CUYAHOGA VALLEY CAREER CENTER

CUYAHOGA COUNTY, OHIO

SINGLE AUDIT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2023

Julian & Grube
Serving Ohio Local Governments

OHIO AUDITOR OF STATE
KEITH FABER

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Members of the Board
Cuyahoga Valley Career Center
8001 Brecksville Rd
Brecksville, OH 44141

We have reviewed the *Independent Auditor's Report* of Cuyahoga Valley Career Center, Cuyahoga County, prepared by Julian & Grube, Inc., for the audit period July 1, 2022 through June 30, 2023. 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. Cuyahoga Valley Career Center is responsible for compliance with these laws and regulations.

Keith Faber
Auditor of State
Columbus, Ohio

January 29, 2024

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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, OH 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, 2023, 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, 2023, and the respective changes in financial position, thereof and the budgetary comparison for the General Fund 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, and schedules of net pension and other post-employment benefit assets and liabilities and pension and other post-employment benefit contributions, listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2023 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.

Julian & Grube, Inc.
December 13, 2023

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

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, 2023. 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 2023 are as follows:

- In total, net position of governmental activities increased $3,411,233, which represents a 13.49% increase from 2022's net position.

- General revenues accounted for $18,656,597 in revenue or 89.21% of all revenues. Program specific revenues in the form of charges for services and sales and operating grants and contributions accounted for $2,255,504 or 10.79% of total revenues of $20,912,101.

- The District had $17,500,868 in expenses related to governmental activities; $2,255,504 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 $18,656,597 were more than adequate to provide for these programs.

- The District's largest major governmental fund is the general fund. The general fund had $18,420,915 in revenues and other financing sources and $17,738,601 in expenditures and other financing uses. During fiscal 2023, the general fund's fund balance increased from a balance of $19,840,686 to $20,522,875.

- The permanent improvement fund is the District's other major fund. The permanent improvement fund had $3,773,542 of transfers-in from the general fund and $2,129,382 in expenditures. During fiscal 2023, the permanent improvement fund's fund balance increased from a balance of $1,729,281 to $3,373,441.

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 s*tatement of net position* and s*tatement 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 2023?" The statement of net position and the statement of activities answer this question. These statements include *all assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenses* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the 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.

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.

The District as a Whole

The table below provides a summary of the District's net position for June 30, 2023 and June 30, 2022.

Net Position

	Governmental Activities 2023	Governmental Activities 2022
Assets		
Current and other assets	$ 39,466,731	$ 37,917,847
Net OPEB asset	1,275,325	1,073,194
Capital assets	19,577,095	19,092,747
Total assets	60,319,151	58,083,788
Deferred outflows of resources		
Pension	3,367,355	3,423,872
OPEB	305,110	376,713
Total deferred outflows of resources	3,672,465	3,800,585
Liabilities		
Current liabilities	1,628,506	1,628,141
Long-term liabilities:		
Due within one year	266,019	175,771
Due in more than one year:		
Net pension liability	14,948,538	9,243,887
Net OPEB liability	965,958	1,306,692
Other amounts	1,330,381	1,462,138
Total liabilities	19,139,402	13,816,629
Deferred inflows of resources		
Property taxes levied for the next fiscal year	10,640,686	11,586,032
Payment in lieu of taxes levied for the next fiscal year	186,363	162,347
Lease	1,333,857	1,359,674
Pension	1,724,644	7,525,743
OPEB	2,260,458	2,138,975
Total deferred inflows of resources	16,146,008	22,772,771
Net Position		
Net investment in capital assets	19,151,932	18,844,291
Restricted	862,008	835,231
Unrestricted	8,692,266	5,615,451
Total net position	$ 28,706,206	$ 25,294,973

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.

Over time net position can serve as a useful indicator of a government's financial position. At June 30, 2023, the District's total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources by $28,706,206.

At year-end, capital assets represented 32.46% 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, 2023, was $19,151,932. 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.

The net pension liability increased $5,704,651 and deferred inflows of resources related to pension decreased $5,801,099. These changes were the result of changes at the pension system level for the State Teachers Retirement System (STRS) and the School Employees Retirement System (SERS). Primarily, net investment income on investments at both pension systems were negative for the fiscal year 2022 measurement date that are used for the fiscal year 2023 reporting. This caused a large decrease in their respective fiduciary net positions which was a drastic change from the previous fiscal year's large positive investment returns.

A portion of the District's net position at June 30, 2023, $862,008, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position is $8,692,266.

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

Change in Net Position

	Governmental Activities 2023	Governmental Activities 2022
Revenues		
Program revenues:		
Charges for services and sales	$ 1,060,858	$ 1,336,074
Operating grants and contributions	1,127,431	1,454,549
Capital grants and contributions	67,215	-
General revenues:		
Property taxes	14,574,409	12,834,255
Payment in lieu of taxes	186,096	127,965
Grants and entitlements	3,524,213	3,412,737
Investment earnings	527,869	216,554
Change in fair value of investments	(180,847)	(785,901)
Miscellaneous	24,857	44,146
Total revenues	20,912,101	18,640,379

(Continued)

Change in Net Position - (Continued)

	Governmental Activities 2023	Governmental Activities 2022
Expenses		
Program expenses:		
Instruction:		
Regular	$ 856,520	$ 742,658
Vocational	7,605,523	6,147,977
Adult education	1,176,196	1,049,872
Support services:		
Pupil	1,108,612	1,103,016
Instructional staff	1,787,010	1,196,448
Board of education	31,815	27,540
Administration	1,529,069	1,353,000
Fiscal	734,206	626,948
Business	394,428	322,506
Operations and maintenance	1,603,145	1,484,165
Pupil transportation	20,111	32,933
Central	34,900	36,778
Operation of non-instructional services:		
Other non-instructional services	-	639
Food service operations	140,063	128,156
Extracurricular activities	193,561	146,907
On behalf payments for other entities	274,508	507,271
Interest and fiscal charges	11,201	17,032
Total expenses	17,500,868	14,923,846
Change in net position	3,411,233	3,716,533
Net position at beginning of year	25,294,973	21,578,440
Net position at end of year	$ 28,706,206	$ 25,294,973

Governmental Activities

Net position of the District's governmental activities increased $3,411,233 during fiscal year 2023. Total governmental expenses of $17,500,868 were offset by program revenues of $2,255,504 and general revenues of $18,656,597. Program revenues supported 12.89% of the total governmental expenses.

In the area of program revenues, operating grants and contributions decreased, which is primarily attributable to Coronavirus Relief funding and Higher Education Emergency Relief (HEERF) funding provided during fiscal year 2022. This funding was provided in response to the COVID-19 pandemic. Capital grants and contributions increased during fiscal year 2023, which represents investment earnings and funding received from the School Safety Grant program, which was created to help schools pay for physical security expenses such as new security cameras, public address systems, automatic door locks, visitor badging systems and exterior lighting.

The primary sources of revenue for governmental activities are derived from levied taxes and unrestricted grants and entitlements. These revenue sources represent 87.44% of total governmental revenue for fiscal year 2023. 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 increased as a result of a fluctuation in property taxes collected by June 30, 2023, 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 2023 and the negative change in fair value of investments decreased from prior year as a result of fluctuations in the economy.

