DELAWARE AREA
CARER CENTER
DELAWARE COUNTY, OHIO

Basic Financial Statements

For the Fiscal Year Ended
June 30, 2021

Julian & Grube
Serving Ohio Local Governments

DELAWARE AREA CAREER CENTER
DELAWARE COUNTY, OHIO

BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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Julian & Grube

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Accountant's Compilation Report

To the Delaware Area Career Center Board of Education
Delaware, Ohio

Management is responsible for the accompanying basic financial statements of the Delaware Area Career Center, which comprise the statements listed in the table of contents as of June 30, 2021 and for the fiscal year then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed the compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any assurance on the financial statements.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, on pages 3 through 16 and the required supplementary information on pages 70 through 87 be presented to supplement the basic financial statements. Although this information is not a part of the basic financial statements, the Governmental Accounting Standards Board considers it essential to placing the basic financial statements in an appropriate operational, economic, or historical context. Such information is the responsibility of management. The supplementary information was subject to our compilation engagement. We have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any form of assurance on such information.

Julian & Grube, Inc.

Westerville, Ohio
September 23, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(SEE ACCOUNTANT'S COMPILATION REPORT)

The management's discussion and analysis of the Delaware Area Career Center's (the "Career Center") financial performance provides an overall review of the Career Center's financial activities for the fiscal year ended June 30, 2021. The intent of this discussion and analysis is to look at the Career Center's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the Career Center's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2021 are as follows:

- The Career Center's net position of governmental activities increased $9,514,249 which represents an 18.47% increase from 2020's net position.

- Governmental activities' general revenues accounted for $22,777,043 in revenue or 81.04% of total revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for $5,327,226 in revenue or 18.96% of total revenues of $28,104,269.

- The Career Center had $18,590,020 in expenses related to governmental activities; only $5,327,226 of these expenses were offset by program specific charges for services, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of $22,777,043 were adequate to provide for these programs.

- The Career Center's major governmental funds are the general fund and the permanent improvement fund. The general fund had $23,232,166 in revenues and $17,992,415 in expenditures and other financing uses. The general fund's fund balance increased $5,239,751 from $6,197,696 to $11,437,447.

- The permanent improvement fund had $5,438,712 in revenues and other financing sources and $636,779 in expenditures. The permanent improvement fund's fund balance increased $4,801,933 from $5,737,564 to $10,539,497. In fiscal year 2021, the general fund transferred $3,000,000 to the permanent improvement fund.

Using the Basic Financial Statements (BFS)

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

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

Reporting the Career Center as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the Career Center to provide programs and activities, the view of the Career Center as a whole looks at all financial transactions and asks the question, "How did the Career Center do financially during fiscal year 2021?" 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 Career Center's net position and changes in net position. This change in net position is important because it tells the reader that, for the Career Center as a whole, the financial position of the Career Center has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the Career Center's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

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

The Career Center's statement of net position and statement of activities can be found on pages 17 and 18 of this report.

Reporting the Career Center's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

Most of the Career Center's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund financial statements provide a detailed short-term view of the Career Center's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is reconciled in the basic financial statements. The basic governmental fund financial statements can be found on pages 19-23 of this report.

Proprietary Funds

The Career Center maintains only one type of proprietary fund. The internal service fund is an accounting device used to accumulate and allocate costs internally among the Career Center's various functions. The Career Center has an internal service fund to account for a self-insurance program which provides health benefits to employees. The basic proprietary fund financial statements can be found on pages 24-26 of this report.

Reporting the Career Center's Fiduciary Responsibilities

The Career Center acts in a trustee capacity as an agent for individuals, private organizations, other governmental units, and/or other funds. These activities are reported in custodial funds. All of the Career Center's fiduciary activities are reported in separate statements of fiduciary net position and changes in fiduciary net position on pages 27 and 28. These activities are excluded from the Career Center's other financial statements because the assets cannot be utilized by the Career Center to finance its operations.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 29-67 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Career Center's net pension liability and net OPEB liability/assets. The required supplementary information can be found on pages 70-87 of this report.

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The Career Center as a Whole

The statement of net position provides the perspective of the Career Center as a whole. The table below provides a summary of the Career Center's net position for June 30, 2021 and June 30, 2020.

Net Position

	Governmental Activities 2021	Governmental Activities 2020
Assets		
Current and other assets	$ 37,551,793	$ 29,048,221
Net OPEB asset	947,074	864,969
Capital assets, net	54,656,036	55,359,073
Total assets	93,154,903	85,272,263
Deferred Outflows of Resources		
Pensions	3,563,306	3,319,327
OPEB	488,732	371,732
Total deferred outflows of resources	4,052,038	3,691,059
Liabilities		
Current liabilities	1,389,527	1,306,199
Long-term liabilities:		
Due within one year	168,194	205,425
Due in more than one year:		
Net pension liability	17,968,744	16,393,421
Net OPEB liability	1,495,273	1,877,482
Other amounts	1,064,399	1,059,609
Total liabilities	22,086,137	20,842,136
Deferred Inflows of Resources		
Property taxes levied for next fiscal year	11,508,105	13,816,316
Pensions	389,966	1,072,928
OPEB	2,191,191	1,714,649
Total deferred inflows of resources	14,089,262	16,603,893
Net Position		
Net investment in capital assets	54,580,046	55,194,110
Restricted	3,030,809	961,508
Unrestricted	3,420,687	(4,638,325)
Total net position	$ 61,031,542	$ 51,517,293

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

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

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

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

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

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

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

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

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2021, the Career Center's assets and deferred outflows exceeded liabilities and deferred inflows of resources by $61,031,542.

The Career Center's current and other assets increased primarily due to the Career Center's equity in pooled cash and investments increasing due to the Career Center's operations.

Deferred outflows related to pension increased primarily due to the State Teachers Retirement System (STRS) making changes in assumptions. See Note 12 for more detail.

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

Capital assets, net, decreased as the Career Center's depreciation expense exceed capital outlays for the fiscal year. At fiscal year-end, capital assets represented 58.67% of total assets. Capital assets include land, land improvements, buildings and improvements, furniture and equipment, and vehicles. The Career Center's net investment in capital assets at June 30, 2021 was $54,580,046. These capital assets are used to provide services to the students and are not available for future spending. Although the Career Center's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

Current liabilities increased $83,328 primarily due to increases in accrued wages and benefits.

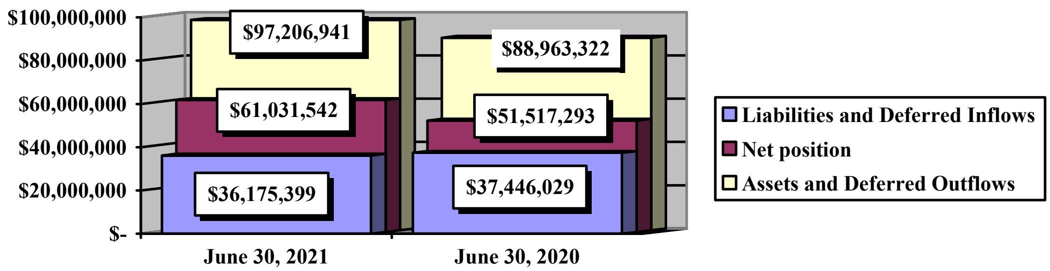
Deferred inflows related to OPEB increased primarily due to changes in assumptions by STRS. See Note 13 for more detail.

Long-term liabilities increased primarily due to an increase in the net pension liability. The net pension liability is outside of the control of the Career Center. The Career Center contributes its statutorily required contributions to the pension systems; however, it's the pension systems that collect, hold and distribute pensions and OPEB to Career Center employees, not the Career Center.

A portion of the Career Center's net position, $3,030,809, represents resources that are subject to external restriction on how they may be used. The remaining amount of the Career Center's net position is a balance of $3,420,687.

The graph below illustrates the Career Center's assets and deferred outflows of resources, liabilities and deferred inflows of resources, and net position at June 30, 2021 and June 30, 2020.

Governmental Activities



The table below shows the changes in net position for governmental activities for fiscal years 2021 and 2020.

Change in Net Position

	Governmental Activities	
	2021	2020
Revenues		
Program revenues:		
Charges for services and sales	$ 3,351,778	$ 3,057,870
Operating grants and contributions	1,975,448	1,427,557
General revenues:		
Property taxes	18,268,212	10,891,487
Grants and entitlements	4,249,273	3,917,771
Payment in lieu of taxes	181,111	172,821
Investment earnings	79,427	242,306
Increase (decrease) in fair value of investments	(47,257)	129,777
Miscellaneous	46,277	31,356
Total revenues	28,104,269	19,870,945

- *(Continued)*

	Governmental Activities	
	2021	2020
Expenses		
Program expenses:		
Instruction:		
Regular	1,589,770	1,671,743
Special	330,243	325,913
Vocational	6,746,584	9,241,608
Adult/continuing	1,186,515	1,140,315
Other	1,932	2,310
Support services:		
Pupil	1,288,593	1,445,718
Instructional staff	1,546,272	1,649,405
Board of education	220,758	128,919
Administration	2,021,767	1,850,154
Fiscal	1,000,699	923,926
Operations and maintenance	1,857,532	3,199,997
Pupil transportation	2,535	14,575
Central	356,063	352,270
Operation of non-instructional services:		
Food service operations	334,188	471,023
Other non-instructional services	32,091	16,130
Extracurricular activities	70,026	101,333
Interest and fiscal charges	4,452	45,023
Total expenses	18,590,020	22,580,362
Change in net position	9,514,249	(2,709,417)
Net position at beginning of year	51,517,293	54,226,710
Net position at end of year	$ 61,031,542	$ 51,517,293

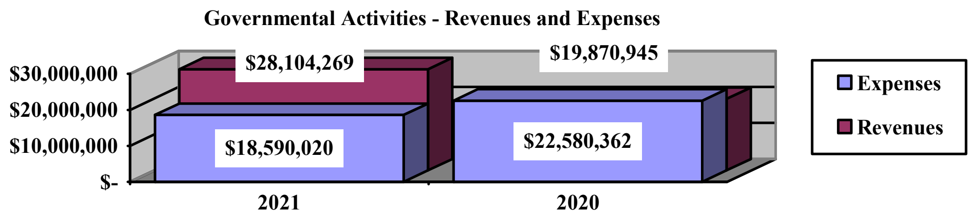
Governmental Activities

Net position of the Career Center's governmental activities increased $9,514,249. Total governmental expenses of $18,590,020 were offset by program revenues of $5,327,226 and general revenues of $22,777,043. Program revenues supported 28.66% of the total governmental expenses.

Overall, expenses of the governmental activities decreased $3,990,342 or 17.67%. This decrease is primarily the result of the subsequent disposal of assets from the north campus once the consolidation project was completed in August 2019. The disposal resulted in a loss on disposal of $4,766,062.

The primary sources of revenue for governmental activities are derived from property taxes and grants and entitlements. These two revenue sources represent 80.12% of total governmental revenue. Real estate property is reappraised every six years. Property tax revenues increased $7,376,725 due to increased collections as a result of the COVID-19 pandemic. The property tax amount available for advance, which is recorded on the accrual basis of accounting, at June 30, 2021 was significantly more than fiscal year 2020 due property tax collections normalizing after the COVID-19 shutdowns. The amount available for advance increased from $721,679 for fiscal year 2020 to $4,181,630 for fiscal year 2021. The increase was caused by Counties returning to a normal 2nd half collections due dates. Interest revenues decreased as a result of lower interest rates. All other revenues remained comparable to the previous year.

