



OHIO AUDITOR OF STATE  
**KEITH FABER**





**MAHONING COUNTY CAREER AND TECHNICAL CENTER  
MAHONING COUNTY  
JUNE 30, 2021**

**TABLE OF CONTENTS**

TITLE	PAGE
Independent Auditor's Report .....	1
Prepared by Management:	
Management's Discussion and Analysis .....	5
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position .....	15
Statement of Activities.....	16
Fund Financial Statements:	
Balance Sheet	
Governmental Funds .....	17
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities .....	18
Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds .....	19
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	20
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual General Fund.....	21
Statement of Net Position Fiduciary Fund .....	22
Statement of Changes in Fiduciary Net Position Fiduciary Fund .....	23
Notes to the Basic Financial Statements.....	25
Required Supplementary Information:	
Schedule of the School District's Proportionate Share of the Net Pension Liability (SERS) .....	67
Schedule of the School District's Proportionate Share of the Net Pension Liability (STRS).....	68
Schedule of School District Pension Contributions (SERS).....	69
Schedule of School District Pension Contributions (STRS) .....	70
Schedule of the School District's Proportionate Share of the Net OPEB Liability (SERS) .....	71

**MAHONING COUNTY CAREER AND TECHNICAL CENTER  
MAHONING COUNTY  
JUNE 30, 2021**

**TABLE OF CONTENTS  
(Continued)**

<b>TITLE</b>	<b>PAGE</b>
Schedule of the School District's Proportionate Share of the Net OPEB Liability (Asset) (STRS) .....	72
Schedule of School District OPEB Contributions (SERS) .....	73
Schedule of School District OPEB Contributions (STRS) .....	74
Noted to Required Supplementary Information .....	75
Schedule of Expenditures of Federal Awards .....	79
Notes to the Schedule of Expenditures of Federal Awards .....	80
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	81
Independent Auditor's Report on Compliance with Requirements Applicable to the Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance .....	83
Schedule of Findings .....	85
Prepared by Management:	
Corrective Action Plan .....	87



**INDEPENDENT AUDITOR'S REPORT**

Mahoning County Career and Technical Center  
Mahoning County  
7300 North Palmyra Road  
Canfield, Ohio 44406

To the Board of Education:

***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Mahoning County Career and Technical Center, Mahoning County, Ohio (the Center), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Center's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Center's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Center's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Center, as of June 30, 2021, and the respective changes in its financial position thereof and budgetary comparison for the General fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

***Emphasis of Matter***

As discussed in Note 21 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Center. We did not modify our opinion regarding this matter.

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require this presentation to include *management's discussion and analysis*, and schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit contributions listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

***Supplementary and Other Information***

Our audit was conducted to opine on the Center's basic financial statements taken as a whole.

The Schedule of Expenditures of Federal Awards presents additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and is not a required part of the financial statements.

The schedule is management's responsibility, and derives from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this information to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated April 14, 2022, on our consideration of the Center's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Center's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State  
Columbus, Ohio

April 14, 2022

**This page intentionally left blank.**



**Mahoning County Career & Technical Center**  
Mahoning County, Ohio

*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2021*  
*Unaudited*

---

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

**Financial Highlights**

Key financial highlights for fiscal year 2021 are as follows:

- In total, net position decreased \$223,063 from fiscal year 2020, due to a decrease in capital assets and accounts receivable coupled with an increase of the net pension liability and offset by an increase in investments. The effects of GASB 68 and 75 distort the comparative analysis to follow in this MD&A due to the significant change in total expenses on a full accrual basis.
- General revenues accounted for \$12,201,615 in revenue or 68 percent of all revenues. Program specific revenues in the form of charges for services and sales and grants and contributions accounted for \$5,645,713, or 32 percent of total revenues of \$17,847,328.
- The District had \$18,070,391 in expenses related to governmental activities; only \$5,645,713 of these expenses were offset by program specific charges for services, grants or contributions. General revenue supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$12,201,615 were almost adequate to provide for these programs this fiscal year.
- The general fund had \$14,791,247 in revenues and \$14,939,353 in expenditures, excluding other financing sources and uses. The general fund balance decreased by \$661,934 to \$21,225,649, which represents a decrease of three percent.
- The District's total net pension liability increased to \$14,715,548 from \$13,200,154 and the OPEB liability (net of OPEB asset) decreased to (\$70,893), from \$112,606, a combined net increase of \$1,331,895. For more information on this liability see Notes 12 and 13 to the basic financial statements.