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

Governmental Activities

	Total Cost of Services 2023	Net Cost of Services 2023	Total Cost of Services 2022	Net Cost of Services 2022
Program expenses				
Instruction:				
Regular	$ 856,520	$ 856,520	$ 742,658	$ 742,658
Vocational	7,605,523	7,259,765	6,147,977	5,797,017
Adult Education	1,176,196	89,803	1,049,872	(547,543)
Support services:				
Pupil	1,108,612	1,107,066	1,103,016	1,102,960
Instructional staff	1,787,010	1,546,459	1,196,448	969,121
Board of education	31,815	31,635	27,540	27,540
Administration	1,529,069	1,289,792	1,353,000	1,059,689
Fiscal	734,206	733,780	626,948	626,871
Business	394,428	394,428	322,506	322,506
Operations and maintenance	1,603,145	1,585,608	1,484,165	1,420,345
Pupil transportation	20,111	20,111	32,933	32,933
Central	34,900	2,271	36,778	3,543
Operation of non-instructional services:				
Other non-instructional services			639	639
Food service operations	140,063	50,239	128,156	(23,831)
Extracurricular activities	193,561	147,611	146,907	74,472
On behalf payments for other entities	274,508	119,075	507,271	507,271
Interest and fiscal charges	11,201	11,201	17,032	17,032
Total expenses	$ 17,500,868	$ 15,245,364	$ 14,923,846	$ 12,133,223

The dependence upon taxes and other general revenues for governmental activities is apparent; 85.14% of instruction activities are supported through taxes and other general revenues for fiscal year 2023. For all governmental activities, general revenue support is 87.11% for fiscal year 2023. 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 $24,451,696, which is higher than last year's total of $22,407,262. The schedule indicates the fund balance and the total change in fund balance as of June 30, 2023 and 2022.

	Fund Balance June 30, 2023	Fund Balance June 30, 2022	Increase (Decrease)
General	$ 20,522,875	$ 19,840,686	$ 682,189
Permanent improvement fund	3,373,441	1,729,281	1,644,160
Other Governmental	555,380	837,295	(281,915)
Total	$ 24,451,696	$ 22,407,262	$ 2,044,434

General Fund

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

	2023 Amount	2022 Amount	Percentage Change
Revenues			
Taxes	$ 14,378,430	$ 12,840,133	11.98 %
Tuition and fees	40,229	96,727	(58.41) %
Earnings on investments	497,518	204,792	142.94 %
Change in FV of investments	(180,847)	(785,901)	76.99 %
Intergovernmental	3,584,344	3,484,091	2.88 %
Other revenues	101,241	115,976	(12.71) %
Total	$ 18,420,915	$ 15,955,818	15.45 %
Expenditures			
Instruction	$ 7,214,301	$ 6,853,714	5.26 %
Support services	6,405,225	6,152,902	4.10 %
Other non-instructional services	-	639	100.00 %
Extracurricular activities	51,287	70,927	(27.69) %
On behalf payments for other entities	169,075	238,163	(29.01) %
Debt service	65,013	65,012	0.00 %
Total	$ 13,904,901	$ 13,381,357	3.91 %

The general fund balance increased by $682,189 and had a change in reserve for inventory of ($125) during fiscal year 2023.

Total general fund revenues increased $2,465,097 or 15.45% during the fiscal year. Tax revenue increased 11.98%, when compared to the prior fiscal year due to an increase in assessed values and collections and fluctuation in tax advance available at fiscal year-end. Earnings on investments increased and the negative change in fair value of investments decreased during the fiscal year due to fluctuations in the economy and higher interest rates. Other revenues decreased in fiscal year 2023, as the District received fewer refund and reimbursements.

Total general fund expenditures increased $523,544 or 3.91% during fiscal year 2023. Instruction and support services increased due to overall increases in salaries and benefits. Extracurricular activities decreased from fewer student activities; and the District made fewer payments on behalf of other entities during fiscal year 2023.

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 2023, the District amended its general fund budget several times. For the general fund, original and final budgeted revenues and other financing sources were $16,962,670 and $17,538,618, respectively. Actual revenues and other financing sources for fiscal 2023 were $17,765,516. This represents a $226,898 increase from final budgeted revenues and other financing sources.

General fund original appropriations (appropriated expenditures plus other financing uses) of $16,556,763 increased to $18,419,245 in the final budget. The actual budget basis expenditures and other financing uses for fiscal year 2023 totaled $18,177,679, which was $241,566 less than the final budget appropriations. The positive variance with final and original budgeted appropriations was caused by the District's conservative spending.

Permanent Improvement Fund

The permanent improvement fund had $2,129,382 in expenditures during fiscal year 2023. The fund accounted for the ongoing building exterior and storage building construction projects, as well as various other maintenance and repair expenditures.

Capital Assets

At the end of fiscal 2023, the District had $19,577,095 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 2023 balances compared to 2022:

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

	Governmental Activities	
	2023	2022
Land	$ 563,010	$ 563,010
Construction in progress	375,540	5,270,040
Land improvements	1,093,039	26,013
Building and improvements	15,146,304	10,271,729
Furniture and equipment	2,006,699	2,433,827
Vehicles	234,689	320,623
Intangible right to use:		
Leased equipment	157,814	207,505
Total	$ 19,577,095	$ 19,092,747

The overall increase in capital assets of $484,348 is due to capital outlays (net of construction in progress disposals) of $2,043,153 exceeding depreciation/amortization expense of $958,636 and disposals (net of accumulated depreciation) of $600,169.

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

Debt Administration

At June 30, 2023, the District had $194,644 in lease payable. Of this total, $56,565 is due within one year and $138,079 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.

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, 2023

		Governmental Activities
Assets:		
Equity in pooled cash and cash equivalents	$	6,516,876
Investments		17,543,767
Receivables:		
Property taxes		13,700,263
Payment in lieu of taxes		186,363
Accounts		27,076
Accrued interest		77,569
Intergovernmental		16,547
Lease		1,383,431
Prepayments		3,491
Materials and supplies inventory		9,266
Inventory held for resale		2,082
Net OPEB asset		1,275,325
Capital assets:		
Nondepreciable/amortized capital assets		938,550
Depreciable/amortized capital assets, net		18,638,545
Capital assets, net		19,577,095
Total assets		60,319,151
Deferred outflows of resources:		
Pension		3,367,355
OPEB		305,110
Total deferred outflows of resources		3,672,465
Liabilities:		
Accounts payable		57,521
Contracts payable		211,243
Retainage payable		19,276
Accrued wages and benefits payable		1,176,490
Intergovernmental payable		163,976
Long-term liabilities:		
Due within one year		266,019
Due in more than one year:		
Net pension liability		14,948,538
Net OPEB liability		965,958
Other amounts due in more than one year		1,330,381
Total liabilities		19,139,402
Deferred inflows of resources:		
Property taxes levied for the next fiscal year		10,640,686
Payment in lieu of taxes levied for the next fiscal year		186,363
Lease		1,333,857
Pension		1,724,644
OPEB		2,260,458
Total deferred inflows of resources		16,146,008
Net position:		
Net investment in capital assets		19,151,932
Restricted for:		
Adult education		487,904
State funded programs		4,546
Federally funded programs		50,000
OPEB		250,233
Other purposes		69,325
Unrestricted		8,692,266
Total net position	$	28,706,206

