 23,973
Net difference between projected and actual earnings on pension plan investments	52,842	32,377	85,219
Changes of assumptions	-	669,714	669,714
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	<u>229,608</u>	<u>308,385</u>	<u>537,993</u>
Total deferred inflows of resources	<u>\$ 282,450</u>	<u>\$ 1,034,449</u>	<u>\$ 1,316,899</u>

\$1,319,984 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2025.

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

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

Fiscal Year Ending June 30:	SERS	STRS	Total
2025	\$ (59,599)	\$ (266,570)	\$ (326,168)
2026	(223,586)	(452,864)	(676,450)
2027	186,161	1,096,379	1,282,540
2028	<u>2,802</u>	<u>(34,651)</u>	<u>(31,849)</u>
Total	<u><u>\$ (94,222)</u></u>	<u><u>\$ 342,295</u></u>	<u><u>\$ 248,073</u></u>

***Actuarial Assumptions - SERS***

SERS' total pension liability was determined by their actuaries in accordance with GASB Statement No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment 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. Future benefits for all current plan members were projected through 2137.

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

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2023 and June 30, 2022, are presented below:

Wage inflation:

Current measurement date	2.40%
Prior measurement date	2.40%

Future salary increases, including inflation:

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

COLA or ad hoc COLA:

Current measurement date	2.00%
Prior measurement date	2.00%

Investment rate of return:

Current measurement date	7.00% net of system expenses
Prior measurement date	7.00% net of system expenses

Discount rate:

Current measurement date	7.00%
Prior measurement date	7.00%

Actuarial cost method	Entry age normal (level percent of payroll)
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In 2023, mortality rates were based on the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

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

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

The long-term return expectation for the Pension Plan Investments has been determined by using a building-block approach and assumes a time horizon, as defined in SERS' *Statement of Investment Policy*. Ohio Revised Code Section 3309.15 and the Board-adopted Investment Policy govern investment activity at SERS. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes.

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00 %	0.75 %
US Equity	24.75	4.82
Non-US Equity Developed	13.50	5.19
Non-US Equity Emerging	6.75	5.98
Fixed Income/Global Bonds	19.00	2.24
Private Equity	12.00	7.49
Real Estate/Real Assets	17.00	3.70
Private Debt/Private Credit	<u>5.00</u>	5.64
Total	<u><u>100.00 %</u></u>	

**Discount Rate** - Total pension liability was calculated using the discount rate of 7.00%. The discount rate determination did not use a municipal bond rate. The projection of cash flows used to determine the discount rate assumed that employers would contribute the actuarially determined contribution rate of projected compensation over the remaining 21-year amortization period of the unfunded actuarial accrued liability. The actuarially determined contribution rate of fiscal year 2023 was 14%. 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. The annual money weighted rate of return, calculated as the internal rate of return on pension plan investments, for fiscal year 2023 was 6.90%.

**Sensitivity of the District'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.

	Current		
	1% Decrease	Discount Rate	1% Increase
District's proportionate share of the net pension liability	\$ 5,549,009	\$ 3,759,622	\$ 2,252,403

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 13 - 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, 2023 and June 30, 2022, actuarial valuation are presented below:

	June 30, 2023	June 30, 2022
Inflation	2.50%	2.50%
Projected salary increases	Varies by service from 2.50% to 8.50%	Varies by service from 2.50% to 8.50%
Investment rate of return	7.00%, net of investment expenses, including inflation	7.00%, net of investment expenses, including inflation
Discount rate of return	7.00%	7.00%
Payroll increases	3.00%	3.00%
Cost-of-living adjustments (COLA)	0.00%	0.00%

For the June 30, 2023 actuarial valuation, post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

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

Actuarial assumptions used in the June 30, 2023 valuation are based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

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

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

\* Final target weights reflected at October 1, 2022.

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**NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

**Discount Rate** - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. 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' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2023. 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, 2023.

**Sensitivity of the District'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, 2023, 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:

	Current Discount Rate		
	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net pension liability	\$ 16,613,543	\$ 10,803,598	\$ 5,889,975

**Assumption and Benefit Changes Since the Prior Measurement Date** - The discount rate remained at 7.00% for June 30, 2023 valuation. Demographic assumptions were changed based on the actuarial experience study for the period July 1, 2015 through June 30, 2021.

**NOTE 14 - DEFINED BENEFIT OPEB PLANS**

***Net OPEB Liability/Asset***

See Note 13 for a description of the net OPEB liability (asset).

***Plan Description - School Employees Retirement System (SERS)***

Health Care Plan Description - The District contributes to the SERS Health Care Fund, administered by SERS for non-certified 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](http://www.ohsers.org) under Employers/Audit Resources.

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**NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14% of covered payroll to the Health Care Fund in accordance with the funding policy. For the fiscal year ended June 30, 2024, 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 2024, this amount was \$30,000. 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 2024, the District's surcharge obligation was \$14,241.

The surcharge added to the allocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was \$14,241 for fiscal year 2024. Of this amount, \$14,241 is reported as intergovernmental payable.