The graph below presents the Career Center's governmental activities revenues and expenses for fiscal years 2021 and 2020.



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 2021 and 2020. That is, it identifies the cost of these services supported by tax revenue, unrestricted State grants and entitlements, and other general revenues.

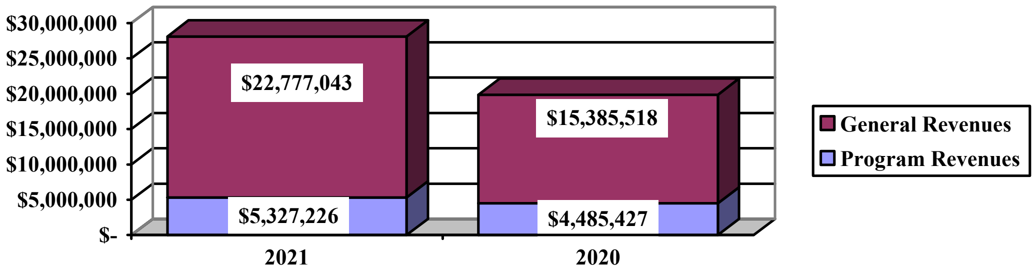
Governmental Activities

	Total Cost of Services 2021	Net Cost of Services 2021	Total Cost of Services 2020	Net Cost of Services 2020
Program expenses:				
Instruction:				
Regular	$ 1,589,770	$ 1,534,847	$ 1,671,743	$ 1,666,948
Special	330,243	330,243	325,913	325,913
Vocational	6,746,584	3,662,726	9,241,608	6,566,039
Adult/continuing	1,186,515	(7,621)	1,140,315	85,785
Other	1,932	1,932	2,310	2,310
Support services:				
Pupil	1,288,593	1,094,350	1,445,718	1,359,888
Instructional staff	1,546,272	1,227,740	1,649,405	1,397,188
Board of education	220,758	220,758	128,919	128,919
Administration	2,021,767	1,896,259	1,850,154	1,735,392
Fiscal	1,000,699	990,530	923,926	916,638
Operations and maintenance	1,857,532	1,731,965	3,199,997	3,173,101
Pupil transportation	2,535	2,535	14,575	14,575
Central	356,063	352,806	352,270	352,270
Operation of non-instructional services:				
Food service operations	334,188	227,253	471,023	295,612
Other non-instructional services	32,091	(11,982)	16,130	14,630
Extracurricular activities	70,026	4,001	101,333	14,704
Interest and fiscal charges	4,452	4,452	45,023	45,023
Total expenses	$ 18,590,020	$ 13,262,794	$ 22,580,362	$ 18,094,935

The dependence upon taxes and other general revenues for governmental activities is apparent, as 56.03% of fiscal year 2021 instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support was 71.34% in fiscal year 2021. The Career Center's taxpayers and grants and entitlements received from the State of Ohio that are not restricted in use are by far the primary support for the Career Center's students.

The graph below presents the Career Center's governmental activities revenue for fiscal years 2020 and 2021.

Governmental Activities - General and Program Revenues



The Career Center's Funds

The Career Center's governmental funds reported a combined fund balance of $22,645,421, which is more than last year's total balance of $12,595,015. The table below indicates the fund balance and the total change in fund balance as of June 30, 2021 and June 30, 2020.

	Fund Balance June 30, 2021	Fund Balance June 30, 2020	Change
General	$ 11,437,447	$ 6,197,696	$ 5,239,751
Permanent Improvement	10,539,497	5,737,564	4,801,933
Nonmajor Governmental	668,477	659,755	8,722
Total	$ 22,645,421	$ 12,595,015	$ 10,050,406

General Fund

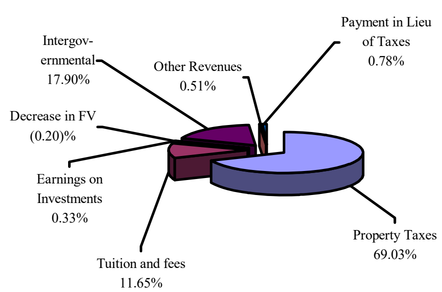
The Career Center's general fund balance increased $5,239,751 in large part due to an increase in property tax collections due to Counties returning the due dates for the 2nd half payment to normal due dates. Property taxes are also affected by fluctuations in the amount available for advance at June 30. For fiscal year 2021, the amount available for advance in the general fund was $3,740,319 compared to $721,679 in fiscal year 2020.

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

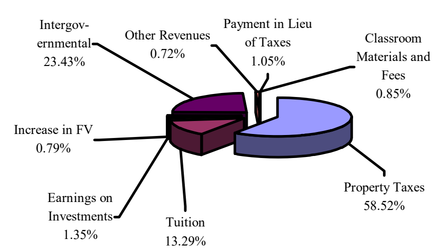
	2021 Amount	2020 Amount	Change	Percentage Change
Revenues				
Property taxes	$ 16,035,315	$ 9,619,679	$ 6,415,636	66.69 %
Payment in lieu of taxes	181,111	172,821	8,290	4.80 %
Tuition and fees	2,707,708	2,325,306	382,402	16.45 %
Earnings on investments	76,766	221,506	(144,740)	(65.34) %
Increase (decrease) in fair value of investments	(47,257)	129,777	(177,034)	(136.41) %
Intergovernmental	4,159,533	3,851,796	307,737	7.99 %
Other revenues	118,990	118,775	215	0.18 %
Total	$ 23,232,166	$ 16,439,660	$ 6,792,506	41.32 %

Overall revenues of the general fund increased $6,792,506 or 41.32%. On a GAAP basis, property tax revenues increased $6,415,636 due to the COVID-19 pandemic described earlier. Payment in lieu of taxes increased as the Career Center received TIF payments from the City of Westerville. Tuition and fees revenue increased $382,402 or 16.45% primarily due to an increase in open enrollment for fiscal year 2021. Earnings on investment decreased as interest rates decreased during the year. The Career Center's fair value of investments decreased as the market took a down turn as a result of the pandemic. All other revenue classifications of the Career Center remained comparable to the prior fiscal year or were an insignificant amount.

Revenues - Fiscal Year 2021



Revenues - Fiscal Year 2020

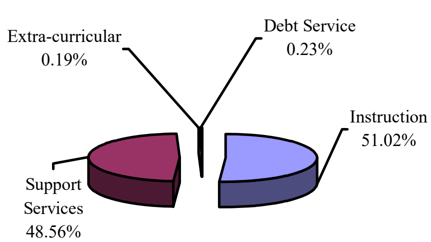


The table that follows assists in illustrating the expenditures of the general fund.

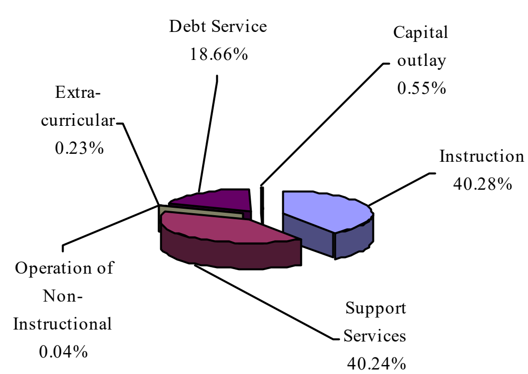
	2021 Amount	2020 Amount	Change	Percentage Change
Expenditures				
Instruction	$ 7,561,595	$ 6,796,042	$ 765,553	11.26 %
Support services	7,196,902	6,790,016	406,886	5.99 %
Operation of non-instructional services	-	7,148	(7,148)	(100.00) %
Extracurricular activities	28,363	39,353	(10,990)	(27.93) %
Capital outlay	-	92,734	(92,734)	100.00 %
Debt service	34,405	3,148,225	(3,113,820)	(98.91) %
Total	$ 14,821,265	$ 16,873,518	$ (2,052,253)	(12.16) %

Overall expenditures of the general fund decreased $2,052,253 or 12.16%. Instruction expenditures increased primarily due to increased vocational expenditures. Capital outlay decreased as the Career Center entered into a capital lease for copier equipment in fiscal year 2020. Debt service expenditures decreased due to the Career Center paying off its lease purchase agreement in the prior fiscal year. All expenditure classifications of the Career Center remained comparable to the prior fiscal year or changed by an insignificant amount.

Expenditures - Fiscal Year 2021



Expenditures - Fiscal Year 2020



Permanent Improvement Fund

The permanent improvement fund had $5,438,712 in revenues and other financing sources and $636,779 in expenditures. The permanent improvement fund's fund balance increased $4,801,933 from $5,737,564 to $10,539,497. In fiscal year 2021, the general fund transferred $3,000,000 to the permanent improvement fund.

General Fund Budgeting Highlights

The Career Center's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Career Center uses site-based budgeting, and the budgeting systems are designed to tightly control total site budgets while still providing flexibility for site management. The most significant budgeted fund is the general fund.

For the general fund, final budgeted revenues and other financing sources were $19,109,351, which was less than the original budget estimates of $19,359,351. Actual revenues and other financing sources of $20,288,598 were $1,179,247 more than final budgeted revenues and other financing sources.

General fund original appropriations (expenditures and other financing uses) of $19,520,458 were $1,615,096 less than final budget estimates of $21,135,554. The actual budget basis expenditures and other financing uses for fiscal year 2021 totaled $18,234,148, which was $2,901,406 less than the final budget estimates. The primary reason for the variance between the final and actual expenditures was in the area of vocational instruction expense.

Capital Assets and Debt Administration

Capital Assets

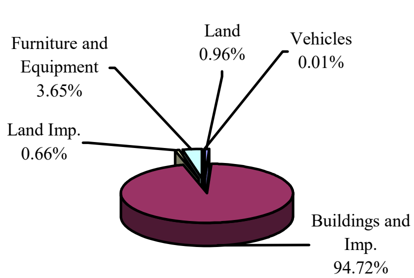
At the end of fiscal year 2021, the Career Center had $54,656,036 invested in land, land improvements, buildings and improvements, furniture and equipment, and vehicles. The total amount was reported in governmental activities. The following table shows June 30, 2021 balances compared to June 30, 2020.

Capital Assets at June 30
(Net of Depreciation)

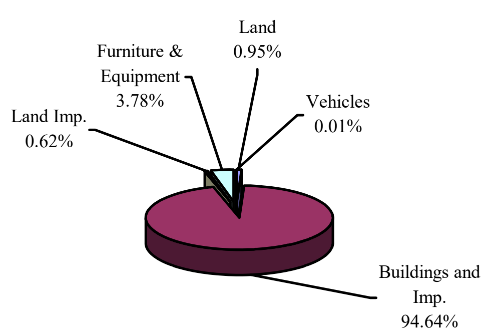
	Governmental Activities	
	2021	2020
Land	$ 524,244	$ 524,244
Land improvements	361,304	343,749
Buildings and improvements	51,771,778	52,392,711
Furniture and equipment	1,994,206	2,093,355
Vehicles	4,504	5,014
Total	$ 54,656,036	$ 55,359,073

The following graphs show the breakdown of governmental activities capital assets by category for fiscal years 2021 and 2020.