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, 2023

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	**Charges for Services and Sales**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**
Governmental activities:					
Instruction:					
Regular	$ 856,520	$ -	$ -	$ -	$ (856,520)
Vocational	7,605,523	82,728	263,030	-	(7,259,765)
Adult/continuing	1,176,196	716,979	369,414	-	(89,803)
Support services:					
Pupil	1,108,612	1,546	-	-	(1,107,066)
Instructional staff	1,787,010	12,916	227,635	-	(1,546,459)
Board of education	31,815	120	60	-	(31,635)
Administration	1,529,069	164,024	75,253	-	(1,289,792)
Fiscal	734,206	426	-	-	(733,780)
Business	394,428	-	-	-	(394,428)
Operations and maintenance	1,603,145	322	-	17,215	(1,585,608)
Pupil transportation	20,111	-	-	-	(20,111)
Central	34,900	-	32,629	-	(2,271)
Operation of non-instructional services:					
Food service operations	140,063	40,813	49,011	-	(50,239)
Extracurricular activities	193,561	40,984	4,966	-	(147,611)
On behalf payments for other entities	274,508	-	105,433	50,000	(119,075)
Interest and fiscal charges	11,201	-	-	-	(11,201)
Totals	$ 17,500,868	$ 1,060,858	$ 1,127,431	$ 67,215	(15,245,364)
			General revenues:		
			Property taxes levied for:		
			General purposes		14,574,409
			Payments in lieu of taxes		186,096
			Grants and entitlements not restricted to specific programs		3,524,213
			Investment earnings		527,869
			Change in fair value of investments		(180,847)
			Miscellaneous		24,857
			Total general revenues		18,656,597
			Change in net position		3,411,233
			Net position at beginning of year		25,294,973
			Net position at end of year		$ 28,706,206

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CUYAHOGA VALLEY CAREER CENTER
CUYAHOGA COUNTY, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

	General	Permanent Improvement	Nonmajor Governmental Funds	Total Governmental Funds
Assets:				
Equity in pooled cash				
and cash equivalents	$ 2,106,525	$ 3,622,250	$ 788,101	$ 6,516,876
Investments	17,543,767	-	-	17,543,767
Receivables:				
Property taxes	13,700,263	-	-	13,700,263
Payment in lieu of taxes	186,363	-	-	186,363
Accounts	23,042	-	4,034	27,076
Accrued interest	77,569	-	-	77,569
Interfund loans	148,117	-	-	148,117
Intergovernmental	3,026	-	13,521	16,547
Lease	1,383,431	-	-	1,383,431
Prepayments	3,112	-	379	3,491
Materials and supplies inventory	765	-	8,501	9,266
Inventory held for resale	-	-	2,082	2,082
Total assets	$ 35,175,980	$ 3,622,250	$ 816,618	$ 39,614,848
Liabilities:				
Accounts payable	$ 13,781	$ 18,290	$ 25,450	$ 57,521
Contracts payable	-	211,243	-	211,243
Retainage payable	-	19,276	-	19,276
Accrued wages and benefits payable	1,105,184	-	71,306	1,176,490
Compensated absences payable	167,126	-	-	167,126
Intergovernmental payable	149,726	-	14,250	163,976
Interfund loans payable	-	-	148,117	148,117
Total liabilities	1,435,817	248,809	259,123	1,943,749
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	10,640,686	-	-	10,640,686
Payment in lieu of taxes levied for the next fiscal year	186,363	-	-	186,363
Delinquent property tax revenue not available	1,001,830	-	-	1,001,830
Accrued interest not available	54,552	-	-	54,552
Miscellaneous revenue not available	-	-	2,115	2,115
Lease	1,333,857	-	-	1,333,857
Total deferred inflows of resources	13,217,288	-	2,115	13,219,403
Fund balances:				
Nonspendable:				
Materials and supplies inventory	765	-	8,501	9,266
Prepaids	3,112	-	379	3,491
Unclaimed monies	9,046	-	-	9,046
Restricted:				
Adult education	-	-	564,161	564,161
State funded programs	-	-	4,546	4,546
Federally funded programs	-	-	50,000	50,000
Other purposes	-	-	60,279	60,279
Committed:				
Capital improvements	-	3,373,441	-	3,373,441
Assigned:				
Student instruction	54,242	-	-	54,242
Student and staff support	371,305	-	-	371,305
On behalf payments to other entities	60,000	-	-	60,000
Supplies	17,201	-	-	17,201
Other purposes	239,901	-	-	239,901
Unassigned (deficit)	19,767,303	-	(132,486)	19,634,817
Total fund balances	20,522,875	3,373,441	555,380	24,451,696
Total liabilities, deferred inflows and fund balances	$ 35,175,980	$ 3,622,250	$ 816,618	$ 39,614,848

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, 2023

Total governmental fund balances		$ 24,451,696
Amounts reported for governmental activities on the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		19,577,095
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Property taxes receivable	$ 1,001,830	
Accounts receivable	2,115	
Accrued interest receivable	54,552	
Total		1,058,497
The net pension/OPEB assets & liabilities are not available nor due and payable in the current period; therefore, the assets, liabilities and related deferred inflows/outflows are not reported in governmental funds.		
Deferred outflows - pension	3,367,355	
Deferred inflows - pension	(1,724,644)	
Net pension liability	(14,948,538)	
Deferred outflows - OPEB	305,110	
Deferred inflows - OPEB	(2,260,458)	
Net OPEB asset	1,275,325	
Net OPEB liability	(965,958)	
Total		(14,951,808)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Lease payable	(194,644)	
Compensated absences	(1,234,630)	
Total		(1,429,274)
Net position of governmental activities		$ 28,706,206

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, 2023

	General	Permanent Improvement	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Property taxes	$ 14,192,334	$ -	$ -	$ 14,192,334
Intergovernmental	3,584,344	-	1,150,221	4,734,565
Investment earnings	497,518	-	2,508	500,026
Tuition and fees	40,229	-	870,013	910,242
Extracurricular	-	-	41,061	41,061
Rental income	42,332	-	19	42,351
Charges for services	32,530	-	41,992	74,522
Contributions and donations	2,920	-	3,291	6,211
Payment in lieu of taxes	186,096	-	-	186,096
Miscellaneous	23,459	-	18,877	42,336
Change in fair value of investments	(180,847)	-	-	(180,847)
Total revenues	18,420,915	-	2,127,982	20,548,897
Expenditures:				
Current:				
Instruction:				
Regular	834,793	-	-	834,793
Vocational	6,379,508	-	253,122	6,632,630
Adult/continuing	-	-	1,264,455	1,264,455
Support services:				
Pupil	1,273,917	-	-	1,273,917
Instructional staff	1,251,529	351,580	242,280	1,845,389
Board of education	31,679	-	209	31,888
Administration	1,261,600	-	263,094	1,524,694
Fiscal	745,211	-	-	745,211
Business	392,822	-	-	392,822
Operations and maintenance	1,428,331	-	17,215	1,445,546
Pupil transportation	20,136	-	-	20,136
Central	-	-	34,900	34,900
Operation of non-instructional services:				
Food service operations	-	-	143,206	143,206
Extracurricular activities	51,287	-	142,274	193,561
On behalf payments for other entities	169,075	-	105,433	274,508
Facilities acquisition and construction	-	1,777,802	-	1,777,802
Debt service:				
Principal retirement	53,812	-	-	53,812
Interest and fiscal charges	11,201	-	-	11,201
Total expenditures	13,904,901	2,129,382	2,466,188	18,500,471
Excess (deficiency) of revenues over (under) expenditures	4,516,014	(2,129,382)	(338,206)	2,048,426
Other financing sources (uses):				
Transfers in	-	3,773,542	60,158	3,833,700
Transfers (out)	(3,833,700)	-	-	(3,833,700)
Total other financing sources (uses)	(3,833,700)	3,773,542	60,158	-
Net change in fund balances	682,314	1,644,160	(278,048)	2,048,426
Fund balances at beginning of year	19,840,686	1,729,281	837,295	22,407,262
Change in reserve for inventory	(125)	-	(3,867)	(3,992)
Fund balances at end of year	$ 20,522,875	$ 3,373,441	$ 555,380	$ 24,451,696