***Plan Description - State Teachers Retirement System (STRS)***

Plan Description - The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. The 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](http://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, 2024, STRS did not allocate any employer contributions to post-employment health care.

***Net 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, 2023, 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 District's proportion of the net OPEB liability/asset was based on the District's share of contributions to the respective retirement systems relative to the contributions of all participating entities.

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**NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net OPEB liability/asset prior measurement date	0.068799900%	0.049253060%	
Proportion of the net OPEB liability/asset current measurement date	<u>0.063498500%</u>	<u>0.050167770%</u>	
Change in proportionate share	<u>-0.005301400%</u>	<u>0.000914710%</u>	
Proportionate share of the net OPEB liability	\$ 1,046,103	\$ -	\$ 1,046,103
Proportionate share of the net OPEB asset	\$ -	\$ (975,694)	\$ (975,694)
OPEB expense	\$ (158,946)	\$ (72,721)	\$ (231,667)

At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred outflows of resources</b>			
Differences between expected and actual experience	\$ 2,181	\$ 1,521	\$ 3,702
Net difference between projected and actual earnings on OPEB plan investments	8,105	1,743	9,848
Changes of assumptions	353,720	143,733	497,453
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	19,169	2,507	21,676
Contributions subsequent to the measurement date	<u>14,241</u>	<u>-</u>	<u>14,241</u>
Total deferred outflows of resources	<u>\$ 397,416</u>	<u>\$ 149,504</u>	<u>\$ 546,920</u>
<b>Deferred inflows of resources</b>			
Differences between expected and actual experience	\$ 539,512	\$ 148,823	\$ 688,335
Changes of assumptions	297,106	643,749	940,855
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	<u>237,722</u>	<u>9,673</u>	<u>247,395</u>
Total deferred inflows of resources	<u>\$ 1,074,340</u>	<u>\$ 802,245</u>	<u>\$ 1,876,585</u>

\$14,241 reported as deferred outflows of resources related to OPEB resulting from District 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, 2025.

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**NOTE 14 - 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:

Fiscal Year Ending June 30:	SERS	STRS	Total
2025	\$ (192,817)	\$ (291,387)	\$ (484,204)
2026	(168,027)	(131,443)	(299,470)
2027	(117,613)	(50,786)	(168,399)
2028	(81,687)	(68,269)	(149,956)
2029	(59,554)	(62,521)	(122,075)
Thereafter	<u>(71,467)</u>	<u>(48,335)</u>	<u>(119,802)</u>
Total	<u><u>\$ (691,165)</u></u>	<u><u>\$ (652,741)</u></u>	<u><u>\$ (1,343,906)</u></u>

***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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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 14 - 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, 2023 and June 30, 2022 are presented below:

**Wage inflation:**

Current measurement date	2.40%
Prior measurement date	2.40%

**Future salary increases, including inflation:**

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

**Investment rate of return:**

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

**Municipal bond index rate:**

Current measurement date	3.86%
Prior measurement date	3.69%

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

Current measurement date	4.27%
Prior measurement date	4.08%

**Medical trend assumption:**

Current measurement date	6.75 to 4.40%
Prior measurement date	7.00 to 4.40%

In 2023, the following mortality assumptions were used:

**Healthy Retirees** - PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females.

**Disabled Retirees** - 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.

**Contingent Survivors** - PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5% for males and adjusted 122.5% for females.

**Actives** - PUB-2010 General Amount Weighted Below Median Employee mortality table.

**Mortality Projection** - Mortality rates are projected using a fully generational projection with Scale MP-2020.

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

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

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)**

The long-term expected rate of return is reviewed as part of the regular experience studies prepared every five years for SERS. The most recent five-year experience study was performed for the period covering fiscal years 2016 through 2020, and was adopted by the Board on April 15, 2021. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a long-normal distribution analysis in which best estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) 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 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 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 asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00 %	0.75 %
US Equity	24.75	4.82
Non-US Equity Developed	13.50	5.19
Non-US Equity Emerging	6.75	5.98
Fixed Income/Global Bonds	19.00	2.24
Private Equity	12.00	7.49
Real Estate/Real Assets	17.00	3.70
Private Debt/Private Credit	5.00	5.64
Total	<u>100.00 %</u>	

**Discount Rate** - The discount rate used to measure the total OPEB liability at June 30, 2023, was 4.27%. The discount rate used to measure total OPEB liability prior to June 30, 2023, was 4.08%. 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 is projected to be depleted in 2048 by SERS' actuaries. The Fidelity General Obligation 20-year Municipal Bond Index Rate was used in the determination of the single equivalent interest rate for both the June 30, 2022 and the June 30, 2023 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 was 3.86% at June 30, 2023 and 3.69% at June 30, 2022.

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**NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)**

***Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates*** - The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability, what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.27%) and higher (5.27%) than the current discount rate (4.27%). 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%).