Capital Assets - Governmental Activities 2021



Capital Assets - Governmental Activities 2020



The overall decrease in capital assets of $703,037 is due to depreciation and disposals of $955,848 exceeding capital asset additions of $252,811. The disposals primarily relate to the Career Center selling the north campus building and its contents. See Note 8 to the basic financial statements for additional information on the Career Center's capital assets.

Debt Administration

At June 30, 2021, the Career Center had $19,540,007 in long-term obligations, excluding compensated absences. Of this total, $17,600 is due within one year. The following table summarizes the long-term obligations outstanding at June 30, 2021 and June 30, 2020.

Outstanding Debt, at Year End

	Governmental Activities 2021	Governmental Activities 2020
Net pension liability	$ 17,968,744	$ 16,393,421
Net OPEB liability	1,495,273	1,877,482
Capital lease obligations	75,990	105,943
Total long-term obligations	$ 19,540,007	$ 18,376,846

At June 30, 2021, the Career Center's overall legal debt margin was $690,099,980, with an unvoted debt margin of $7,667,778.

See Note 10 to the basic financial statements for additional information on the Career Center's long-term obligations, Note 12 for information on the net pension liability, and Note 13 for information on the net OPEB liability.

Current Financial Related Activity

In FY21, The DACC provided a blended learning model that required more cleaning and instructional support than our pre-COVID operations. Most of those additional costs were offset with grants and savings from a decrease in spending on meetings, mileage, and field trip spending.

The district agreed to a new 3-year contract with our union that provides more certainty with future employee costs and provides competitive salaries and benefits to attract qualified candidates to job openings at the DACC.

The district saw a change in leadership in FY21. Julie Wagner-Feasel, who had been the Board President since 2014, stepped down in December 2020 and Mary Beth Freeman, who had been Superintendent since 2008, retired in May 2021.

Contacting the Career Center's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the Career Center's finances and to show the Career Center's accountability for the money it receives. If you have questions about this report or need additional financial information contact Mr. Christopher H. Bell, Treasurer, Delaware Area Career Center, 4565 Columbus Pike, Delaware, Ohio 43015-8969.

DELAWARE AREA CAREER CENTER
DELAWARE COUNTY, OHIO

STATEMENT OF NET POSITION
JUNE 30, 2021
(SEE ACCOUNTANT'S COMPILATION REPORT)

	Governmental Activities
Assets:	
Equity in pooled cash and investments	$ 20,896,907
Receivables:	
Property taxes	15,796,154
Accounts	73,696
Accrued interest	11,782
Intergovernmental	687,052
Prepayments	61,323
Materials and supplies inventory	16,215
Inventory held for resale	8,664
Net OPEB asset	947,074
Capital assets:	
Nondepreciable capital assets	524,244
Depreciable capital assets, net	54,131,792
Capital assets, net	54,656,036
Total assets	93,154,903
Deferred outflows of resources:	
Pension	3,563,306
OPEB	488,732
Total deferred outflows of resources	4,052,038
Liabilities:	
Accounts payable	226,363
Accrued wages and benefits payable	854,253
Intergovernmental payable	79,651
Pension obligation payable	114,868
Claims payable	114,392
Long-term liabilities:	
Due within one year	168,194
Due in more than one year:	
Net pension liability	17,968,744
Net OPEB liability	1,495,273
Other amounts due in more than one year	1,064,399
Total liabilities	22,086,137
Deferred inflows of resources:	
Property taxes levied for the next fiscal year	11,508,105
Pension	389,966
OPEB	2,191,191
Total deferred inflows of resources	14,089,262
Net position:	
Net investment in capital assets	54,580,046
Restricted for:	
Capital projects	2,113,800
Adult education programs	455,514
State funded programs	2,912
Federally funded programs	252,263
Food service operations	20,260
Student activities	128,483
Other purposes	57,577
Unrestricted	3,420,687
Total net position	$ 61,031,542

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

DELAWARE AREA CAREER CENTER
DELAWARE COUNTY, OHIO

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(SEE ACCOUNTANT'S COMPILATION REPORT)

		Program Revenues		Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental activities:				
Instruction:				
Regular	$ 1,589,770	$ 5,045	$ 49,878	$ (1,534,847)
Special	330,243	-	-	(330,243)
Vocational	6,746,584	2,750,146	333,712	(3,662,726)
Adult/continuing	1,186,515	482,222	711,914	7,621
Other	1,932	-	-	(1,932)
Support services:				
Pupil	1,288,593	-	194,243	(1,094,350)
Instructional staff	1,546,272	-	318,532	(1,227,740)
Board of education	220,758	-	-	(220,758)
Administration	2,021,767	10,889	114,619	(1,896,259)
Fiscal	1,000,699	7,539	2,630	(990,530)
Operations and maintenance	1,857,532	22,751	102,816	(1,731,965)
Pupil transportation	2,535	-	-	(2,535)
Central	356,063	-	3,257	(352,806)
Operation of non-instructional services:				
Food service operations	334,188	11,966	94,969	(227,253)
Other non-instructional services	32,091	-	44,073	11,982
Extracurricular activities	70,026	61,220	4,805	(4,001)
Interest and fiscal charges	4,452	-	-	(4,452)
Totals	$ 18,590,020	$ 3,351,778	$ 1,975,448	(13,262,794)

General revenues:	
Property taxes levied for:	
General purposes	16,021,566
Capital outlay	2,246,646
Payments in lieu of taxes	181,111
Grants and entitlements not restricted to specific programs	4,249,273
Investment earnings	79,427
(Decrease) in fair value of investments	(47,257)
Miscellaneous	46,277
Total general revenues	22,777,043
Change in net position	9,514,249
Net position at beginning of year	51,517,293
Net position at end of year	$ 61,031,542

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

DELAWARE AREA CAREER CENTER
DELAWARE COUNTY, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021
(SEE ACCOUNTANT'S COMPILATION REPORT)

	General	Permanent Improvement	Nonmajor Governmental Funds	Total Governmental Funds
Assets:				
Equity in pooled cash				
and cash investments	$ 8,315,540	$ 10,125,319	$ 793,661	$ 19,234,520
Receivables:				
Property taxes	14,093,078	1,703,076	-	15,796,154
Accounts	-	-	73,696	73,696
Accrued interest	11,782	-	-	11,782
Interfund loans	205,209	-	-	205,209
Intergovernmental	168,181	-	518,871	687,052
Prepayments	56,364	-	4,959	61,323
Materials and supplies inventory	16,215	-	-	16,215
Inventory held for resale	-	-	8,664	8,664
Total assets	$ 22,866,369	$ 11,828,395	$ 1,399,851	$ 36,094,615
Liabilities:				
Accounts payable	$ 121,030	$ 27,133	$ 43,932	$ 192,095
Accrued wages and benefits payable	779,004	-	75,249	854,253
Intergovernmental payable	40,581	-	39,070	79,651
Pension obligation payable	98,790	-	16,078	114,868
Interfund loans payable	-	-	205,209	205,209
Total liabilities	1,039,405	27,133	379,538	1,446,076
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	10,257,851	1,250,254	-	11,508,105
Delinquent property tax revenue not available	94,908	11,511	-	106,419
Intergovernmental revenue not available	26,011	-	279,290	305,301
Accrued interest not available	10,747	-	-	10,747
Contract services revenue not available	-	-	42,399	42,399
Tuition revenue not available	-	-	30,147	30,147
Total deferred inflows of resources	10,389,517	1,261,765	351,836	12,003,118
Fund balances:				
Nonspendable:				
Materials and supplies inventory	16,215	-	-	16,215
Prepaids	56,364	-	4,959	61,323
Restricted:				
Capital improvements	-	2,020,514	81,775	2,102,289
Adult education	-	-	387,315	387,315
Food service operations	-	-	28,524	28,524
State funded programs	-	-	2,912	2,912
Federally funded programs	-	-	28,250	28,250
Extracurricular	-	-	128,483	128,483
Other purposes	-	-	38,366	38,366
Committed:				
Capital improvements	-	8,518,983	-	8,518,983
Assigned:				
Student instruction	23,117	-	-	23,117
Student and staff support	113,288	-	-	113,288
Wellness activities	6,295	-	-	6,295
School supplies	22,510	-	-	22,510
Other purposes	97,300	-	-	97,300
Unassigned (deficit)	11,102,358	-	(32,107)	11,070,251
Total fund balances	11,437,447	10,539,497	668,477	22,645,421
Total liabilities, deferred inflows and fund balances	$ 22,866,369	$ 11,828,395	$ 1,399,851	$ 36,094,615

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

DELAWARE AREA CAREER CENTER
DELAWARE COUNTY, OHIO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2021
(SEE ACCOUNTANT'S COMPILATION REPORT)

Total governmental fund balances		$ 22,645,421
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.		54,656,036
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Property taxes receivable	$ 106,419	
Accounts receivable	72,546	
Accrued interest receivable	10,747	
Intergovernmental receivable	305,301	
Total		495,013
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities on the statement of net position.		1,513,727
The net pension/OPEB assets & liabilities are not due and payable in the current period; therefore, the assets, liabilities and related deferred inflows/outflows are not reported in governmental funds.		
Deferred outflows - pension	3,563,306	
Deferred inflows - pension	(389,966)	
Net pension liability	(17,968,744)	
Deferred outflows - OPEB	488,732	
Deferred inflows - OPEB	(2,191,191)	
Net OPEB asset	947,074	
Net OPEB liability	(1,495,273)	
Total		(17,046,062)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
Capital lease obligations	(75,990)	
Compensated absences	(1,156,603)	
Total		(1,232,593)
Net position of governmental activities		$ 61,031,542

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

DELAWARE AREA CAREER CENTER
DELAWARE COUNTY, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(SEE ACCOUNTANT'S COMPILATION REPORT)

	General	Permanent Improvement	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Property taxes	$ 16,035,315	$ 2,249,562	$ -	$ 18,284,877
Intergovernmental	4,159,533	189,150	1,585,808	5,934,491
Investment earnings	76,766	-	169	76,935
Tuition and fees	2,707,708	-	408,850	3,116,558
Extracurricular	-	-	61,220	61,220
Rental income	20,425	-	6,800	27,225
Charges for services	47,483	-	93,935	141,418
Contributions and donations	4,805	-	9,901	14,706
Payment in lieu of taxes	181,111	-	-	181,111
Miscellaneous	46,277	-	1,200	47,477
(Decrease) in fair value of investments	(47,257)	-	-	(47,257)
Total revenues	23,232,166	2,438,712	2,167,883	27,838,761
Expenditures:				
Current:				
Instruction:				
Regular	1,542,391	-	15,282	1,557,673
Special	333,885	-	-	333,885
Vocational	5,685,319	220,922	187,106	6,093,347
Adult/continuing	-	-	1,117,956	1,117,956
Support services:				
Pupil	1,077,857	-	185,233	1,263,090
Instructional staff	1,242,618	-	278,773	1,521,391
Board of education	210,498	-	-	210,498
Administration	1,855,313	-	112,349	1,967,662
Fiscal	958,020	34,785	10,639	1,003,444
Operations and maintenance	1,518,972	4,344	73,230	1,596,546
Pupil transportation	2,535	-	-	2,535
Central	331,089	-	3,182	334,271
Operation of non-instructional services:				
Food service operations	-	-	235,476	235,476
Other non-instructional services	-	4,222	26,864	31,086
Extracurricular activities	28,363	-	41,079	69,442
Facilities acquisition and construction	-	372,506	43,142	415,648
Debt service:				
Principal retirement	29,953	-	-	29,953
Interest and fiscal charges	4,452	-	-	4,452
Total expenditures	14,821,265	636,779	2,330,311	17,788,355
Excess of revenues over (under) expenditures	8,410,901	1,801,933	(162,428)	10,050,406
Other financing sources (uses):				
Transfers in	-	3,000,000	171,150	3,171,150
Transfers (out)	(3,171,150)	-	-	(3,171,150)
Total other financing sources (uses)	(3,171,150)	3,000,000	171,150	-
Net change in fund balances	5,239,751	4,801,933	8,722	10,050,406
Fund balances at beginning of year	6,197,696	5,737,564	659,755	12,595,015
Fund balances at end of year	$ 11,437,447	$ 10,539,497	$ 668,477	$ 22,645,421