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, 2023

Net change in fund balances - total governmental funds		$ 2,048,426
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense.		
Capital asset additions	$ 2,043,153	
Current year depreciation/amortization	(958,636)	
Total		1,084,517
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.		(600,169)
Governmental funds report expenditures for inventory when purchased. However, in the statement of activities, they are reported as an expense when consumed.		(3,992)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	382,075	
Tuition	(2,885)	
Earnings on investments	25,918	
Miscellaneous	(1,522)	
Intergovernmental	(40,382)	
Total		363,204
Repayment of lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.		53,812
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	1,311,648	
OPEB	11,265	
Total		1,322,913
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	(1,271,717)	
OPEB	338,514	
Total		(933,203)
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.		75,725
Change in net position of governmental activities		$ 3,411,233

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CUYAHOGA VALLEY CAREER CENTER
CUYAHOGA COUNTY, OHIO

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

	Budgeted Amounts			Variance with Final Budget Positive
	Original	**Final**	**Actual**	**(Negative)**
Revenues:				
Property taxes	$ 12,946,060	$ 13,439,351	$ 13,295,811	$ (143,540)
Intergovernmental	3,446,864	3,516,307	3,581,297	64,990
Investment earnings	186,683	195,760	468,131	272,371
Tuition and fees	38,900	39,000	5,132	(33,868)
Rental income	194	200	322	122
Payment in lieu of taxes	124,150	127,798	188,114	60,316
Miscellaneous	11,849	12,202	18,187	5,985
Total revenues	16,754,700	17,330,618	17,556,994	226,376
Expenditures:				
Current:				
Instruction:				
Regular	7,622	8,167	854,624	(846,457)
Vocational	11,957,396	12,178,852	6,460,455	5,718,397
Support services:				
Pupil	25,760	25,825	1,299,977	(1,274,152)
Instructional staff	441,652	442,652	1,247,857	(805,205)
Board of education	17,657	23,657	32,131	(8,474)
Administration	251,244	254,004	1,294,296	(1,040,292)
Fiscal	340,303	340,303	693,896	(353,593)
Business	39,272	46,672	396,141	(349,469)
Operations and maintenance	972,357	971,457	1,555,110	(583,653)
Pupil transportation	14,500	15,675	20,136	(4,461)
Onbehalf payments for other entities	240,000	240,000	229,075	10,925
Total expenditures	14,307,763	14,547,264	14,083,698	463,566
Excess of revenues over expenditures	2,446,937	2,783,354	3,473,296	689,942
Other financing sources (uses):				
Refund of prior year expenditures	970	1,000	1,522	522
Refund of prior year receipts	(2,000)	-	-	-
Transfers (out)	(2,040,000)	(3,871,981)	(3,871,981)	-
Advances in	207,000	207,000	207,000	-
Advances (out)	(207,000)	-	(222,000)	(222,000)
Total other financing sources (uses)	(2,041,030)	(3,663,981)	(3,885,459)	(221,478)
Net change in fund balance	405,907	(880,627)	(412,163)	468,464
Fund balance at beginning of year	19,885,841	19,885,841	19,885,841	-
Prior year encumbrances appropriated	190,299	190,299	190,299	-
Fund balance at end of year	$ 20,482,047	$ 19,195,513	$ 19,663,977	$ 468,464

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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 7,811 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 55 certified employees, 8 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 7,811 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).

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 2023, the District paid $52,416 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 $21,570 to Connect during fiscal year 2023 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.

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.

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 - The permanent improvement capital projects fund accounts for tranactions 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.

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.

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

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, 2023, but which were levied to finance fiscal year 2024 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the District unavailable revenue includes, but is not limited to, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. 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. Budgetary statements are presented beyond that legal level of control for informational purposes only. 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.

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

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 statement reflect the amounts set forth in the final amended certificate of estimated resources issued for fiscal year 2023.

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 statement of budgetary comparisons 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 2023, investments consisted of Federal Agency securities, negotiable certificates of deposit (CDs), U.S. government money market fund, U.S. Treasury note and STAR Ohio. Except for STAR Ohio, investments are reported at fair value, which is based on quoted market prices.

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

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 2023 amounted to $497,518 which includes $72,756 assigned from other District funds.

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.

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

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:

Description	Governmental Activities Estimated Lives
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.

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, 2023 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.

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

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.

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.

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

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.

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 2023, there were no extraordinary or special items.

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

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.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

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

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

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

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

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

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

B. Deficit Fund Balances

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

Nonmajor special revenue funds	Deficit
Food service	$ 53,301
Student managed activities	79,159

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.

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;

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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.

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, 2023, the carrying amount of all District deposits was $1,023,156 and the bank balance of all District deposits was $1,132,276. Of the bank balance, $250,000 was covered by the FDIC, $523,708 was covered by the Ohio Pooled Collateral System (OPCS), and $358,568 was exposed to custodial credit risk because the amount was uninsured and uncollateralized.

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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 2023, the District's financial institutions were approved for a reduced collateral rate of 50 percent through the OPCS but had 59.36 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, 2023, the District had the following investments and maturities:

		Investment Maturities				
Measurement/ Investment Type	Measurement Value	6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater than 24 months
Fair Value:						
FHLMC	$ 286,063	$ 149,747	$ -	$ -	$ -	$ 136,316
FNMA	429,728	-	-	289,296	-	140,432
FHLB	1,463,078	-	238,188	-	-	1,224,890
FFCB	4,680,126	247,108	-	957,240	230,648	3,245,130
Negotiable CDs	2,931,939	634,196	1,359,498	479,318	233,184	225,743
U.S. Government money market	70,906	70,906	-	-	-	-
U.S. Treasury Note	7,752,837	1,142,302	243,545	473,673	1,058,860	4,834,457
Amortized Cost:						
STAR Ohio	5,421,310	5,421,310	-	-	-	-
Total	$ 23,035,987	$ 7,665,569	$ 1,841,231	$ 2,199,527	$ 1,522,692	$ 9,806,968

The weighted average maturity of investments is 1.84 years.

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, FFLB and FFCB), U.S. Treasury note, 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.