	Current		
	1% Decrease	Discount Rate	1% Increase
District's proportionate share of the net OPEB liability	\$ 1,337,219	\$ 1,046,103	\$ 816,546
	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	\$ 768,536	\$ 1,046,103	\$ 1,413,917

***Actuarial Assumptions - STRS***

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2023 actuarial valuation, compared with June 30, 2022 actuarial valuation, are presented below:

	June 30, 2023		June 30, 2022	
	Initial	Ultimate	Initial	Ultimate
Inflation	2.50%	2.50%		
Projected salary increases	Varies by service from 2.50% to 8.50%	Varies by service from 2.50% to 8.50%		
Investment rate of return	7.00%, net of investment expenses, including inflation	7.00%, net of investment expenses, including inflation		
Payroll increases	3.00%	3.00%		
Cost-of-living adjustments (COLA)	0.00%	0.00%		
Discount rate of return	7.00%	7.00%		
Blended discount rate of return	N/A	N/A		
Health care cost trends				
Medical				
Pre-Medicare	7.50%	4.14%	7.50%	3.94%
Medicare	-10.94%	4.14%	-68.78%	3.94%
Prescription Drug				
Pre-Medicare	-11.95%	4.14%	9.00%	3.94%
Medicare	1.33%	4.14%	-5.47%	3.94%

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

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**NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)**

For the June 30, 2023 actuarial valuation, for healthy retirees the post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020; pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. For disabled retirees, mortality rates are based on the Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

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

Actuarial assumptions used in the June 30, 2023 valuation are based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

***Assumption Changes Since the Prior Measurement Date*** - The discount rate remained unchanged at 7.00% for the June 30, 2023 valuation.

***Benefit Term Changes Since the Prior Measurement Date*** - Healthcare trends were updated to reflect emerging claims and recoveries experience as well as benefit changes effective January 1, 2024.

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

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

\* Final target weights reflected at October 1, 2022.

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

***Discount Rate*** - The discount rate used to measure the total OPEB liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed STRS continues to allocate no employer contributions to the health care fund. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2023. 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, 2023.

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**NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)**

***Sensitivity of the District'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, 2023, 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.

	Current		
	1% Decrease	Discount Rate	1% Increase
District's proportionate share of the net OPEB asset	\$ 825,797	\$ 975,694	\$ 1,106,238
District's proportionate share of the net OPEB asset	Current		
	1% Decrease	Trend Rate	1% Increase
	\$ 1,112,296	\$ 975,694	\$ 811,159

**NOTE 15 - CONTINGENCIES**

**A. Grants**

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

**B. Litigation**

The District is not involved in material litigation as either plaintiff or defendant.

**NOTE 16 - SET-ASIDES**

The District 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 requirements may not be carried forward to the next fiscal year.

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**NOTE 16 - SET-ASIDES - (Continued)**

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

	<u>Capital Improvements</u>
Set-aside balance June 30, 2023	\$ -
Current year set-aside requirement	89,224
Current year qualifying expenditures	<u>(3,124,329)</u>
Total	<u>\$ (3,035,105)</u>
Balance carried forward to fiscal year 2025	<u>\$ -</u>
Set-aside balance June 30, 2024	<u>\$ -</u>

**NOTE 17 - COMMITMENTS**

The District 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 District's commitments for encumbrances in the governmental funds were as follows:

<u>Fund</u>	<u>Year-End</u>
General	\$ 273,035
Permanent Improvement*	2,096,258
Nonmajor Governmental Funds**	<u>1,612,185</u>
Total	<u>\$ 3,981,478</u>

\*Included in this amount is a \$1,927,686 contract with Willham Roofing Company, Inc. for a roof replacement project for areas 9 and 13 of the building. The total amount paid on the contract as of June 30, 2024 was \$319,795.

\*\*Included in this amount is an \$864,000 contract with GPD Group for a building expansion project through the Ohio Facilities Construction Commission. The total amount paid on the contract as of June 30, 2024 was \$391,393.

**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 ended in April 2023. During fiscal year 2024, the District received COVID-19 funding. The District will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

REQUIRED SUPPLEMENTARY INFORMATION

**CUYAHOGA VALLEY CAREER CENTER  
CUYAHOGA 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, 2024

	<b>Budgeted Amounts</b>		<b>Actual Amounts Budgetary Basis</b>	<b>Variance with Final Budget - over (under) Actual Amounts</b>
	<b>Original</b>	<b>Final</b>		
Budgetary revenues and other financing sources	\$ 17,886,779	\$ 18,946,857	\$ 19,338,232	\$ 391,375
Budgetary expenditures and other financing uses	<u>17,966,825</u>	<u>20,729,825</u>	<u>19,761,040</u>	<u>(968,785)</u>
Net change in fund balance	(80,046)	(1,782,968)	(422,808)	1,360,160
<b>Budgetary fund balance at beginning of year</b>	19,663,977	19,663,977	19,663,977	-
<b>Prior year encumbrances appropriated</b>	248,801	248,801	248,801	-
<b>Budgetary fund balance at end of year</b>	<u>\$ 19,832,732</u>	<u>\$ 18,129,810</u>	<u>\$ 19,489,970</u>	<u>\$ 1,360,160</u>