**Using this Annual Financial Report**

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

The Statement of Net Position and Statement of Activities provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds with all other non-major funds presented in total in one column. The general fund is the most significant governmental fund of the District and is the only fund reported as major.

**Mahoning County Career & Technical Center**  
Mahoning County, Ohio

*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2021*  
*Unaudited*

---

---

**Reporting the District as a Whole**

Statement of Net Position and the Statement of Activities

The analysis of the District as a whole begins with the Statement of Net Position and the Statement of Activities. These statements provide information that will help the reader to determine whether the District is financially improving or declining as a result of the year's financial activities. These statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by private sector companies. All current year revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net position and changes in that position. This change in net position is important because it tells the reader that, for the District as a whole, the financial position of the District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Changes to the District's net position are a direct result of the District's property tax base, facility conditions, required educational programs, student enrollment, and general inflation.

In the Statement of Net Position and the Statement of Activities, the governmental activities include the District's programs and services, including instruction, support services, operation of non-instructional services, and extracurricular activities.

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

Fund Financial Statements

The analysis of the District's major governmental funds begins after the statement of activities. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The general fund is the most significant governmental fund of the District and is the only fund reported as major.

Governmental Funds

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

**Mahoning County Career & Technical Center**  
Mahoning County, Ohio

*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2021*  
*Unaudited*

**The District as a Whole**

As stated previously the Statement of Net Position provides the perspective of the District as a whole. Table 1 provides a summary of the District's Net Position for fiscal year 2021 compared to 2020.

<b>Net Position (Table 1)</b>			
<b>Governmental Activities</b>			
	2021	(Restated) 2020	Change
<b>Assets</b>			
Current and Other Assets	\$32,879,129	\$32,073,211	\$805,918
Capital Assets, Net	23,353,660	23,467,329	(113,669)
<i>Total Assets</i>	<u>56,232,789</u>	<u>55,540,540</u>	<u>692,249</u>
<b>Deferred Outflows of Resources</b>			
Deferred Charge on Refunding	1,316,654	1,401,599	(84,945)
Pension	3,155,469	3,254,238	(98,769)
OPEB	434,401	377,403	56,998
<i>Total Deferred Outflows of Resources</i>	<u>4,906,524</u>	<u>5,033,240</u>	<u>(126,716)</u>
<b>Liabilities</b>			
Current Liabilities	1,501,705	1,288,803	212,902
Long-Term Liabilities			
Due within One Year	1,105,388	996,509	108,879
Due in More than One Year - Pension	14,715,548	13,200,154	1,515,394
Due in More than One Year - OPEB	810,560	930,193	(119,633)
Due in More than One Year - Other	23,103,788	23,933,500	(829,712)
<i>Total Liabilities</i>	<u>41,236,989</u>	<u>40,349,159</u>	<u>887,830</u>
<b>Deferred Inflows of Resources</b>			
Property Taxes	7,167,007	6,792,642	374,365
Pension	77,724	742,974	(665,250)
OPEB	1,445,450	1,253,799	191,651
<i>Total Deferred Inflows of Resources</i>	<u>8,690,181</u>	<u>8,789,415</u>	<u>(99,234)</u>
<b>Net Position</b>			
Net Investment in Capital Assets	2,399,772	1,725,703	674,069
Restricted	1,690,513	964,803	725,710
Unrestricted	7,121,858	8,744,700	(1,622,842)
<i>Total Net Position</i>	<u>\$11,212,143</u>	<u>\$11,435,206</u>	<u>(\$223,063)</u>

The net pension liability (NPL) is one of the larger liabilities reported by the District at June 30, 2021 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." The District previously adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the

**Mahoning County Career & Technical Center**  
Mahoning County, Ohio

*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2021*  
*Unaudited*

---

---

District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

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

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

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

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

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

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

**Mahoning County Career & Technical Center**  
Mahoning County, Ohio

*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2021*  
*Unaudited*

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

Over time, net position can serve as a useful indicator of a government's financial position. At the fiscal year-end, the District's net position was \$11,212,143. Total assets increased \$692,249 due to an increase in investments and property taxes receivable offset by a decrease in accounts receivable from the prior year. Total liabilities increased \$887,830 due mostly to the previously mentioned increase in the net pension liability.

Table 2 shows the change in Net Position for fiscal year ended June 30, 2021 as compared to 2020.