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Credit Risk: The District's investments in Federal Agency securities and U.S. Treasury note 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, 2023:

Measurement/Investment type	Measurement Value	% to Total
Fair Value:		
FHLMC	$ 286,063	1.24
FNMA	429,728	1.87
FHLB	1,463,078	6.35
FFCB	4,680,126	20.32
Negotiable CDs	2,931,939	12.73
U.S. Government money market	70,906	0.31
U.S. Treasury note	7,752,837	33.65
Amortized Cost:		
STAR Ohio	5,421,310	23.53
Total	$ 23,035,987	100.00

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

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

Cash and investments per note	
Carrying amount of deposits	$ 1,023,156
Investments	23,035,987
Cash on hand	1,500
Total	$ 24,060,643
Cash and investments per statement of net position	
Governmental activities	$ 24,060,643

NOTE 5 - INTERFUND TRANSACTIONS

A. Interfund balances at June 30, 2023 as reported on the fund statements, consist of the following individual interfund loans receivable and payable:

Receivable fund	Payable fund	Amount
General	Nonmajor special revenue funds:	
	Food service	$ 75,000
	Student managed activities	65,000
	Governor's Emergency Education Relief (GEER)	818
	Vocational education	7,299
	Total interfund loans receivable/payable	$ 148,117

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, 2023 are reported on the Statement of Net Position.

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

Transfers from:	Transfers to:	Amount
General fund	Permanent improvement fund	$ 3,773,542
	Nonmajor special revenue funds:	
	Student managed activities	60,158
	Total transfers	$ 3,833,700

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.

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 2023 represent the collection of calendar year 2022 taxes. Real property taxes received in calendar year 2023 were levied after April 1, 2022, on the assessed values as of January 1, 2022, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised 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 2023 represent the collection of calendar year 2022 taxes. Public utility real and personal property taxes received in calendar year 2023 became a lien on December 31, 2021, were levied after April 1, 2022, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

NOTE 6 - PROPERTY TAXES - (Continued)

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, 2023, are available to finance fiscal year 2024 operations. The amount available as an advance at June 30, 2023 was $2,057,747 in the general fund. This amount is recorded as revenue. The amount available for advance at June 30, 2022 was $1,161,670 in the general fund. The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

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

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

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

	2022 Second Half Collections		2023 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/residential and other real estate	$ 7,033,373,000	95.86	$ 7,115,969,220	95.59
Public utility personal	303,985,960	4.14	328,125,800	4.41
Total	$ 7,337,358,960	100.00	$ 7,444,095,020	100.00
Tax rate per $1,000 of assessed valuation	$2.00		$2.00	

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 $157,815 during fiscal year 2023. 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, 2023 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	$ 13,700,263
Payment in lieu of taxes	186,363
Accounts	27,076
Accrued interest	77,569
Intergovernmental	16,547
Lease	1,383,431
Total	$ 15,391,249

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 Febraury 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, 2023. For fiscal year 2023, the District recognized interest revenue of $27,718.

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

Fiscal Year	Principal	Interest	Total
2024	$ -	$ 27,121	$ 27,121
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 - 2033	21,717	137,142	158,859
2034 - 2038	40,674	134,071	174,745
2039 - 2043	63,290	128,930	192,220
2044 - 2048	90,118	121,324	211,442
2049 - 2053	121,781	110,805	232,586
2054 - 2058	158,992	96,853	255,845
2059 - 2063	202,554	78,876	281,430
2064 - 2068	253,378	56,194	309,572
2069 - 2073	312,497	28,032	340,529
2074 - 2075	115,214	2,027	117,241
Total	$ 1,383,431	$ 1,035,457	$ 2,418,888

NOTE 9 - CAPITAL ASSETS

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

	Balance 07/01/22	Additions	Deductions	Balance 06/30/23
Capital assets, not being depreciated/amortized:				
Land	$ 563,010	$ -	$ -	$ 563,010
Construction in progress	5,270,040	1,626,966	(6,521,466)	375,540
Total capital assets, not being depreciated/amortized	5,833,050	1,626,966	(6,521,466)	938,550
Capital assets, being depreciated/amortized:				
Land improvements	33,350	1,090,163	-	1,123,513
Buildings and improvements	22,632,130	5,431,303	-	28,063,433
Furniture and equipment	10,618,710	416,187	(5,472,075)	5,562,822
Vehicles	578,180	-	(123,744)	454,436
Intangible right to use:				
Leased equipment	296,436	-	-	296,436
Total capital assets, being depreciated/amortized	34,158,806	6,937,653	(5,595,819)	35,500,640
Less: accumulated depreciation/amortization				
Land improvements	(7,337)	(23,137)	-	(30,474)
Buildings and improvements	(12,360,401)	(556,728)	-	(12,917,129)
Furniture and equipment	(8,184,883)	(271,227)	4,899,987	(3,556,123)
Vehicles	(257,557)	(57,853)	95,663	(219,747)
Intangible right to use:				
Leased equipment	(88,931)	(49,691)	-	(138,622)
Total accumulated depreciation/amortization	(20,899,109)	(958,636)	4,995,650	(16,862,095)
Governmental activities capital assets, net	$ 19,092,747	$ 7,605,983	$ (7,121,635)	$ 19,577,095

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NOTE 9 - CAPITAL ASSETS - (Continued)

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	$ 21,652
Vocational	730,398
Adult education	36,583
Support services:	
Pupil	36,845
Instructional staff	32,387
Board of education	392
Administration	41,909
Fiscal	15,268
Business	13,012
Operations and maintenance	27,652
Pupil transportation	133
Food service operations	2,405
Total depreciation expense	$ 958,636

NOTE 10 - LONG-TERM OBLIGATIONS

During fiscal year 2023, the following changes occurred in the governmental activities long-term obligations.

	Balance 07/01/22	Additions	Reductions	Balance 06/30/23	Amounts due in one year
Governmental activities:					
Lease payable	$ 248,456	$ -	$ (53,812)	$ 194,644	$ 56,565
Compensated absences payable	1,389,453	134,262	(121,959)	1,401,756	209,454
Net pension liability	9,243,887	5,704,651	-	14,948,538	-
Net OPEB liability	1,306,692	-	(340,734)	965,958	-
Total long-term obligations	$ 12,188,488	$ 5,838,913	$ (516,505)	$ 17,510,896	$ 266,019

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. These expenditures are reflected as program/function expenditures on a budgetary basis.

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.

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

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

Fiscal Year	Lease Payable		
Ending June 30,	Principal	Interest	Total
2024	$ 56,565	$ 8,448	$ 65,013
2025	59,459	5,554	65,013
2026	62,501	2,511	65,012
2027	16,119	134	16,253
Total	$ 194,644	$ 16,647	$ 211,291

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, 2023, are a voted debt margin of $669,968,552 and an unvoted debt margin of $7,444,095.

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 and 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 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 1 year of uninterrupted service and are then granted 5 additional days of vacation after the first 2 years of uninterrupted service with the District. After 5 years of uninterrupted service an additional 5 days of vacation are granted. After 10 years an additional 5 days of vacation is again granted, for a total of 4 weeks of vacation. After 10 years 1 additional day per years is given to a maximum of 5 additional days. Teachers 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 certified and classified employees.