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**CUYAHOGA VALLEY CAREER CENTER  
CUYAHOGA COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF  
THE NET PENSION LIABILITY AND  
DISTRICT PENSION CONTRIBUTIONS  
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO**

LAST TEN FISCAL YEARS

<b>Fiscal Year (1)</b>	<b>District's Proportion of the Net Pension Liability</b>	<b>District's Proportionate Share of the Net Pension Liability</b>	<b>District's Covered Payroll</b>	<b>District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
2024	0.06804110%	\$ 3,759,622	\$ 2,787,679	134.87%	76.06%
2023	0.07394500%	3,999,521	2,695,950	148.35%	75.82%
2022	0.07414700%	2,735,809	2,589,479	105.65%	82.86%
2021	0.07512210%	4,968,734	2,544,364	195.28%	68.55%
2020	0.07223420%	4,321,899	2,515,756	171.79%	70.85%
2019	0.07042370%	4,033,296	2,257,089	178.69%	71.36%
2018	0.071117350%	4,252,459	2,280,500	186.47%	69.50%
2017	0.07561390%	5,534,240	2,370,679	233.45%	62.98%
2016	0.07669700%	4,376,405	2,308,976	189.54%	69.16%
2015	0.09064900%	4,587,694	2,634,076	174.17%	71.70%

<b>Fiscal Year</b>	<b>Contributions in Relation to the Contractually Required Contributions</b>			<b>District's Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
	<b>Contractually Required Contributions</b>	<b>Contractually Required Contributions</b>	<b>Contribution Deficiency (Excess)</b>		
2024	\$ 379,761	\$ (379,761)	\$ -	\$ 2,712,579	14.00%
2023	390,275	(390,275)	-	2,787,679	14.00%
2022	377,433	(377,433)	-	2,695,950	14.00%
2021	362,527	(362,527)	-	2,589,479	14.00%
2020	356,211	(356,211)	-	2,544,364	14.00%
2019	339,627	(339,627)	-	2,515,756	13.50%
2018	304,707	(304,707)	-	2,257,089	13.50%
2017	319,270	(319,270)	-	2,280,500	14.00%
2016	331,895	(331,895)	-	2,370,679	14.00%
2015	304,323	(304,323)	-	2,308,976	13.18%

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**CUYAHOGA VALLEY CAREER CENTER  
CUYAHOGA COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF  
THE NET PENSION LIABILITY AND  
DISTRICT PENSION CONTRIBUTIONS  
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO**

LAST TEN FISCAL YEARS

<b>Fiscal Year (1)</b>	<b>District's Proportion of the Net Pension Liability</b>	<b>District's Proportionate Share of the Net Pension Liability</b>	<b>District's Covered Payroll</b>	<b>District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
2024	0.05016777%	\$ 10,803,598	\$ 6,581,236	164.16%	80.02%
2023	0.04925306%	10,949,017	6,432,086	170.22%	78.88%
2022	0.05090044%	6,508,078	6,278,000	103.66%	87.78%
2021	0.05114271%	12,374,716	6,173,386	200.45%	75.48%
2020	0.05299556%	11,719,650	6,265,729	187.04%	77.40%
2019	0.05226635%	11,492,197	5,775,457	198.98%	77.31%
2018	0.05317202%	12,631,127	6,121,250	206.35%	75.30%
2017	0.05514244%	18,457,837	5,751,557	320.92%	66.80%
2016	0.05541475%	15,315,016	5,844,300	262.05%	72.10%
2015	0.05761420%	14,013,767	5,886,577	238.06%	74.70%

<b>Fiscal Year</b>	<b>Contributions in Relation to the Contractually Required Contributions</b>			<b>District's Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
	<b>Contractually Required Contributions</b>	<b>Contractually Required Contributions</b>	<b>Contribution Deficiency (Excess)</b>		
2024	\$ 940,223	\$ (940,223)	\$ -	\$ 6,715,879	14.00%
2023	921,373	(921,373)	-	6,581,236	14.00%
2022	900,492	(900,492)	-	6,432,086	14.00%
2021	878,920	(878,920)	-	6,278,000	14.00%
2020	864,274	(864,274)	-	6,173,386	14.00%
2019	877,202	(877,202)	-	6,265,729	14.00%
2018	808,564	(808,564)	-	5,775,457	14.00%
2017	856,975	(856,975)	-	6,121,250	14.00%
2016	805,218	(805,218)	-	5,751,557	14.00%
2015	818,202	(818,202)	-	5,844,300	14.00%

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**CUYAHOGA VALLEY CAREER CENTER  
CUYAHOGA COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF  
THE NET OPEB LIABILITY AND  
DISTRICT OPEB CONTRIBUTIONS  
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO**