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

DELAWARE AREA CAREER CENTER
DELAWARE 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, 2021
(SEE ACCOUNTANT'S COMPILATION REPORT)

Net change in fund balances - total governmental funds		$ 10,050,406
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital asset additions	$ 252,811	
Current year depreciation	(938,658)	
Total		(685,847)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.		(17,190)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	(16,665)	
Tuition	(37,043)	
Earnings on investments	2,492	
Contract services	42,399	
Intergovernmental	274,325	
Total		265,508
Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.		29,953
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	1,376,327	
OPEB	7,871	
Total		1,384,198
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	(2,024,709)	
OPEB	96,901	
Total		(1,927,808)
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.		2,488
An internal service fund used by management to charge the costs of insurance to individual funds is not reported in the district-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.		412,541
Change in net position of governmental activities		$ 9,514,249

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

DELAWARE AREA CAREER CENTER
DELAWARE 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, 2021
(SEE ACCOUNTANT'S COMPILATION REPORT)

	Budgeted Amounts			Variance with Final Budget Positive
	Original	**Final**	**Actual**	**(Negative)**
Revenues:				
Property taxes	$ 12,535,026	$ 12,535,026	$ 13,016,675	$ 481,649
Intergovernmental	3,834,104	3,834,104	4,019,749	185,645
Investment earnings	409,341	159,341	76,394	(82,947)
Tuition and fees	2,029,118	2,029,118	2,516,058	486,940
Rental income	20,955	20,955	20,425	(530)
Payment in lieu of taxes	165,256	165,256	181,111	15,855
Miscellaneous	15,551	15,551	62,990	47,439
Total revenues	19,009,351	18,759,351	19,893,402	1,134,051
Expenditures:				
Current:				
Instruction:				
Regular	2,060,509	1,656,226	1,575,842	80,384
Special	439,195	337,377	336,015	1,362
Vocational	7,250,627	5,957,303	5,488,060	469,243
Support services:				
Pupil	1,460,265	1,185,673	1,117,205	68,468
Instructional staff	1,723,066	1,480,644	1,275,461	205,183
Board of education	286,991	237,909	219,568	18,341
Administration	2,477,631	2,133,457	1,895,256	238,201
Fiscal	1,314,363	1,031,286	1,005,580	25,706
Operations and maintenance	2,043,655	1,649,610	1,559,690	89,920
Pupil transportation	3,313	22,250	2,535	19,715
Central	434,972	386,985	332,784	54,201
Operation of non-instructional services:				
Other non-instructional services	-	10,000	-	10,000
Extracurricular activities	25,871	45,684	19,793	25,891
Total expenditures	19,520,458	16,134,404	14,827,789	1,306,615
Excess (deficiency) of revenues over (under) expenditures	(511,107)	2,624,947	5,065,613	2,440,666
Other financing sources (uses):				
Refund of prior year's expenditures	50,000	50,000	195,782	145,782
Transfers (out)	-	(4,701,150)	(3,201,150)	1,500,000
Advances in	300,000	300,000	199,414	(100,586)
Advances (out)	-	(300,000)	(205,209)	94,791
Total other financing sources (uses)	350,000	(4,651,150)	(3,011,163)	1,639,987
Net change in fund balance	(161,107)	(2,026,203)	2,054,450	4,080,653
Fund balance at beginning of year	5,345,843	5,345,843	5,345,843	-
Prior year encumbrances appropriated	417,465	417,465	417,465	-
Fund balance at end of year	$ 5,602,201	$ 3,737,105	$ 7,817,758	$ 4,080,653

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

DELAWARE AREA CAREER CENTER
DELAWARE COUNTY, OHIO

STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2021
(SEE ACCOUNTANT'S COMPILATION REPORT)

	Governmental Activities - Internal Service Fund
Assets:	
Equity in pooled cash and cash investments	$ 1,662,387
Liabilities:	
Accounts payable	34,268
Claims payable	114,392
Total liabilities	148,660
Net position:	
Unrestricted	$ 1,513,727

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

DELAWARE AREA CAREER CENTER
DELAWARE COUNTY, OHIO

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(SEE ACCOUNTANT'S COMPILATION REPORT)

	Governmental Activities - Internal Service Fund
Operating revenues:	
Charges for services	$ 2,091,929
Operating expenses:	
Purchased services	339,980
Claims	1,339,408
Total operating expenses	1,679,388
Operating income/change in net position	412,541
Net position at beginning of year	1,101,186
Net position at end of year	$ 1,513,727

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

DELAWARE AREA CAREER CENTER
DELAWARE COUNTY, OHIO

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(SEE ACCOUNTANT'S COMPILATION REPORT)

		Governmental Activities - Internal Service Fund
Cash flows from operating activities:		
Cash received from tuition and fees		
Cash received from charges for services	$	2,091,929
Cash payments for contractual services		(372,644)
Cash payments for claims		(1,327,662)
Net cash provided by operating activities		391,623
Net increase in cash and cash investments		391,623
Cash and cash equivalents at beginning of year		1,270,764
Cash and cash equivalents at end of year	$	1,662,387
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	$	412,541
Changes in assets and liabilities:		
(Decrease) in accounts payable		(32,664)
Increase in claims payable		11,746
Net cash provided by operating activities	$	391,623

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

DELAWARE AREA CAREER CENTER
DELAWARE COUNTY, OHIO

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
JUNE 30, 2021
(SEE ACCOUNTANT'S COMPILATION REPORT)

	Custodial
Assets:	
Equity in pooled cash and cash investments	$ 3,492
Liabilities:	
Due to other governments	3,492
Net position:	
Restricted for individuals, organizations and other governments	$ -

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

DELAWARE AREA CAREER CENTER
DELAWARE COUNTY, OHIO

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(SEE ACCOUNTANT'S COMPILATION REPORT)

	Custodial
Additions:	
Sales tax collections for the State of Ohio	$ 672
Deductions:	
Distributions to the State of Ohio	672
Change in net position	-
Net position at beginning of year	-
Net position at end of year	$ -

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 - DESCRIPTION OF THE CAREER CENTER

The Delaware Area Career Center (the "Career Center") is a distinct political subdivision of the State of Ohio operated under the direction of a Board of Education (the "Board") consisting of one representative from each of the participating school districts' elected boards. The Board possesses its own budgeting and taxing authority. The Career Center exposes students to job training skills leading to employment upon graduation from high school.

The Career Center was established in 1972. The Career Center serves Delaware County and other surrounding counties. It is staffed by 38 classified employees, 66 certified teaching personnel, and 14 administrative employees who provide services to 2,000 students and other community members. The Career Center currently operates one instructional/administration buildings.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

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

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

JOINTLY GOVERNED ORGANIZATIONS

Metropolitan Educational Technology Association (META) Solutions
The Career Center is a participant in META Solutions which is a computer consortium that resulted from the mergers between Tri-Rivers Educational Computer Association (TRECA), Metropolitan Educational Council (MEC), Metropolitan Dayton Educational Cooperative Association (MDECA), Southeastern Ohio Valley Voluntary Education Cooperative (SEOVEC), and South Central Ohio Computer Association (SCOCA). META Solutions develops, implements and supports the technology and instructional needs of schools in a cost-effective manner. META Solutions provides instructional, core, technology and purchasing services for its member Career Centers. The Board of Directors consists of the Superintendents from eleven of the member Career Centers. During fiscal year 2021, the Career Center paid META Solutions $42,927 for services. Financial information can be obtained from Ashley Widby, who serves as Chief Financial Officer, 100 Executive Drive, Marion, Ohio 43302.

Central Ohio Regional Professional Development Center
The Central Ohio Regional Professional Development Center (the "Center") is a jointly governed organization among the school districts in Delaware, Licking, Franklin, Madison, Pickaway, and Union Counties. The Center was formed to advance the State Board of Education's mission that all students can learn by creating a high performance system of education. The Center's purpose is to provide long-term ongoing meaningful professional development for all education and school support personnel. The Center is governed by a twenty-two member Board made up of representatives from the participating school districts, the business community, and three institutions of higher learning. The degree of control exercised by any participating school district is limited to its representation on the Board. Financial information can be obtained from Hugh Garside, Southwestern City School District, 2975 Kingston Avenue, Grove City, Ohio 43123.

INSURANCE PURCHASING POOLS

Ohio School Boards Association Workers' Compensation Group Rating Plan
The Career Center participates in a group rating plan for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. The Ohio School Boards Association Workers' Compensation Group Rating Plan (the "GRP") was established through the Ohio School Boards Association (OSBA) as a group purchasing pool.

The GRP's business and affairs are conducted by a three-member Board of Directors consisting of the President, the President-Elect, and the Immediate Past President of the OSBA. The Executive Director of the OSBA, or his designee, serves as coordinator of the GRP. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

Ohio School Plan
The Ohio School Plan (the "Plan") is a shared liability, property and fleet insurance risk pool, which is governed by a Board of thirteen school Superintendents, Business Managers and Treasurers. Harcum-Schuett, the insurance agency, has one Board seat. OSBA, BASA, and OASBO Executive Directors serve as ex-officio members. There are 450 educational entities served by the Plan. The Plan's Board elects officers for one-year terms to serve as the Board of Directors. The Board of Directors exercises control over the operation of the Plan. All Plan revenues are generated from charges for services. For more information, write to the Ohio School Plan, Hylant Administrative Services, LLC, 811 Madison Avenue, P.O. Box 2083, Toledo, Ohio 43604.

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

B. Fund Accounting

The Career Center uses funds to report its financial position and the results of its operations. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain Career Center activities or functions. Funds are classified into three categories: governmental, proprietary and fiduciary. Each category is divided into separate fund types.

GOVERNMENTAL FUNDS

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 Career Center's major governmental funds:

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

Permanent improvement fund - The permanent improvement capital projects fund accounts for levy collections used for the acquisition, construction, or improvement of capital facilities.

Other governmental funds of the Career Center are used to account for specific revenue sources that are restricted or committed to an expenditure for specified purposes.

PROPRIETARY FUNDS

Proprietary funds are used to account for the Career Center's ongoing activities which are similar to those often found in the private sector. The Career Center has no enterprise funds. The following is a description of the Career Center's internal service fund:

Internal service fund - The internal service fund is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the Career Center, or to other governments, on a cost-reimbursement basis. The only internal service fund of the Career Center accounts for a self-insurance program, which provides medical/surgical benefits to employees.