NOTE 11 - EMPLOYEE BENEFITS - (Continued)

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

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.

Administrative, support staff and exempt employees receive a payment for up to twenty-five percent (25) of their accrued but unused sick leave to a maximum of seventy-five (75) days. A graduated severance chart starting at 3 years of service through 10 years of service with the District is used. Administrative, support staff and exempt employees are also entitled to one-half 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. A graduated severance chart starting at 3 years of service through 10 years of service with the District is used. OAPSE employees are also entitled to one-half 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 Ohio. A retirement stipend up to $30,000 is offered to those employees who retire under STRS Ohio on or after July 1, 2015, 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 during which the employee first becomes or will become eligible to retire, of his/her intention to retire on or before June 30. The District had no STRS Ohio employees who took advantage of the retirement stipend during fiscal year 2023.

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 retire on or after July 1, 2015, 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 the last business day of October of the contract year of retirement, stating his/her intentions to retire. The District had one support and classified exempt employee who took advantage of the retirement stipend during fiscal year 2023.

C. Retirement Pick-up

For all administrators, supervisory support and classified exempt central office employees, 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.

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.

Coverage	Limits of Coverage
Liability:	
General liability - per occurrence/aggregate	$1,000,000/$2,000,000
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	$1,000 deductible
Fleet:	
Combined single limit	$1,000,000
Uninsured motorist	$1,000,000
Comprehensive/collision	$500/$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

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.

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 under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

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

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

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

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

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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, 2023, the allocation to pension, death benefits, and Medicare B was 14.00%. For fiscal year 2023, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The District's contractually required contribution to SERS was $390,275 for fiscal year 2023. Of this amount, $21,606 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.

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

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

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

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

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

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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 2023 employer and employee contribution rate of 14% was equal to the statutory maximum rates. For fiscal year 2023, the full employer contribution was allocated to pension.

The District's contractually required contribution to STRS was $921,373 for fiscal year 2023. Of this amount, $112,280 is reported as intergovernmental payable.

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

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The 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.

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

	SERS	STRS	Total
Proportion of the net pension liability prior measurement date	0.07414700%	0.05090044%	
Proportion of the net pension liability current measurement date	0.07394500%	0.04925306%	
Change in proportionate share	-0.00020200%	-0.00164738%	
Proportionate share of the net pension liability	$ 3,999,521	$ 10,949,017	$ 14,948,538
Pension expense	$ 211,840	$ 1,059,877	$ 1,271,717

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

	SERS	STRS	Total
Deferred outflows of resources			
Differences between expected and actual experience	$ 161,984	$ 140,163	$ 302,147
Net difference between projected and actual earnings on pension plan investments	-	381,002	381,002
Changes of assumptions	39,463	1,310,269	1,349,732
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	-	22,826	22,826
Contributions subsequent to the measurement date	390,275	921,373	1,311,648
Total deferred outflows of resources	$ 591,722	$ 2,775,633	$ 3,367,355

	SERS	STRS	Total
Deferred inflows of resources			
Differences between expected and actual experience	$ 26,255	$ 41,884	$ 68,139
Net difference between projected and actual earnings on pension plan investments	139,565	-	139,565
Changes of assumptions	-	986,255	986,255
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	27,220	503,465	530,685
Total deferred inflows of resources	$ 193,040	$ 1,531,604	$ 1,724,644

$1,311,648 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, 2024.

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

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2024	$ (3,619)	$ (143,862)	$ (147,481)
2025	(20,538)	(231,243)	(251,781)
2026	(199,370)	(412,649)	(612,019)
2027	231,934	1,110,410	1,342,344
Total	$ 8,407	$ 322,656	$ 331,063

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

Actuarial Assumptions - SERS

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

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

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

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

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

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

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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

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

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

Sensitivity of the 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.

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net pension liability	$ 5,887,104	$ 3,999,521	$ 2,409,258

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, 2022, actuarial valuation are presented below:

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

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

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

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

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

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

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

* Target allocation percentage is effective as of July 1, 2022. Target weights were phased in over a 3-month period concluding on October 1, 2022.
**10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25% and is net of investment expenses. Over a 30-year period, STRS Ohio's investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

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

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

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net pension liability	$ 16,539,979	$ 10,949,017	$ 6,220,795

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

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

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14% of covered payroll to the Health Care Fund in accordance with the funding policy. For the fiscal year ended June 30, 2023, SERS did not allocate any employer contributions to post-employment health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2023, this amount was $25,000. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2023, the District's surcharge obligation was $11,265.

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 $11,265 for fiscal year 2023 and 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 or by calling (888) 227-7877.

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

The net OPEB liability/asset was measured as of June 30, 2022, and the total OPEB liability/asset used to calculate the net OPEB liability/asset was determined by an actuarial valuation as of that date. The 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.

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

	SERS	STRS	Total
Proportion of the net OPEB liability/asset prior measurement date	0.06904280%	0.05090044%	
Proportion of the net OPEB liability/asset current measurement date	0.06879990%	0.04925306%	
Change in proportionate share	-0.00024290%	-0.00164738%	
Proportionate share of the net OPEB liability	$ 965,958	$ -	$ 965,958
Proportionate share of the net OPEB asset	$ -	$ (1,275,325)	$ (1,275,325)
OPEB expense	$ (88,169)	$ (250,345)	$ (338,514)

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

	SERS	STRS	Total
Deferred outflows of resources			
Differences between expected and actual experience	$ 8,121	$ 18,491	$ 26,612
Net difference between projected and actual earnings on OPEB plan investments	5,022	22,199	27,221
Changes of assumptions	153,648	54,324	207,972
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	28,648	3,392	32,040
Contributions subsequent to the measurement date	11,265	-	11,265
Total deferred outflows of resources	$ 206,704	$ 98,406	$ 305,110

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

	SERS	STRS	Total
Deferred inflows of resources			
Differences between expected and actual experience	$ 617,897	$ 191,530	$ 809,427
Changes of assumptions	396,535	904,328	1,300,863
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	122,528	27,640	150,168
Total deferred inflows of resources	$ 1,136,960	$ 1,123,498	$ 2,260,458

$11,265 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, 2024.

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

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2024	$ (216,455)	$ (313,022)	$ (529,477)
2025	(206,335)	(293,515)	(499,850)
2026	(179,773)	(136,392)	(316,165)
2027	(124,769)	(57,212)	(181,981)
2028	(86,074)	(74,366)	(160,440)
Thereafter	(128,115)	(150,585)	(278,700)
Total	$ (941,521)	$ (1,025,092)	$ (1,966,613)

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.

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

Wage inflation:	
Current measurement date	2.40%
Prior measurement date	2.40%
Future salary increases, including inflation:	
Current measurement date	3.25% to 13.58%
Prior measurement date	3.25% to 13.58%
Investment rate of return:	
Current measurement date	7.00% net of investment expense, including inflation
Prior measurement date	7.00% net of investment expense, including inflation
Municipal bond index rate:	
Current measurement date	3.69%
Prior measurement date	1.92%
Single equivalent interest rate, net of plan investment expense, including price inflation:	
Current measurement date	4.08%
Prior measurement date	2.27%
Medical trend assumption:	
Current measurement date	7.00 to 4.40%
Prior measurement date	
Medicare	5.125 to 4.400%
Pre-Medicare	6.750 to 4.400%

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

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

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

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

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

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

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 (3.08%) and higher (5.08%) than the current discount rate (4.08%). Also shown is what the net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.00% decreasing to 3.40%) and higher (8.00% decreasing to 5.40%) than the current rate (7.00% decreasing to 4.40%).