LAST EIGHT AND TEN FISCAL YEARS

<b>Fiscal Year (1) (2)</b>	<b>District's Proportion of the Net OPEB Liability</b>	<b>District's Proportionate Share of the Net OPEB Liability</b>	<b>District's Covered Payroll</b>	<b>District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability</b>
2024	0.06349850%	\$ 1,046,103	\$ 2,787,679	37.53%	30.02%
2023	0.06879990%	965,958	2,695,950	35.83%	30.34%
2022	0.06904280%	1,306,692	2,589,479	50.46%	24.08%
2021	0.07021020%	1,525,897	2,544,364	59.97%	18.17%
2020	0.06749940%	1,697,468	2,515,756	67.47%	15.57%
2019	0.06545790%	1,815,979	2,257,089	80.46%	13.57%
2018	0.06705290%	1,799,524	2,280,500	78.91%	12.46%
2017	0.07112492%	2,027,323	2,370,679	85.52%	11.49%

<b>Fiscal Year</b>	<b>Contractually Required Contributions</b>	<b>Contributions in Relation to the Contractually Required Contributions</b>	<b>Contribution Deficiency (Excess)</b>	<b>District's Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
2024	\$ 14,241	\$ (14,241)	\$ -	\$ 2,712,579	0.52%
2023	11,265	(11,265)	-	2,787,679	0.40%
2022	10,102	(10,102)	-	2,695,950	0.37%
2021	10,129	(10,129)	-	2,589,479	0.39%
2020	8,478	(8,478)	-	2,544,364	0.33%
2019	23,192	(23,192)	-	2,515,756	0.92%
2018	20,060	(20,060)	-	2,257,089	0.89%
2017	12,623	(12,623)	-	2,280,500	0.55%
2016	12,386	(12,386)	-	2,370,679	0.52%
2015	25,975	(25,975)	-	2,308,976	1.12%

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

(2) Information prior to 2017 is not available. Schedule is intended to show information for 10 years.

Additional years will be displayed as they become available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**CUYAHOGA VALLEY CAREER CENTER  
CUYAHOGA COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST EIGHT AND TEN FISCAL YEARS

<b>Fiscal Year (1) (2)</b>	<b>District's Proportion of the Net OPEB Liability/(Asset)</b>	<b>District's Proportionate Share of the Net OPEB Liability/(Asset)</b>	<b>District's Covered Payroll</b>	<b>District's Proportionate Share of the Net OPEB Liability/(Asset) as a Percentage of its Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability/(Asset)</b>
2024	0.05016777%	\$ (975,694)	\$ 6,581,236	14.83%	168.52%
2023	0.04925306%	(1,275,325)	6,432,086	19.83%	230.73%
2022	0.05090044%	(1,073,194)	6,278,000	17.09%	174.73%
2021	0.05114271%	(898,833)	6,173,386	14.56%	182.10%
2020	0.05299556%	(877,733)	6,265,729	14.01%	174.74%
2019	0.05226635%	(839,867)	5,775,457	14.54%	176.00%
2018	0.05317202%	2,074,576	6,121,250	33.89%	47.10%
2017	0.05514244%	2,949,032	5,751,557	51.27%	37.30%

<b>Fiscal Year</b>	<b>Contractually Required Contributions</b>	<b>Contributions in Relation to the Contractually Required Contributions</b>	<b>Contribution Deficiency (Excess)</b>	<b>District's Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
2024	\$ -	\$ -	\$ -	\$ 6,715,879	0.00%
2023	-	-	-	6,581,236	0.00%
2022	-	-	-	6,432,086	0.00%
2021	-	-	-	6,278,000	0.00%
2020	-	-	-	6,173,386	0.00%
2019	-	-	-	6,265,729	0.00%
2018	-	-	-	5,775,457	0.00%
2017	-	-	-	6,121,250	0.00%
2016	-	-	-	5,751,557	0.00%
2015	-	-	-	5,844,300	0.00%

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

(2) Information prior to 2017 is not available. Schedule is intended to show information for 10 years.

Additional years will be displayed as they become available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**CUYAHOGA VALLEY CAREER CENTER  
CUYAHOGA COUNTY, OHIO**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 1 - BUDGETARY PROCESS**

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

The schedule of revenue, expenditures and changes in fund balance - budget and actual (non-GAAP budgetary basis) presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

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

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

**Net Change in Fund Balance**

	<u>General fund</u>
Budget basis	\$ (422,808)
Net adjustment for revenue accruals and other financing sources	(872,554)
Net adjustment for expenditure accruals and other financing uses	303,962
Funds budgeted elsewhere	(10,488)
Adjustments for encumbrances	<u>251,595</u>
GAAP Basis	<u><u>\$ (750,293)</u></u>

As part of Governmental Accounting Standards Board Statement No. 54, “Fund Balance Reporting”, certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund.