FIDUCIARY FUNDS

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that have certain characteristics. The Career Center does not have any private-purpose trust funds. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The Career Center's custodial funds account for sales tax activities and grant programs for which the Career Center acts as fiscal agent.

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

C. Basis of Presentation and Measurement Focus

Government-Wide Financial Statements - The statement of net position and the statement of activities display information about the Career Center as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. Internal service fund activity is eliminated to avoid "doubling up" revenues and expenses. Interfund services provided and used are not eliminated in the process of consolidation.

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

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 Career Center are included on the statement of net position.

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

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows of resources and current liabilities and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, the internal service fund is accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of this fund are included on the statement of fund net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net position. The statement of cash flows provides information about how the Career Center finances and meets the cash flow needs of its proprietary activity.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the Career Center's health and dental self-insurance internal service fund are charges for services (premiums). Operating expenses for the internal service fund include claims and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Fiduciary funds present a statement of changes in fiduciary net position which reports additions to and deductions from custodial funds.

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

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 on the fund financial statements. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows and outflows of resources, and in the presentation of expenses versus expenditures.

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

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

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 fiscal year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the Career Center must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Career Center on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

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

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the Career Center, deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2021, but which were levied to finance fiscal year 2022 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 Career Center unavailable revenue includes, but is not limited to, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

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

For the Career Center, see Note 12 and 13 for deferred inflows of resources related to the Career Center's net pension liability and net OPEB liability/asset, respectively. This deferred inflow of resources is only reported on the government-wide statement of net position.

Unearned Revenues - Revenues received during fiscal year 2021 resulting from exchange transactions for which the Career Center has yet to provide the requisite services as of June 30, 2021 have been recorded as unearned revenue on both the government-wide and fund financial statements. The Career Center had no unearned revenues to report as of June 30, 2021.

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 fiscal year is reported in the financial statements as an expense 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. Budgets

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 appropriation resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified.

The specific timetable for fiscal year 2021 is as follows:

1. 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.

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

3. Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's certificate of estimated resources, which states the projected revenue of each fund. Prior to July 1, the Career Center must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as a basis for the appropriation measure. On or about July 1, the certificate of estimated resources is amended to include any unencumbered balances from the preceding year as reported by the Career Center Treasurer.

   The certificate of estimated resources may be further amended during the year if projected increases or decreases in revenue are identified by the Career Center Treasurer. The amounts reported in the budgetary statement reflect the amounts set forth in the original and final certificates of estimated resources issued for fiscal year 2021.

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

4. By July 1, the annual appropriation resolution is legally enacted by the Board of Education at the fund level of expenditures for all funds, which is the legal level of budgetary control. (State statute permits a temporary appropriation to be effective until no later than October 1 of each year.) Appropriations 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.

5. All funds, other than custodial funds, are legally required to be budgeted and appropriated. Short-term interfund loans are not required to be budgeted since they represent a temporary cash flow resource and are intended to be repaid.

6. Any revisions that alter the legal level of budgetary control must be approved by the Board of Education.

7. Formal budgetary integration is employed as a management control device during the year for all funds, consistent with statutory provisions.

8. Appropriation amounts are as originally adopted, or as amended by the Board of Education through the year by supplemental appropriations, which either reallocated or increased the original and final appropriated amounts. All supplemental appropriations were legally enacted by the Board during fiscal year 2021.

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

F. Cash and Investments

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

During fiscal year 2021, investments were limited to Federal Farm Credit Bank (FFCB) securities, Federal Home Loan Bank (FHLB) securities, commercial paper, negotiable certificates of deposit (CD), U.S. Government money market mutual fund, and investments in the State Treasury Asset Reserve of Ohio (STAR Ohio). Except for STAR Ohio discussed below, investments are reported at fair value which is based on quoted market prices.

During fiscal year 2021, the Career Center invested in STAR Ohio. STAR 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 Career Center measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

For fiscal year 2021, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding $25 million. STAR Ohio reserves the right to limit the transaction to $250 million, requiring the excess amount to be transacted the following business day(s), but only to the $250 million limit. All accounts of the participant will be combined for these purposes.

Under existing Ohio statute, interest earnings are allotted to the general fund unless the Board of Education has, by resolution, specified funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2021 amounted to $76,766, which includes $45,409 assigned from other Career Center funds.

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

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

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

G. Inventory

On government-wide and fund financial statements, purchased inventories are presented at the lower of cost or market and donated commodities are presented at their entitlement value. Inventories are recorded on a first-in, first-out basis and are expended/expensed when used. Inventories are accounted for using the consumption method on both the fund financial statements and the government-wide statements.

On the fund financial statements, reported materials and supplies inventory is equally offset by 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.

Inventories consist of donated food, purchased food, and non-food supplies.

H. Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and deductions during the year. Donated capital assets are recorded at their acquisition values as of the date received. The Career Center maintains its capitalization threshold at $2,500. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. The Career Center does not possess infrastructure.

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

Description	Governmental Activities Estimated Lives
Land improvements	25 years
Buildings and improvements	10 - 100 years
Furniture and equipment	5 - 70 years
Vehicles	6 - 10 years

I. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund loans receivable/payable" and "loans receivable/payable". The "interfund loans receivable/payable" balance is eliminated in the governmental activities column on the statement of net position. The "loans receivable/payable" balance is reported in both the government-wide and fund financial statements for amounts due to/from custodial funds. The Career Center did not have any "loans receivable/payable" in fiscal year 2021.

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

J. Compensated Absences

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

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

The total liability for vacation leave and sick leave payments has been calculated using pay rates in effect at June 30, 2021 and reduced to the maximum payment allowed by labor contract and/or statute, plus any additional salary related payments.

The entire compensated absences 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 funds from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported.

K. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities, and long-term obligations payable from the proprietary fund are reported in the proprietary fund financial statements.

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

L. Fund Balance

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

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.

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

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

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

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

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

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

M. Net Position

Net position represents the difference between assets plus deferred outflows of resources and liabilities plus 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 or liabilities used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the Career Center or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

N. Prepayments

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

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

O. Estimates

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

P. Interfund Activity

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

Q. Pensions/Other Postemployment Benefits (OPEB)

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

R. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2021.

S. Fair Value Measurements

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For fiscal year 2021, the Career Center has applied GASB Statement No. 95, "*Postponement of the Effective Dates of Certain Authoritative Guidance.*" GASB Statement No. 95 provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. This objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

Certain provisions contained in the following pronouncements were scheduled to be implemented for the fiscal year ended June 30, 2021. Due to the implementation of GASB Statement No. 95, the effective dates of certain provisions contained in these pronouncements are postponed until the fiscal year ended June 30, 2022:

- Statement No. 87, *Leases*
- Implementation Guide No. 2019-3, *Leases*
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*

B. Deficit Fund Balances

Fund balances at June 30, 2021 included the following individual fund deficits:

Nonmajor funds	Deficit
Student wellness and success funds	$ 10,190
Adult basic education	3,892
Governor's emergency education relief	18,025

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

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

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

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

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

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

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

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

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

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

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

7. The State Treasurer's investment pool, 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.

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

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

A. Cash on Hand

At fiscal year end, the Career Center had $330 in undeposited cash on hand, which is included on the financial statements of the Career Center as part of "equity in pooled cash and investments".

B. Deposits with Financial Institutions

At June 30, 2021, the carrying amount of all Career Center deposits was $914,723 and the bank balance of all Career Center deposits was $1,012,819. Of the bank balance, $250,000 was covered by the FDIC and $762,819 was covered by the Ohio Pooled Collateral System.

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Custodial credit risk is the risk that, in the event of bank failure, the Career Center will not be able to recover deposits or collateral securities that are in the possession of an outside party. The Career Center has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the Career Center and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For 2021, the Career Center's financial institutions were approved for a reduced collateral rate of 102 percent through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the Career Center to a successful claim by the FDIC.

C. Investments

As of June 30, 2021, the Career Center had the following investments and maturities:

Measurement/ Investment type	Measurement Amount	Investment Maturities 6 Months or Less	7 to 12 Months	13 to 18 Months	19 to 24 Months	Greater Than 24 Months
Fair Value:						
Negotiable CDs	$ 4,886,968	$ -	$ 1,400,460	$ 598,083	$ 152,242	$ 2,736,183
FFCB	1,261,963	-	-	514,228	-	747,735
FHLB	3,006,812	-	-	-	-	3,006,812
Commercial paper	2,549,567	2,549,567	-	-	-	-
U.S. Government Money Market Mutual fund	541,523	541,523	-	-	-	-
Amortized Cost:						
STAR Ohio	7,738,513	7,738,513	-	-	-	-
Total	$ 19,985,346	$ 10,829,603	$ 1,400,460	$ 1,112,311	$ 152,242	$ 6,490,730

The weighted average maturity of investments is 1.29 days.

The Career Center's investments in U.S. Government money market mutual funds are valued using quoted market prices in active markets (Level 1 inputs). The Career Center's investments in negotiable CD's, Federal agency securities, and commercial paper 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). As discussed in Note 2.F, investments in STAR Ohio are measured at their net asset value per share.

Interest Rate Risk: Interest rate risk arises as potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. As a means of limiting its exposure to fair value losses arising from rising interest rates and according to State law, the Career Center's investment policy limits investment portfolio maturities to five years or less.

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Credit Risk: The Career Center's investments in STAR Ohio and the U.S. Government money market mutual fund are rated AAAm by Standard & Poor's. STAR Ohio must maintain the highest letters or numerical rating provided by at least one nationally recognized standard rating service. The Career Center's investments in negotiable CDs are not rated as they are fully covered by the FDIC. The Career Center's investments in federal agency securities are rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively. The Career Center's investments in commercial paper are rated A-1 and P-1 by Standard & Poor's and Moody's Investor Services, respectively. The Career Center's investment policy does not specifically address credit risk beyond the adherence to all relevant sections of the Ohio Revised Code.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Career Center will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Career Center has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

Concentration of Credit Risk: The Career Center places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the Career Center at June 30, 2021:

Measurement/ Investment type	Measurement Amount	% of Total
Fair Value:		
Negotiable CDs	$ 4,886,968	24.45
FFCB	1,261,963	6.31
FHLB	3,006,812	15.05
Commercial paper	2,549,567	12.76
U.S. Government Money Market Mutual fund	541,523	2.71
Amortized Cost:		
STAR Ohio	7,738,513	38.72
Total	$ 19,985,346	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, 2021:

Cash and investments per note	
Carrying amount of deposits	$ 914,723
Investments	19,985,346
Cash on hand	330
Total	$ 20,900,399
Cash and investments per statement of net position	
Governmental activities	$ 20,896,907
Custodial funds	3,492
Total	$ 20,900,399

NOTE 5 - INTERFUND TRANSACTIONS

A. Interfund loans receivable/payable consisted of the following at June 30, 2021, as reported on the fund financial statements:

Receivable fund	Payable funds	Amount
General fund	Nonmajor governmental funds	$ 205,209

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

Interfund balances between governmental funds are eliminated in the government-wide financial statements; therefore, no internal balances at June 30, 2021 are reported on the statement of net position.

B. Interfund transfers for the year ended June 30, 2021 consisted of the following, as reported on the fund financial statements:

Transfers from general fund to:	Amount
Permanent Improvement fund	$ 3,000,000
Nonmajor governmental funds	171,150
Total	$ 3,171,150

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

The transfers from the general fund to the nonmajor governments fund were primarily to support food service and adult education programs.