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB liability	$ 1,199,734	$ 965,958	$ 777,237

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	$ 744,927	$ 965,958	$ 1,254,660

Actuarial Assumptions - STRS

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

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

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

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

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

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

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

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

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

* Target allocation percentage is effective as of July 1, 2022. Target weights were phased in over a 3-month period concluding on October 1, 2022.
**10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25% and is net of investment expenses. Over a 30-year period, STRS Ohio's investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

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

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, 2022, calculated using the current period discount rate assumption of 7.00%, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB asset	$ 1,180,975	$ 1,275,325	$ 1,357,832

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB asset	$ 1,322,823	$ 1,275,325	$ 1,215,372

NOTE 15 - BUDGETARY BASIS OF ACCOUNTING

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

The statement of 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 a reservation of fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis);

(d) While not legally required, the District budgets advances-in and advances-out as operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis); and,

(e) 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 for the general fund is as follows:

NOTE 15 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

Net Change in Fund Balance

	General Fund
Budget basis	$ (412,163)
Net adjustment for revenue accruals	719,367
Net adjustment for expenditure accruals	164,059
Net adjustment for other sources/uses	13,478
Funds budgeted elsewhere **	(51,228)
Adjustment for encumbrances	248,801
GAAP basis	$ 682,314

**Some funds are included in the general fund (GAAP-basis), but have separate legally adopted budgets (budget basis). The funds include: uniform school supplies, rotary fund-special services, public school support, other grant special revenue funds and the district agency fund.

NOTE 16 - 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 17 - 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.

NOTE 17 - SET-ASIDES - (Continued)

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

	Capital Improvements
Set-aside balance June 30, 2022	$ -
Current year set-aside requirement	76,369
Current year qualifying expenditures	(2,308,397)
Total	$ (2,232,028)
Balance carried forward to fiscal year 2024	$ -
Set-aside balance June 30, 2023	$ -

NOTE 18 - 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:

Fund	Year-End
General	$ 260,969
Permanent Improvement	2,461,646*
Nonmajor Governmental Funds	94,200
Total	$ 355,169

*Included in this amount is a $1,928,542 contract with Willham Roofing Company, Inc. for a roof replacement project. The total amount paid as of June 30, 2023 was $240,955.

NOTE 19 - COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency ended in April 2023. During fiscal year 2023, the 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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2023	2022	2021	2020
District's proportion of the net pension liability	0.07394500%	0.07414700%	0.07512210%	0.07223420%
District's proportionate share of the net pension liability	$ 3,999,521	$ 2,735,809	$ 4,968,734	$ 4,321,899
District's covered payroll	$ 2,695,950	$ 2,589,479	$ 2,544,364	$ 2,515,756
District's proportionate share of the net pension liability as a percentage of its covered payroll	148.35%	105.65%	195.28%	171.79%
Plan fiduciary net position as a percentage of the total pension liability	75.82%	82.86%	68.55%	70.85%

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019		2018		2017		2016		2015		2014
	0.07042370%		0.07117350%		0.07561390%		0.07669700%		0.09064900%		0.09064900%
$	4,033,296	$	4,252,459	$	5,534,240	$	4,376,405	$	4,587,694	$	5,390,605
$	2,257,089	$	2,280,500	$	2,370,679	$	2,308,976	$	2,634,076	$	4,343,360
	178.69%		186.47%		233.45%		189.54%		174.17%		124.11%
	71.36%		69.50%		62.98%		69.16%		71.70%		65.52%

CUYAHOGA VALLEY CAREER CENTER
CUYAHOGA COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2023	2022	2021	2020
District's proportion of the net pension liability	0.04925306%	0.05090044%	0.05114271%	0.05299556%
District's proportionate share of the net pension liability	$ 10,949,017	$ 6,508,078	$ 12,374,716	$ 11,719,650
District's covered payroll	$ 6,432,086	$ 6,278,000	$ 6,173,386	$ 6,265,729
District's proportionate share of the net pension liability as a percentage of its covered payroll	170.22%	103.66%	200.45%	187.04%
Plan fiduciary net position as a percentage of the total pension liability	78.88%	87.78%	75.48%	77.40%

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019	2018	2017	2016	2015	2014
0.05226635%	0.05317202%	0.05514244%	0.05541475%	0.05761420%	0.05761420%
$ 11,492,197	$ 12,631,127	$ 18,457,837	$ 15,315,016	$ 14,013,767	$ 16,693,108
$ 5,775,457	$ 6,121,250	$ 5,751,557	$ 5,844,300	$ 5,886,577	$ 7,019,454
198.98%	206.35%	320.92%	262.05%	238.06%	237.81%
77.31%	75.30%	66.80%	72.10%	74.70%	69.30%

CUYAHOGA VALLEY CAREER CENTER
CUYAHOGA COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2023	2022	2021	2020
Contractually required contribution	$ 390,275	$ 377,433	$ 362,527	$ 356,211
Contributions in relation to the contractually required contribution	(390,275)	(377,433)	(362,527)	(356,211)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 2,787,679	$ 2,695,950	$ 2,589,479	$ 2,544,364
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019		2018		2017		2016		2015		2014	
$	339,627	$	304,707	$	319,270	$	331,895	$	304,323	$	365,083
	(339,627)		(304,707)		(319,270)		(331,895)		(304,323)		(365,083)
$	-	$	-	$	-	$	-	$	-	$	-
$	2,515,756	$	2,257,089	$	2,280,500	$	2,370,679	$	2,308,976	$	2,634,076
	13.50%		13.50%		14.00%		14.00%		13.18%		13.86%

CUYAHOGA VALLEY CAREER CENTER
CUYAHOGA COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2023	2022	2021	2020
Contractually required contribution	$ 921,373	$ 900,492	$ 878,920	$ 864,274
Contributions in relation to the contractually required contribution	(921,373)	(900,492)	(878,920)	(864,274)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 6,581,236	$ 6,432,086	$ 6,278,000	$ 6,173,386
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019		2018		2017		2016		2015		2014	
$	877,202	$	808,564	$	856,975	$	805,218	$	818,202	$	765,255
	(877,202)		(808,564)		(856,975)		(805,218)		(818,202)		(765,255)
$	-	$	-	$	-	$	-	$	-	$	-
$	6,265,729	$	5,775,457	$	6,121,250	$	5,751,557	$	5,844,300	$	5,886,577
	14.00%		14.00%		14.00%		14.00%		14.00%		13.00%