**CUYAHOGA VALLEY CAREER CENTER  
CUYAHOGA COUNTY, OHIO**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 2 - PENSIONS & OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

**PENSION**

*SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO*

*Change in benefit terms:*

- There were no changes in benefit terms from the amounts reported for fiscal year 2015.
- There were no changes in benefit terms from the amounts reported for fiscal year 2016.
- There were no changes in benefit terms from the amounts reported for fiscal year 2017.
- For fiscal year 2018, SERS changed from a fixed 3% annual increase to a Cost of Living Adjustment (COLA) based on the changes in the Consumer Price Index (CPI-W), with a cap of 2.5% and a floor of 0%.
- For fiscal year 2019, with the authority granted the Board under Senate Bill 8, the Board has enacted a three year COLA delay for future benefit recipients commencing benefits on or after April 1, 2018.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2020.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2021.
- For fiscal year 2022, SERS changed from a Cost of Living Adjustment (COLA) of 2.5% to 2.0%.
- There were no changes in benefit terms from the amounts reported for fiscal year 2023.
- There were no changes in benefit terms from the amounts reported for fiscal year 2024.

*Change in assumptions:*

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

**CUYAHOGA VALLEY CAREER CENTER  
CUYAHOGA COUNTY, OHIO**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 2 - PENSIONS & OTHER POSTEMPLOYMENT BENEFITS (OPEB) - (Continued)**

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2023.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2024.

*STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO*

*Change in benefit terms:*

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

*Changes in assumptions:*

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2015.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2016.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017.
- For fiscal year 2018, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.75% to 7.45%, (b) the inflation assumption was lowered from 2.75% to 2.50%, (c) the payroll growth assumption was lowered to 3.00%, (d) total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation, (e) the healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016 and (f) rates of retirement, termination and disability were modified to better reflect anticipated future experience.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2019.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2020.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2021.
- For fiscal year 2022, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.45% to 7.00% and (b) the discount rate of return was reduced from 7.45% to 7.00%.
- For fiscal year 2023, the following changes of assumption affected the total pension liability since the prior measurement date: the projected salary increases went from 12.50% at age 20 to 2.50% at age 65 to varies by service from 2.50% to 8.50%.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2024.

**CUYAHOGA VALLEY CAREER CENTER  
CUYAHOGA COUNTY, OHIO**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 2 - PENSIONS & OTHER POSTEMPLOYMENT BENEFITS (OPEB) - (Continued)**

**OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

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

*Change in benefit terms:*

- There were no changes in benefit terms from the amounts reported for fiscal year 2017.
- There were no changes in benefit terms from the amounts reported for fiscal year 2018.
- There were no changes in benefit terms from the amounts reported for fiscal year 2019.
- There were no changes in benefit terms from the amounts reported for fiscal year 2020.
- There were no changes in benefit terms from the amounts reported for fiscal year 2021.
- There were no changes in benefit terms from the amounts reported for fiscal year 2022.
- There were no changes in benefit terms from the amounts reported for fiscal year 2023.
- There were no changes in benefit terms from the amounts reported for fiscal year 2024.

*Change 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%, and (c) the single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.22% to 2.63%.

**CUYAHOGA VALLEY CAREER CENTER  
CUYAHOGA COUNTY, OHIO**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 2 - PENSIONS & OTHER POSTEMPLOYMENT BENEFITS (OPEB) - (Continued)**

- For fiscal year 2022, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) wage inflation decreased from 3.00% to 2.40%, (b) future salary increases changed from 3.50%-18.20% to 3.25%-13.58%, (c) investment rate of return decreased from 7.50% to 7.00%, (d) discount rate decreased from 7.50% to 7.00% and (e) mortality tables changed from the RP-2014 Blue Collar mortality table to the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table.
- For fiscal year 2023, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) municipal bond index rate went from 1.92% to 3.69%, (b) single equivalent interest rate went from 2.27% to 4.08% and (c) medical trend assumptions went from 5.125% to 4.40% Medicare and 6.75% to 4.40% Pre-Medicare to 7.00% to 4.40%.
- For fiscal year 2024, the following changes of assumptions affect the total OPEB liability since the prior measurement date: (a) municipal bond index rate went from 3.69% to 3.86%, (b) single equivalent interest rate went from 4.08% to 4.27% and (c) medical trend assumptions went from 7.00% to 4.40% to 6.75% to 4.40%.

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

*Change in benefit terms:*

- There were no changes in benefit terms from the amounts previously reported for fiscal year 2017.
- For fiscal year 2018, STRS reduced the subsidy multiplier for non-Medicare benefit recipients from 2.1% to 1.9% per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019.
- For fiscal year 2019, STRS increased the subsidy multiplier for non-Medicare benefit recipients from 1.9% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.
- For fiscal year 2020, STRS increased the subsidy percentage from 1.944% to 1.984% effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.
- For fiscal year 2021, the non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984% to 2.055% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.
- For fiscal year 2022, the non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055% to 2.100%. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D subsidy was updated to reflect it is expected to be negative in CY2022. The Part B monthly reimbursement elimination date was postponed indefinitely.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2023.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2024.