Interfund transfers between governmental funds are eliminated on the government-wide financial statements; therefore, no transfers are reported in the statement of activities.

All transfers during fiscal year 2021 were made in accordance with Ohio Revised Code Sections 5705.14, 5705.15 and 5704.16.

NOTE 6 - PROPERTY TAXES

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

NOTE 6 - PROPERTY TAXES – (Continued)

Property taxes include amounts levied against all real property and public utility property. Real property tax revenues received in calendar year 2021 represent the collection of calendar year 2020 taxes. Real property taxes received in calendar year 2021 were levied after April 1, 2020, on the assessed values as of January 1, 2020, 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 2021 represent the collection of calendar year 2020 taxes. Public utility real and personal property taxes received in calendar year 2021 became a lien on December 31, 2019, were levied after April 1, 2020, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

The Career Center receives property taxes from Delaware, Franklin, Morrow, Union, and Marion Counties. The County Auditors periodically advance to the Career Center its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2021, are available to finance fiscal year 2021 operations. The amount available as an advance at June 30, 2021 was $3,740,319 in the general fund and $441,311 in the permanent improvement fund. These amounts are recorded as revenue. The amount available for advance at June 30, 2020 was $721,693 in the general fund and $95,142 in the permanent improvement fund. The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and delinquent tangible personal property taxes which are measurable as of June 30, 2021 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 2021 taxes were collected are:

	2020 Second Half Collections		2021 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/residential and other real estate	$ 6,422,399,320	94.31	$ 7,235,895,160	94.37
Public utility personal	387,743,270	5.69	431,882,400	5.63
Total	$ 6,810,142,590	100.00	$ 7,667,777,560	100.00
Tax rate per $1,000 of assessed valuation	$ 3.20		$ 3.20	

NOTE 7 - RECEIVABLES

Receivables at June 30, 2021 consisted of property taxes, accounts (billings for user charged services and student fees), and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current year guarantee of federal funds.

NOTE 7 – RECEIVABLES - (Continued)

A list of the principal items of receivables reported on the statement of net position follows:

Governmental activities:	
Property taxes	$ 15,796,154
Accounts	73,696
Accrued interest	11,782
Intergovernmental	687,052
Total	$ 16,568,684

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

NOTE 8 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2021, was as follows:

	Balance July 1, 2020	Additions	Deductions	Balance June 30, 2021
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 524,244	$ -	$ -	$ 524,244
Total capital assets, not being depreciated	524,244	-	-	524,244
Capital assets, being depreciated:				
Land improvements	641,668	37,200	-	678,868
Buildings and improvements	55,123,776	14,136	-	55,137,912
Furniture and equipment	5,120,852	201,475	(141,158)	5,181,169
Vehicles	196,846	-	(24,497)	172,349
Total capital assets, being depreciated	61,083,142	252,811	(165,655)	61,170,298
Less: accumulated depreciation:				
Land improvements	(297,919)	(19,645)	-	(317,564)
Buildings and improvements	(2,731,065)	(635,069)	-	(3,366,134)
Furniture and equipment	(3,027,497)	(283,434)	123,968	(3,186,963)
Vehicles	(191,832)	(510)	24,497	(167,845)
Total accumulated depreciation	(6,248,313)	(938,658)	148,465	(7,038,506)
Governmental activities capital assets, net	$ 55,359,073	$ (685,847)	$ (17,190)	$ 54,656,036

NOTE 8 - CAPITAL ASSETS - (Continued)

Depreciation expense was charged to governmental activities as follows:

Instruction:	
Regular	$ 50,947
Vocational	565,439
Adult/continuing	44,746
Support services:	
Pupil	5,155
Instructional staff	20,129
Board of education	9,707
Administration	40,714
Fiscal	340
Operations and maintenance	88,853
Central	19,414
Other non-instructional services	1,005
Food service operations	92,209
Total depreciation expense	$ 938,658

NOTE 9 - CAPITALIZED LEASES - LESSEE DISCLOSURE

During fiscal years 2016 and 2020, the Career Center entered into capitalized leases for copier equipment. These capital lease agreements meet the criteria of a capital lease as defined by generally accepted accounting principles, which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the fund financial statements for the governmental funds. These expenditures are reported as function expenditures on the budgetary statement.

Capital assets consisting of copier equipment have been capitalized in the amount of $195,276. This amount represents the present value of the minimum lease payments at the time of acquisition. Accumulated depreciation as of June 30, 2021 for this equipment was $110,834, leaving a current book value of $84,442. A corresponding liability is recorded in the government-wide financial statements. Principal payments in fiscal year 2021 totaled $29,953 paid by the general fund.

The following is a schedule of the future long-term minimum lease payments required under the capital lease and the present value of the future minimum lease payments as of June 30, 2021:

Fiscal Year Ending June 30,	Amount
2022	$ 21,000
2023	21,000
2024	21,000
2025	21,000
Total minimum lease payments	84,000
Less: amount representing interest	(8,010)
Total	$ 75,990

NOTE 10 - LONG-TERM OBLIGATIONS

A. The Career Center's long-term obligations during the year consist of the following:

	Balance July 1, 2020	Additions	Reductions	Balance June 30, 2021	Amounts Due in One Year
Governmental activities:					
Compensated absences	$ 1,159,091	$ 337,776	$ (340,264)	$ 1,156,603	$ 150,594
Capital lease obligations	105,943	-	(29,953)	75,990	17,600
Net pension liability:					
STRS	11,549,221	1,489,654	-	13,038,875	-
SERS	4,844,200	85,669	-	4,929,869	-
Total net pension liability	16,393,421	1,575,323	-	17,968,744	-
Net OPEB liability:					
SERS	1,877,482	-	(382,209)	1,495,273	-
Total governmental activities long-term obligations	$ 19,535,937	$ 1,913,099	$ (752,426)	$ 20,696,610	$ 168,194

Compensated Absences: The compensated absences will be paid from the fund from which the employee is paid, which for the Career Center is primarily the general fund, the adult education fund (a nonmajor governmental fund), and the vocational education fund (a nonmajor governmental fund).

Capital Lease Obligations: See Note 9 for information on the Career Center's capital lease obligations.

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

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

B. Legal Debt Margin

The Ohio Revised Code provides that voted net general obligation debt of the Career Center shall never exceed 9% of the total assessed valuation of the Career Center. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the Career Center. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the Career Center. The assessed valuation used in determining the Career Center's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the Career Center's legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The effects of these debt limitations at June 30, 2021, are a voted debt margin of $690,099,980 and an unvoted debt margin of $7,667,778.

NOTE 11 - RISK MANAGEMENT

A. Property and Liability

For fiscal year 2021, the Career Center participated in the Ohio School Plan (the "Plan"), an insurance purchasing pool (Note 2.A). Each participant enters into an individual agreement with the Plan for insurance coverage and pays annual premiums to the Plan based on the types and limits of coverage and deductibles selected by the participant.

The Career Center is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2021, the Career Center obtained the following insurance coverage:

Coverage provided by Ohio School Plan is as follows:

Automobile Liability	$ 2,000,000
General School Career Center Liability	
Per Occurrence	3,000,000
Total Per Year	5,000,000
Buildings and Contents	58,429,334

Settled claims have not exceeded this commercial coverage in any of the past three years. Buildings and content coverage decreased $26,907,083 after the sale and removal of coverage on the North Campus. For all other coverages, there has been no significant reduction in insurance coverage from the prior fiscal year.

B. Workers' Compensation Plan

The Career Center participates in the Ohio School Boards Association Workers' Compensation Group Rating Plan (the "GRP"), an insurance purchasing pool (Note 2.A). The intent of the GRP is to achieve the benefit of a reduced premium for the Career Center by virtue of its grouping and representation with other participants in the GRP. Participants in the GRP are placed on tiers according to their loss history. Participants with low loss histories are rewarded with greater savings than participants with higher loss histories. Each participant pays its workers' compensation premium to the State based on the rate for its GRP tier rather than its individual rate. 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, assistance with safety programs, and actuarial services to the GRP.

C. Medical and Prescription Drug Benefits

The Career Center offers medical and prescription drug benefits to employees on a self-insurance basis. The employees share the cost of the monthly premium with the Board of Education. The premium varies with each employee depending on marital and family status.

NOTE 11 - RISK MANAGEMENT - (Continued)

All funds of the Career Center participate in the program and make payments to the Risk Management Fund based on actuarial estimates of the amounts needed to pay claims and actual amounts needed to pay fixed costs (premiums for stop-loss coverage and medical conversion and administrative fees and services). The claims liability of $114,392 reported in the basic financial statements at June 30, 2021, is based on an estimate provided by the third party administrator and the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", as amended by GASB Statement No. 30, "Risk Financing Omnibus", which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred, but not reported claims, be accrued at the estimated ultimate cost of settling the claim. Claims activities for the current and prior year are as follows:

Year	Balance	Year Claims	Payments	Balance
2021	$ 102,646	$ 1,339,408	$ (1,327,662)	$ 114,392
2020	154,784	1,132,866	(1,185,004)	102,646

D. Dental, Vision, and Life Benefits

Dental, vision, and life insurance are provided to employees on a fully insured basis. The Career Center purchases these coverages from insurance carriers and employees share the cost of the monthly premium with the Board of Education.

NOTE 12 - DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability/Net OPEB Liability/Asset

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

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

NOTE 12 - 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 13 for the required OPEB disclosures.

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

Plan Description - School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire after August 1, 2017
Full benefits	Age 65 with 5 years of services credit: or 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.

Effective January 1, 2018, SERS cost-of-living adjustment (COLA) changed from a fixed 3% annual increase to one based on the Consumer Price Index (CPI-W) with a cap of 2.5% and a floor of 0%. SERS also has the authority to award or suspend the COLA, or to adjust the COLA above or below CPI-W. SERS suspended the COLA increases for 2018, 2019 and 2020 for current retirees, and confirmed their intent to implement a four-year waiting period for the start of a COLA for future retirees. For 2021, the COLA was 0.5%.

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Funding Policy - Plan members are required to contribute 10% of their annual covered salary and the Career Center is required to contribute 14% 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% for plan members and 14% 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, 2021, the allocation to pension, death benefits, and Medicare B was 14.0%.

The Career Center's contractually required contribution to SERS was $380,156 for fiscal year 2021. Of this amount, $12,597 is reported as pension obligation 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 will be 2.2% of final average salary for the five highest years of earnings multiplied by all years of service. Effective July 1, 2017, the cost-of-living adjustment was reduced to zero. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 28 years of service, or 33 years of service regardless of age. Eligibility changes will be phased in until August 1, 2026, 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.

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

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

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

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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. Eligible survivors of members who die before service retirement may qualify for monthly benefits. 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. 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. For fiscal year 2021, plan members were required to contribute 14% of their annual covered salary. The Career Center was required to contribute 14%; the entire 14% was the portion used to fund pension obligations. The fiscal year 2021 contribution rates were equal to the statutory maximum rates.

The Career Center's contractually required contribution to STRS was $996,171 for fiscal year 2021. Of this amount, $92,119 is reported as pension obligation 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, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Career Center's proportion of the net pension liability was based on the Career Center's share of contributions to the pension plan relative to the projected contributions of all participating entities.