CUYAHOGA VALLEY CAREER CENTER
CUYAHOGA COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SEVEN FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017
District's proportion of the net OPEB liability	0.06879990%	0.06904280%	0.07021020%	0.06749940%	0.06545790%	0.06705290%	0.07112492%
District's proportionate share of the net OPEB liability	$ 965,958	$ 1,306,692	$ 1,525,897	$ 1,697,468	$ 1,815,979	$ 1,799,524	$ 2,027,323
District's covered payroll	$ 2,695,950	$ 2,589,479	$ 2,544,364	$ 2,515,756	$ 2,257,089	$ 2,280,500	$ 2,370,679
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	35.83%	50.46%	59.97%	67.47%	80.46%	78.91%	85.52%
Plan fiduciary net position as a percentage of the total OPEB liability	30.34%	24.08%	18.17%	15.57%	13.57%	12.46%	11.49%

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

Amounts presented for each fiscal year were determined as of the 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 REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SEVEN FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017
District's proportion of the net OPEB liability/asset	0.04925306%	0.05090044%	0.05114271%	0.05299556%	0.05226635%	0.05317202%	0.05514244%
District's proportionate share of the net OPEB liability/(asset)	$ (1,275,325)	$ (1,073,194)	$ (898,833)	$ (877,733)	$ (839,867)	$ 2,074,576	$ 2,949,032
District's covered payroll	$ 6,432,086	$ 6,278,000	$ 6,173,386	$ 6,265,729	$ 5,775,457	$ 6,121,250	$ 5,751,557
District's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	19.83%	17.09%	14.56%	14.01%	14.54%	33.89%	51.27%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	230.73%	174.73%	182.10%	174.40%	176.00%	47.10%	37.30%

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

Amounts presented for each fiscal year were determined as of the 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 REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2023	2022	2021	2020
Contractually required contribution	$ 11,265	$ 10,102	$ 10,129	$ 8,478
Contributions in relation to the contractually required contribution	(11,265)	(10,102)	(10,129)	(8,478)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 2,787,679	$ 2,695,950	$ 2,589,479	$ 2,544,364
Contributions as a percentage of covered payroll	0.40%	0.37%	0.39%	0.33%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019		2018		2017		2016		2015		2014	
$	23,192	$	20,060	$	12,623	$	12,386	$	25,975	$	40,069
	(23,192)		(20,060)		(12,623)		(12,386)		(25,975)		(40,069)
$	-	$	-	$	-	$	-	$	-	$	-
$	2,515,756	$	2,257,089	$	2,280,500	$	2,370,679	$	2,308,976	$	2,634,076
	0.92%		0.89%		0.55%		0.52%		1.12%		1.52%

CUYAHOGA VALLEY CAREER CENTER
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SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2023	2022	2021	2020
Contractually required contribution	$ -	$ -	$ -	$ -
Contributions in relation to the contractually required contribution	-	-	-	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 6,581,236	$ 6,432,086	$ 6,278,000	$ 6,173,386
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019	2018	2017	2016	2015	2014
$ -	$ -	$ -	$ -	$ -	$ 58,866
-	-	-	-	-	(58,866)
$ -	$ -	$ -	$ -	$ -	$ -
$ 6,265,729	$ 5,775,457	$ 6,121,250	$ 5,751,557	$ 5,844,300	$ 5,886,577
0.00%	0.00%	0.00%	0.00%	0.00%	1.00%

PENSION

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms :

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

Changes in assumptions :

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

(Continued)

PENSION (CONTINUED)

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

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

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

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

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

(Continued)

OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

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

Changes in assumptions :

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

(Continued)

OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms:

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

Changes in assumptions:

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

(Continued)

OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

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

Changes in assumptions (continued):

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

SUPPLEMENTARY INFORMATION

CUYAHOGA VALLEY CAREER CENTER
CUYAHOGA COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM/CLUSTER TITLE	ASSISTANCE LISTING NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER / ADDITIONAL AWARD IDENTIFICATION	TOTAL EXPENDITURES OF FEDERAL AWARDS
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through the Ohio Department of Education			
Child Nutrition Cluster:			
National School Lunch Program - Food Donation	10.555	2023	8,117
National School Lunch Program	10.555	2023	46,877
Total National School Lunch Program and Child Nutrition Cluster			54,994
COVID-19 - State Pandemic Electronic Benefit Transfer (P-EBT) Administrative Costs Grant	10.649	COVID-19, 2023	628
Total U.S. Department of Agriculture			55,622
U.S. DEPARTMENT OF EDUCATION			
Direct Award			
Student Financial Assistance Cluster:			
Federal Pell Grant Program	84.063	N/A	182,960
Federal Direct Student Loans	84.268	N/A	330,628
Total Student Financial Assistance Cluster			513,588
COVID-19 - HEERF Student Aid Portion	84.425E	COVID-19, 84.425E, P425E202844-20B	105,433
Passed Through the Ohio Department of Education			
COVID-19 Governor's Emergency Education Relief (GEER I) Fund	84.425C	COVID-19, 84.425C, 2023	17,283
COVID-19 Governor's Emergency Education Relief (GEER II) Fund	84.425C	COVID-19, 84.425C, 2023	66,646
Total Education Stabilization Fund			189,362
Passed Through the Ohio Department of Education			
Career and Technical Education - Basic Grants to States	84.048A	84.048A, 2022	21,866
Career and Technical Education - Basic Grants to States	84.048A	84.048A, 2023	291,435
Career and Technical Education - Basic Grants to States - Adult	84.048A	84.048A, 2022	5,209
Career and Technical Education - Basic Grants to States - Adult	84.048A	84.048A, 2023	84,917
Total Career and Technical Education_Basic Grants to States			403,427
Total U.S. Department of Education			1,106,377
Total Federal Financial Assistance			$ 1,161,999

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, 2023

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, 2023 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.

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

Cuyahoga Valley Career Center
Cuyahoga County
8001 Brecksville Road
Brecksville, OH 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, 2023, 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 13, 2023.

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.

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.

Julian & Grube, Inc.

Julian & Grube, Inc.
December 13, 2023

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

Cuyahoga Valley Career Center
Cuyahoga County
8001 Brecksville Road
Brecksville, OH 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, 2023. 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, 2023.

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.

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.

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 13, 2023

CUYAHOGA VALLEY CAREER CENTER
CUYAHOGA COUNTY, OHIO

SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2023

1. SUMMARY OF AUDITOR'S RESULTS		
(d)(1)(i)	*Type of Financial Statement Opinion*	Unmodified
*(d)(1)(*ii)	*Were there any material control weaknesses reported at the financial statement level (GAGAS)?*	No
(d)(1)(ii)	*Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?*	No
(d)(1)(iii)	*Was there any reported material noncompliance at the financial statement level (GAGAS)?*	No
(d)(1)(iv)	*Were there any material internal control weaknesses reported for major federal programs?*	No
(d)(1)(iv)	*Were there any significant deficiencies in internal control reported for major federal programs?*	No
(d)(1)(v)	*Type of Major Program's Compliance Opinion*	Unmodified
(d)(1)(vi)	*Are there any reportable findings under 2 CFR §200.516(a)?*	No
(d)(1)(vii)	*Major Program (listed):*	Career and Technical Education – Basic Grants to States (ALN 84.048)
(d)(1)(viii)	*Dollar Threshold: Type A/B Programs*	Type A: > $750,000 Type B: all others
(d)(1)(ix)	*Low Risk Auditee under 2 CFR § 200.520?*	Yes

2. FINDINGS RELATED TO THE 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 2/8/2024

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