**CUYAHOGA VALLEY CAREER CENTER  
CUYAHOGA COUNTY, OHIO**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 2 - PENSIONS & OTHER POSTEMPLOYMENT BENEFITS (OPEB) - (Continued)**

*Change in assumptions:*

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017.
- For fiscal year 2018, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.26% to 4.13% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB), (b) the long term expected rate of return was reduced from 7.75% to 7.45%, (c) valuation year per capita health care costs were updated, and the salary scale was modified, (d) the percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased and (e) the assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.
- For fiscal year 2019, the following changes of assumptions affected the total OPEB liability/asset since the prior measurement date: (a) the discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB) and (b) decrease in health care cost trend rates from 6.00%-11.00% initial; 4.50% ultimate down to Medical Pre-Medicare 6.00% and Medicare 5.00% initial; 4.00% ultimate and Prescription Drug Pre-Medicare 8.00% and Medicare (5.23%) initial; 4.00% ultimate.
- For fiscal year 2020, health care cost trend rates were changed to the following: medical pre-Medicare from 6.00% initial - 4.00% ultimate down to 5.87% initial - 4.00% ultimate; medical Medicare from 5.00% initial - 4.00% ultimate down to 4.93% initial - 4.00% ultimate; prescription drug pre-Medicare from 8.00% initial - 4.00% ultimate down to 7.73% initial - 4.00% ultimate and (5.23%) initial - 4.00% ultimate up to 9.62% initial - 4.00% ultimate.
- For fiscal year 2021, health care cost trend rates were changed to the following: medical pre-Medicare from 5.87% initial - 4.00% ultimate down to 5.00% initial - 4.00% ultimate; medical Medicare from 4.93% initial - 4.00% ultimate down to -6.69% initial - 4.00% ultimate; prescription drug pre-Medicare from 7.73% initial - 4.00% ultimate down to 6.50% initial - 4.00% ultimate; prescription drug Medicare from 9.62% initial - 4.00% ultimate up to 11.87% initial - 4.00% ultimate.
- For fiscal year 2022, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.45% to 7.00%, (b) the discount rate of return was reduced from 7.45% to 7.00% and (c) health care cost trend rates were changed to the following: medical Medicare from -6.69% initial - 4.00% ultimate down to -16.18% initial - 4.00% ultimate; prescription drug Medicare from 11.87% initial - 4.00% ultimate up to 29.98% initial - 4.00% ultimate.
- For fiscal year 2023, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) projected salary increase went from 12.50% at age 20 to 2.50% at age 65 to varies by services from 2.50% to 8.50% and (b) health care cost trend rates were changed to the following: Pre-Medicare from 5.00% initial - 4.00% ultimate to 7.50% initial - 3.94% ultimate; medical Medicare from -16.18% initial - 4.00% ultimate to -68.78% initial - 3.94% ultimate; prescription drug Pre-Medicare from 6.50% initial - 4.00% ultimate to 9.00% initial - 3.94% ultimate; Medicare from 29.98% initial - 4.00% ultimate to -5.47% initial - 3.94% ultimate.
- For fiscal year 2024, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) health care cost trend rates were changed to the following: Pre-Medicare from 7.50% initial - 3.94% ultimate to 7.50% initial - 4.14% ultimate; medical Medicare from -68.78% initial - 3.94% ultimate to -10.94% initial - 4.14% ultimate; prescription drug Pre-Medicare from 9.00% initial - 3.94% ultimate to -11.95% initial - 4.14% ultimate; Medicare from -5.47% initial - 3.94% ultimate to 1.33% initial - 4.14% ultimate.

## **SUPPLEMENTARY INFORMATION**

**CUYAHOGA VALLEY CAREER CENTER  
CUYAHOGA COUNTY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

<b>FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM/CLUSTER TITLE</b>	<b>ASSISTANCE LISTING NUMBER</b>	<b>PASS-THROUGH ENTITY IDENTIFYING NUMBER / ADDITIONAL AWARD IDENTIFICATION</b>	<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
<i>Passed Through the Ohio Department of Education and Workforce</i>			
Child Nutrition Cluster:			
National School Lunch Program - Food Donation	10.555	2024	\$ 6,440
COVID-19 - National School Lunch Program	10.555	COVID-19, 2024	27,582
National School Lunch Program	10.555	2024	42,756
<b>Total National School Lunch Program and Child Nutrition Cluster</b>			<b>76,778</b>
<b>Total U.S. Department of Agriculture</b>			<b>76,778</b>
<b>U.S. DEPARTMENT OF THE TREASURY</b>			
<i>Passed Through the Ohio Office of Budget and Management</i>			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds - School Safety Round #5	21.027	COVID-19, 2024	50,000
<b>Total U.S. Department of the Treasury</b>			<b>50,000</b>
<b>U.S. DEPARTMENT OF EDUCATION</b>			
<i>Direct Award</i>			
Student Financial Assistance Cluster:			
Federal Pell Grant Program	84.063	N/A	289,975
Federal Direct Student Loans	84.268	N/A	407,549
<b>Total Student Financial Assistance Cluster</b>			<b>697,524</b>
<i>Passed Through the Ohio Department of Education and Workforce</i>			
COVID-19 Governor's Emergency Education Relief (GEER II) Fund	84.425C	COVID-19, 84.425C, 2023	19,559
<i>Passed Through the Ohio Department of Education and Workforce</i>			
Career and Technical Education - Basic Grants to States	84.048A	84.048A, 2024	75,639
Career and Technical Education - Basic Grants to States	84.048A	84.048A, 2023	16,306
Career and Technical Education - Basic Grants to States - Adult	84.048A	84.048A, 2024	357,961
Career and Technical Education - Basic Grants to States - Adult	84.048A	84.048A, 2023	10,008
<b>Total Career and Technical Education_Basic Grants to States</b>			<b>459,914</b>
<b>Total U.S. Department of Education</b>			<b>1,176,997</b>
<b>Total Federal Financial Assistance</b>			<b>\$ 1,303,775</b>