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

	SERS	STRS	Total
Proportion of the net pension liability prior measurement date	0.08096370%	0.05222489%	
Proportion of the net pension liability current measurement date	0.07453450%	0.05388757%	
Change in proportionate share	-0.00642920%	0.00166268%	
Proportionate share of the net pension liability	$ 4,929,869	$ 13,038,875	$ 17,968,744
Pension expense	$ 355,760	$ 1,668,949	$ 2,024,709

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

At June 30, 2021, the Career Center reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	SERS	STRS	Total
Deferred outflows of resources			
Differences between expected and actual experience	$ 9,576	$ 29,256	$ 38,832
Net difference between projected and actual earnings on pension plan investments	312,947	634,082	947,029
Changes of assumptions	-	699,935	699,935
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	-	501,183	501,183
Contributions subsequent to the measurement date	380,156	996,171	1,376,327
Total deferred outflows of resources	$ 702,679	$ 2,860,627	$ 3,563,306

	SERS	STRS	Total
Deferred inflows of resources			
Differences between expected and actual experience	$ -	$ 83,375	$ 83,375
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	278,365	28,226	306,591
Total deferred inflows of resources	$ 278,365	$ 111,601	$ 389,966

$1,376,327 reported as deferred outflows of resources related to pension resulting from Career Center contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2022.

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:			
2022	$ (191,517)	$ 653,135	$ 461,618
2023	7,254	289,394	296,648
2024	130,442	457,219	587,661
2025	97,979	353,107	451,086
Total	$ 44,158	$ 1,752,855	$ 1,797,013

NOTE 12 - 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, 2020, are presented below:

Wage inflation	3.00%
Future salary increases, including inflation	3.50% to 18.20%
COLA or ad hoc COLA	2.50%
Investment rate of return	7.50% net of investment expense, including inflation
Actuarial cost method	Entry age normal (level percent of payroll)

For 2020, the mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females. Mortality among service retired members, and beneficiaries were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates. Mortality among disabled members was based upon the RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

The most recent experience study was completed for the five year period ended June 30, 2015.

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.

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00 %	1.85 %
US Equity	22.50	5.75
International Equity	22.50	6.50
Fixed Income	19.00	2.85
Private Equity	12.00	7.60
Real Assets	17.00	6.60
Multi-Asset Strategies	5.00	6.65
Total	100.00 %	

Discount Rate - The total pension liability was calculated using the discount rate of 7.50%. 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 (7.50%). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the Career Center's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.50%, 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 (6.50%), or one percentage point higher (8.50%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
Career Center's proportionate share of the net pension liability	$ 6,753,318	$ 4,929,869	$ 3,399,960

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2020, actuarial valuation are presented below:

	July 1, 2020
Inflation	2.50%
Projected salary increases	12.50% at age 20 to 2.50% at age 65
Investment rate of return	7.45%, net of investment expenses, including inflation
Payroll increases	3.00%
Cost-of-living adjustments (COLA)	0.00%

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

For the July 1, 2020, actuarial valuation, post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table 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. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90% of rates for males and 100% of rates for females, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the July 1, 2020 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

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

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

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

Discount Rate - The discount rate used to measure the total pension liability was 7.45% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2020. Therefore, the long-term expected rate of return on pension plan investments of 7.45% was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2020.

Sensitivity of the Career Center's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate **-** The following table presents the Career Center's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.45%, as well as what the Career Center's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.45%) or one-percentage-point higher (8.45%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Career Center's proportionate share of the net pension liability	$ 18,565,087	$ 13,038,875	$ 8,355,869

NOTE 13 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability/Asset

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

Plan Description - School Employees Retirement System (SERS)

Health Care Plan Description - The Career Center contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Comprehensive Annual 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, 2021, 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 2021, this amount was $23,000. 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 2021, the Career Center's surcharge obligation was $7,871.

The surcharge added to the allocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The Career Center's contractually required contribution to SERS was $7,871 for fiscal year 2021. Of this amount, $7,871 is reported as pension obligation 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. Medicare Part B premium reimbursements will be discontinued effective January 1, 2021. 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 13 - 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, 2021, 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, 2020, and the total OPEB liability/asset used to calculate the net OPEB liability/asset was determined by an actuarial valuation as of that date. The Career Center's proportion of the net OPEB liability/asset was based on the Career Center's share of contributions to the respective retirement systems relative to the contributions of all participating entities.

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

	SERS	STRS	Total
Proportion of the net OPEB liability/asset prior measurement date	0.07465760%	0.05222489%	
Proportion of the net OPEB liability/asset current measurement date	0.06880110%	0.05388757%	
Change in proportionate share	-0.00585650%	0.00166268%	
Proportionate share of the net OPEB liability	$ 1,495,273	$ -	$ 1,495,273
Proportionate share of the net OPEB asset	$ -	$ 947,074	$ 947,074
OPEB expense	$ (59,049)	$ (37,852)	$ (96,901)

At June 30, 2021, the Career Center reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	SERS	STRS	Total
Deferred outflows of resources			
Differences between expected and actual experience	$ 19,639	$ 60,685	$ 80,324
Net difference between projected and actual earnings on OPEB plan investments	16,850	33,191	50,041
Changes of assumptions	254,891	15,633	270,524
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	17,927	62,045	79,972
Contributions subsequent to the measurement date	7,871	-	7,871
Total deferred outflows of resources	$ 317,178	$ 171,554	$ 488,732

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

	SERS	STRS	Total
Deferred inflows of resources			
Differences between expected and actual experience	$ 760,451	$ 188,642	$ 949,093
Changes of assumptions	37,661	899,563	937,224
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	299,739	5,135	304,874
Total deferred inflows of resources	$ 1,097,851	$ 1,093,340	$ 2,191,191

$7,871 reported as deferred outflows of resources related to OPEB resulting from Career Center contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability/asset in the fiscal year ending June 30, 2022.

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:			
2022	$ (155,746)	$ (226,100)	$ (381,846)
2023	(154,527)	(203,636)	(358,163)
2024	(154,723)	(195,754)	(350,477)
2025	(156,202)	(209,113)	(365,315)
2026	(122,841)	(41,809)	(164,650)
Thereafter	(44,505)	(45,374)	(89,879)
Total	$ (788,544)	$ (921,786)	$ (1,710,330)

Actuarial Assumptions - SERS

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

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

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

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2020 are presented below:

Wage inflation	3.00%
Future salary increases, including inflation	3.50% to 18.20%
Investment rate of return	7.50% net of investment expense, including inflation
Municipal bond index rate:	
Measurement date	2.45%
Prior measurement date	3.13%
Single equivalent interest rate, net of plan investment expense, including price inflation:	
Measurement date	2.63%
Prior measurement date	3.22%
Medical trend assumption:	
Measurement date	
Medicare	5.25 to 4.75%
Pre-Medicare	7.00 to 4.75%
Prior measurement date	
Medicare	5.25 to 4.75%
Pre-Medicare	7.00 to 4.75%

Mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and Scale BB, 120% of male rates and 110% of female rates. RP-2000 Disabled Mortality Table with 90% for male rates and 100% for female rates set back five years.

The most recent experience study was completed for the five-year period ended June 30, 2015.

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2010 through 2015, and was adopted by the Board on April 21, 2016. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.50%, 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.

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class, as used in the June 30, 2015 five-year experience study, are summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00 %	1.85 %
US Equity	22.50	5.75
International Equity	22.50	6.50
Fixed Income	19.00	2.85
Private Equity	12.00	7.60
Real Assets	17.00	6.60
Multi-Asset Strategies	5.00	6.65
Total	100.00 %	

Discount Rate - The discount rate used to measure the total OPEB liability at June 30, 2020 was 2.63%. The discount rate used to measure total OPEB liability prior to June 30, 2019 was 3.22%. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the state statute contribution rate of 2.00% of projected covered employee payroll each year, which includes a 1.50% payroll surcharge and 0.50% of contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2025. Therefore, the long-term expected rate of return on OPEB plan assets was used to present value the projected benefit payments through the fiscal year ending June 30, 2024 and the Fidelity General Obligation 20-year Municipal Bond Index rate of 2.45%, as of June 30, 2020 (i.e. municipal bond rate), was used to present value the projected benefit payments for the remaining years in the projection. A municipal bond rate of 3.13% was used as of June 30, 2019. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The projection of future benefit payments for all current plan members was until the benefit payments ran out.

Sensitivity of the Career Center's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates - The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.63%) and higher (3.63%) than the current discount rate (2.63%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.00% decreasing to 3.75%) and higher (8.00% decreasing to 5.75%) than the current rate (7.00% decreasing to 4.75%).

	1% Decrease	Current Discount Rate	1% Increase
Career Center's proportionate share of the net OPEB liability	$ 1,830,177	$ 1,495,273	$ 1,229,025

	1% Decrease	Current Trend Rate	1% Increase
Career Center's proportionate share of the net OPEB liability	$ 1,177,414	$ 1,495,273	$ 1,920,332

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2020, actuarial valuation, compared with July 1, 2019, are presented below:

	July 1, 2020		July 1, 2019	
Inflation	2.50%		2.50%	
Projected salary increases	12.50% at age 20 to 2.50% at age 65		12.50% at age 20 to 2.50% at age 65	
Investment rate of return	7.45%, net of investment expenses, including inflation		7.45%, net of investment expenses, including inflation	
Payroll increases	3.00%		3.00%	
Cost-of-living adjustments (COLA)	0.00%		0.00%	
Discount rate of return	7.45%		7.45%	
Blended discount rate of return	N/A		N/A	
Health care cost trends				
	Initial	Ultimate	Initial	Ultimate
Medical				
Pre-Medicare	5.00%	4.00%	5.87%	4.00%
Medicare	-6.69%	4.00%	4.93%	4.00%
Prescription Drug				
Pre-Medicare	6.50%	4.00%	7.73%	4.00%
Medicare	11.87%	4.00%	9.62%	4.00%

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

For healthy retirees the mortality rates are based on the RP-2014 Annuitant Mortality Table 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 Table 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, 2020 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

Assumption Changes Since the Prior Measurement Date - There were no changes in assumptions since the prior measurement date of June 30, 2019.

Benefit Term Changes Since the Prior Measurement Date - There was no change to the claims costs process. Claim curves were updated to reflect the projected fiscal year end 2021 premium based on June 30, 2020 enrollment distribution. 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.

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

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

Discount Rate - The discount rate used to measure the total OPEB asset was 7.45% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumes STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on health care plan investments of 7.45% was used to measure the total OPEB asset as of June 30, 2020.

Sensitivity of the Career Center's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate - The following table represents the net OPEB asset as of June 30, 2020, calculated using the current period discount rate assumption of 7.45%, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.45%) or one percentage point higher (8.45%) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease	Current Discount Rate	1% Increase
Career Center's proportionate share of the net OPEB asset	$ 824,015	$ 947,074	$ 1,051,483

	1% Decrease	Current Trend Rate	1% Increase
Career Center's proportionate share of the net OPEB asset	$ 1,045,002	$ 947,074	$ 827,781

NOTE 14 - 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, disbursements and encumbrances.