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

**CUYAHOGA VALLEY CAREER CENTER  
CUYAHOGA COUNTY, OHIO**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
2 CFR 200.510(b)(6)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**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 Cuyahoga Valley Career Center under programs of the federal government for the fiscal year ended June 30, 2024 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 Cuyahoga Valley Career Center, it is not intended to and does not present the financial position or changes in net position of the Cuyahoga Valley Career 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 Cuyahoga Valley Career 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 Cuyahoga Valley Career Center commingles cash receipts from the U.S. Department of Agriculture with similar State grants. When reporting expenditures on this Schedule, the Cuyahoga Valley Career Center assumes it expends federal monies first.

**NOTE 4 – FOOD DONATION PROGRAM**

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

**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***

Cuyahoga Valley Career Center  
Cuyahoga County  
8001 Brecksville Road  
Brecksville, Ohio 44141

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 the Cuyahoga Valley Career Center, Cuyahoga County, Ohio, as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Cuyahoga Valley Career Center's basic financial statements, and have issued our report thereon dated December 19, 2024.

**Report on Internal Control over Financial Reporting**

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

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

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

Cuyahoga Valley Career Center

Cuyahoga County

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*

### **Report on Compliance and Other Matters**

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

### **Purpose of this Report**

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

A handwritten signature in black ink that reads "Julian & Grube, Inc." The signature is cursive and fluid, with a slight flourish at the end.

Julian & Grube, Inc.

December 19, 2024

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

Cuyahoga Valley Career Center  
Cuyahoga County  
8001 Brecksville Road  
Brecksville, Ohio 44141

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 Cuyahoga Valley Career 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 Cuyahoga Valley Career Center's major federal programs for the fiscal year ended June 30, 2024. The Cuyahoga Valley Career 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 Cuyahoga Valley Career 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, 2024.

#### ***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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 Cuyahoga Valley Career Center and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Cuyahoga Valley Career 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 Cuyahoga Valley Career Center's federal programs.

Cuyahoga Valley Career Center  
Cuyahoga County  
Independent Auditor's Report on Compliance for Each Major Federal Program  
and on Internal Control Over Compliance Required by the Uniform Guidance

***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 Cuyahoga Valley Career Center's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *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 Cuyahoga Valley Career Center's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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 Cuyahoga Valley Career Center's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Cuyahoga Valley Career Center's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Cuyahoga Valley Career Center's internal control over compliance. Accordingly, no such opinion is expressed.

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

***Report on Internal Control over Compliance***

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.

Cuyahoga Valley Career Center

Cuyahoga County

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

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 19, 2024

**CUYAHOGA VALLEY CAREER CENTER  
CUYAHOGA COUNTY, OHIO**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
JUNE 30, 2024**

<b>1. SUMMARY OF AUDITOR'S RESULTS</b>		
(d)(1)(i)	<i>Type of Financial Statement Opinion</i>	Unmodified
(d)(1)(ii)	<i>Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?</i>	No
(d)(1)(ii)	<i>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</i>	None reported
(d)(1)(iii)	<i>Was there any reported material noncompliance at the financial statement level (GAGAS)?</i>	No
(d)(1)(iv)	<i>Were any material weaknesses in internal control reported for major federal programs?</i>	No
(d)(1)(iv)	<i>Were there any significant deficiencies in internal control reported for major federal programs?</i>	None reported
(d)(1)(v)	<i>Type of Major Program's Compliance Opinion</i>	Unmodified
(d)(1)(vi)	<i>Are there any reportable findings under 2 CFR §200.516(a)?</i>	No
(d)(1)(vii)	<i>Major Program(s) (listed):</i>	Career and Technical Education – Basic Grants to States (ALN 84.048)
(d)(1)(viii)	<i>Dollar Threshold: Type A/B Programs</i>	Type A: >\$750,000 Type B: all others
(d)(1)(ix)	<i>Low Risk Auditee under 2 CFR § 200.520?</i>	Yes

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

None

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None

# OHIO AUDITOR OF STATE KEITH FABER



CUYAHOGA VALLEY CAREER CENTER

CUYAHOGA COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 3/4/2025

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

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)