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

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

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

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

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

(e) Investments are reported at fair value (GAAP basis) rather than cost (budget basis); and,

(f) 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:

Net Change in Fund Balance

	General fund
Budget basis	$ 2,054,450
Net adjustment for revenue accruals	3,089,127
Net adjustment for expenditure accruals	4,989
Net adjustment for other sources/uses	(159,987)
Funds budgeted elsewhere	(2,085)
Adjustment for encumbrances	253,257
GAAP basis	$ 5,239,751

Certain funds that are legally budgeted in separate fund classifications are considered part of the general fund on a GAAP basis. These include the uniform school supplies fund, rotary fund, public school support fund, wellness fund, workers compensation fund, and Pell grant fund.

NOTE 15 - CONTINGENCIES

A. Grants

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

B. Litigation

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

C. School Foundation

Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Career centers must comply with minimum hours of instruction, instead of a minimum number of school days each year. The funding formula the Ohio Department of Education (ODE) is legislatively required to follow will continue to adjust as enrollment information is updated by the Career Center, which can extend past the fiscal year-end. As of the date of this report, ODE has not finalized the impact of enrollment adjustments to the June 30, 2021 Foundation funding for the Career Center; therefore, the financial statement impact is not determinable at this time. ODE and management believe this will result in either a receivable to or liability of the Career Center.

NOTE 16 - SET-ASIDES

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

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

	Capital Improvements
Set-aside balance June 30, 2020	$ -
Current year set-aside requirement	170,113
Current year offsets	(170,113)
Total	$ -
Balance carried forward to fiscal year 2022	$ -
Set-aside balance June 30, 2021	$ -

NOTE 17 - COMMITMENTS

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

Fund	Year End Encumbrances
General	$ 131,242
Permanent improvement	271,393
Nonmajor governmental funds	5,286
Total	$ 407,921

NOTE 18 - TAX ABATEMENTS ENTERED INTO BY OTHER GOVERNMENTS

Other governments have entered into property tax abatement agreements with property owners under Enterprise Zone Agreements ("EZAs") and the Ohio Community Reinvestment Area ("CRA") program within taxing districts of the Career Center. The EZAs and CRA program are direct incentive tax exemption programs benefiting property owners who renovate existing buildings or construct new buildings. Under these programs, the other governments have designated areas to encourage revitalization of the existing structures and the development of new structures.

The Career Center has incurred a reduction in property tax receipts due to agreements entered into by other governments, including Delaware County, City of Columbus, City of Westerville, City of Delaware, and Liberty Township. During fiscal year 2021, the Career Center's property tax receipts were reduced by CRA agreements entered into by other governments in the amount of $282,746.

The Career Center is not receiving any amounts from these other governments in association with the forgone property tax receipts.

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. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Career Center. The Career Center's investment portfolio and the pension and other employee benefits plan in which the Career Center participate fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. In addition, the impact on the Career Center's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

During fiscal year 2021, the Career Center received $179,304 as an on-behalf of grant from another government. These amounts are recorded in the Coronavirus Relief Special Revenue Fund and the Governor's Emergency Education Relief Special Revenue Fund.

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REQUIRED SUPPLEMENTARY INFORMATION

DELAWARE AREA CAREER CENTER
DELAWARE COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST EIGHT FISCAL YEARS

(SEE ACCOUNTANT'S COMPILATION REPORT)

	2021	2020	2019	2018
Career Center's proportion of the net pension liability	0.07453450%	0.08096370%	0.08501190%	0.08127770%
Career Center's proportionate share of the net pension liability	$ 4,929,869	$ 4,844,200	$ 4,868,789	$ 4,856,163
Career Center's covered payroll	$ 2,596,600	$ 2,784,430	$ 2,734,459	$ 2,710,021
Career Center's proportionate share of the net pension liability as a percentage of its covered payroll	189.86%	173.97%	178.05%	179.19%
Plan fiduciary net position as a percentage of the total pension liability	68.55%	70.85%	71.36%	69.50%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2017	2016	2015	2014
0.08290130%	0.07987770%	0.08735400%	0.08735400%
$ 6,067,610	$ 4,557,899	$ 4,420,936	$ 5,194,662
$ 2,578,693	$ 2,404,734	$ 2,538,341	$ 2,447,572
235.30%	189.54%	174.17%	212.24%
62.98%	69.16%	71.70%	65.52%

DELAWARE AREA CAREER CENTER
DELAWARE COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST EIGHT FISCAL YEARS

(SEE ACCOUNTANT'S COMPILATION REPORT)

	2021	2020	2019	2018
Career Center's proportion of the net pension liability	0.05388757%	0.05222489%	0.05117908%	0.05139522%
Career Center's proportionate share of the net pension liability	$ 13,038,875	$ 11,549,221	$ 11,253,131	$ 12,209,045
Career Center's covered payroll	$ 6,612,400	$ 6,121,464	$ 5,756,829	$ 5,696,871
Career Center's proportionate share of the net pension liability as a percentage of its covered payroll	197.19%	188.67%	195.47%	214.31%
Plan fiduciary net position as a percentage of the total pension liability	75.48%	77.40%	77.31%	75.30%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2017	2016	2015	2014
0.04900858%	0.05256450%	0.05301210%	0.05301210%
$ 16,404,649	$ 14,527,290	$ 12,894,377	$ 15,359,698
$ 5,159,650	$ 5,377,164	$ 5,416,369	$ 5,601,123
317.94%	270.17%	238.06%	274.23%
66.80%	72.10%	74.70%	69.30%

DELAWARE AREA CAREER CENTER
DELAWARE COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

(SEE ACCOUNTANT'S COMPILATION REPORT)

	2021	2020	2019	2018
Contractually required contribution	$ 380,156	$ 363,524	$ 375,898	$ 369,152
Contributions in relation to the contractually required contribution	(380,156)	(363,524)	(375,898)	(369,152)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Career Center's covered payroll	$ 2,715,400	$ 2,596,600	$ 2,784,430	$ 2,734,459
Contributions as a percentage of covered payroll	14.00%	14.00%	13.50%	13.50%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2017		2016		2015		2014		2013		2012	
$	379,403	$	361,017	$	316,944	$	351,814	$	338,744	$	312,101
	(379,403)		(361,017)		(316,944)		(351,814)		(338,744)		(312,101)
$	-	$	-	$	-	$	-	$	-	$	-
$	2,710,021	$	2,578,693	$	2,404,734	$	2,538,341	$	2,447,572	$	2,320,454
	14.00%		14.00%		13.18%		13.86%		13.84%		13.45%

DELAWARE AREA CAREER CENTER
DELAWARE COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

(SEE ACCOUNTANT'S COMPILATION REPORT)

	2021	**2020**	**2019**	**2018**
Contractually required contribution	$ 996,171	$ 925,736	$ 857,005	$ 805,956
Contributions in relation to the contractually required contribution	(996,171)	(925,736)	(857,005)	(805,956)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Career Center's covered payroll	$ 7,115,507	$ 6,612,400	$ 6,121,464	$ 5,756,829
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2017	2016	2015	2014	2013	2012
$ 797,562	$ 722,351	$ 752,803	$ 704,128	$ 728,146	$ 748,418
(797,562)	(722,351)	(752,803)	(704,128)	(728,146)	(748,418)
$ -	$ -	$ -	$ -	$ -	$ -
$ 5,696,871	$ 5,159,650	$ 5,377,164	$ 5,416,369	$ 5,601,123	$ 5,757,062
14.00%	14.00%	14.00%	13.00%	13.00%	13.00%

DELAWARE AREA CAREER CENTER
DELAWARE COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST FIVE FISCAL YEARS

(SEE ACCOUNTANT'S COMPILATION REPORT)

	2021	**2020**	**2019**	**2018**
Career Center's proportion of the net OPEB liability	0.06880110%	0.07465760%	0.07854740%	0.07547940%
Career Center's proportionate share of the net OPEB liability	$ 1,495,273	$ 1,877,482	$ 2,179,117	$ 2,025,669
Career Center's covered payroll	$ 2,596,600	$ 2,784,430	$ 2,734,459	$ 2,710,021
Career Center's proportionate share of the net OPEB liability as a percentage of its covered payroll	57.59%	67.43%	79.69%	74.75%
Plan fiduciary net position as a percentage of the total OPEB liability	18.17%	15.57%	13.57%	12.46%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2017
0.07604275%
$ 2,167,500
$ 2,578,693
84.05%
11.49%

DELAWARE AREA CAREER CENTER
DELAWARE COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST FIVE FISCAL YEARS

(SEE ACCOUNTANT'S COMPILATION REPORT)

	2021	**2020**	**2019**	**2018**
Career Center's proportion of the net OPEB liability/asset	0.05388757%	0.05222489%	0.05117908%	0.05139522%
Career Center's proportionate share of the net OPEB liability/(asset)	$ (947,074)	$ (864,969)	$ (822,395)	$ 2,005,252
Career Center's covered payroll	$ 6,612,400	$ 6,121,464	$ 5,756,829	$ 5,696,871
Career Center's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	14.32%	14.13%	14.29%	35.20%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	182.10%	174.70%	176.00%	47.10%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2017
0.04900858%
$ 2,620,992
$ 5,159,650
50.80%
37.33%

DELAWARE AREA CAREER CENTER
DELAWARE COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

(SEE ACCOUNTANT'S COMPILATION REPORT)

	2021	2020	2019	2018
Contractually required contribution	$ 7,871	$ 3,792	$ 20,525	$ 21,922
Contributions in relation to the contractually required contribution	(7,871)	(3,792)	(20,525)	(21,922)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Career Center's covered payroll	$ 2,715,400	$ 2,596,600	$ 2,784,430	$ 2,734,459
Contributions as a percentage of covered payroll	0.29%	0.15%	0.74%	0.80%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2017		2016		2015		2014		2013		2012	
$	8,766	$	4,290	$	24,899	$	7,422	$	23,475	$	38,829
	(8,766)		(4,290)		(24,899)		(7,422)		(23,475)		(38,829)
$	-	$	-	$	-	$	-	$	-	$	-
$	2,710,021	$	2,578,693	$	2,404,734	$	2,538,341	$	2,447,572	$	2,320,454
	0.32%		0.17%		1.04%		0.29%		0.96%		1.67%

DELAWARE AREA CAREER CENTER
DELAWARE COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

(SEE ACCOUNTANT'S COMPILATION REPORT)

	2021	2020	2019	2018
Contractually required contribution	$ -	$ -	$ -	$ -
Contributions in relation to the contractually required contribution	-	-	-	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Career Center's covered payroll	$ 7,115,507	$ 6,612,400	$ 6,121,464	$ 5,756,829
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2017		2016		2015		2014		2013		2012	
$	-	$	-	$	-	$	56,214	$	56,011	$	57,571
	-		-		-		(56,214)		(56,011)		(57,571)
$	-	$	-	$	-	$	-	$	-	$	-
$	5,696,871	$	5,159,650	$	5,377,164	$	5,416,369	$	5,601,123	$	5,757,062
	0.00%		0.00%		0.00%		1.00%		1.00%		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 years 2014-2017. For fiscal year 2018, SERS changed from a fixed 3% annual increase to a Cost of Living Adjustment (COLA) based on the changes in the Consumer Price Index (CPI-W), with a cap of 2.5% and a floor of 0%. There were no changes in benefit terms from the amounts previously reported for fiscal years 2019-2021.

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

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

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

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

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 previously reported for fiscal years 2017-2021.

(Continued)

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

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.

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. 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 9.62% initial - 4.00% ultimate up to 11.87% initial - 4.00% ultimate.