**Table 2**  
Change in Net Position - Governmental Activities

	2021	(Restated) 2020	Change
<b>Revenues</b>			
<b>Program Revenues</b>			
Charges for Services and Sales	\$3,394,646	\$3,896,386	(\$501,740)
Operating Grants and Contributions	1,851,068	1,151,865	699,203
Capital Grants and Contributions	399,999	138,500	261,499
<i>Total Program Revenues</i>	<u>5,645,713</u>	<u>5,186,751</u>	<u>458,962</u>
<b>General Revenues</b>			
Property Taxes	7,118,194	7,004,353	113,841
Grants and Entitlements not Restricted to Specific Programs	4,859,939	4,809,034	50,905
Investment Earnings	145,151	554,098	(408,947)
Miscellaneous	78,331	161,198	(82,867)
<i>Total General Revenues</i>	<u>12,201,615</u>	<u>12,528,683</u>	<u>(327,068)</u>
<i>Total Revenues</i>	<u>17,847,328</u>	<u>17,715,434</u>	<u>131,894</u>
<b>Program Expenses</b>			
Instruction	10,577,401	9,472,327	1,105,074
Support Services	5,882,990	6,293,300	(410,310)
Operation of Non-Instructional/Food Services	493,738	474,793	18,945
Extracurricular Activities	227,221	124,784	102,437
Interest and Fiscal Charges	889,041	911,944	(22,903)
<i>Total Program Expenses</i>	<u>18,070,391</u>	<u>17,277,148</u>	<u>793,243</u>
<i>Change in Net Position</i>	<u>(223,063)</u>	<u>438,286</u>	<u>(661,349)</u>
Net Position Beginning of Year	11,435,206	10,996,920	438,286
<i>Net Position End of Year</i>	<u>\$11,212,143</u>	<u>\$11,435,206</u>	<u>(\$223,063)</u>

**Governmental Activities**

Net Position of the District decreased \$223,063 during fiscal year 2021. Total governmental expenses of \$18,070,391 were offset by program revenues of \$5,645,713 and general revenues of \$12,201,615. General revenues supported 68 percent of the total governmental expenses this fiscal year. The effects

**Mahoning County Career & Technical Center**  
Mahoning County, Ohio

*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2021*  
*Unaudited*

of GASB 68 and 75 distort this comparative analysis due to the significant changes made to cost of living adjustments enacted by the pension board had on the District's share of the total pension/OPEB liability. The primary sources of revenue for governmental activities are derived from property taxes and grants and entitlements. These revenue sources represent 67 percent of all governmental revenue.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

**Table 3**  
Total and Net Cost of Program Services  
Governmental Activities

	2021		2020	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
<b>Program Expenses</b>				
Instruction	\$10,577,401	\$7,196,597	\$9,472,327	\$5,993,832
Support Services	5,882,990	4,970,412	6,293,300	5,384,639
Operation of Non-Instructional/Food Services	493,738	(720,213)	474,793	(324,802)
Extracurricular Activities	227,221	88,841	124,784	124,784
Interest and Fiscal Charges	889,041	889,041	911,944	911,944
<i>Total Expenditures</i>	<u>\$18,070,391</u>	<u>\$12,424,678</u>	<u>\$17,277,148</u>	<u>\$12,090,397</u>

The table above reflects how the District funds its programs through program revenues. Instructional services, support services, co-curricular activities, and interest charges rely heavily on general revenues, while non-instructional and food services were completely funded by program revenues during the fiscal year. The large increase in instructional and support services is the byproduct of GASB 68 and 75 as previously discussed. To gain a better understanding of operations, please refer to the fund analysis on the following pages.

**The District's Funds**

Information regarding the District's major funds begins on page 17. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues, including other financing sources, of \$18,495,201 to offset expenditures, including other financing uses, of \$18,371,529. One can see from the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds, property taxes and intergovernmental revenues are the largest revenue sources, each accounting for more than 40 percent of total governmental revenue, excluding other financing sources.

**General Fund** The District's general fund balance decreased \$661,934 from \$21,887,583 to \$21,225,649. Overall, revenues decreased \$596,364 with the majority of this decrease relating to services provided to other entities and interest income. Expenditures increased by \$408,881, resulting in the overall decrease to fund balance for fiscal year 2021.

**General Fund Budgeting Highlights**

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

**Mahoning County Career & Technical Center**  
Mahoning County, Ohio

*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2021*  
*Unaudited*

---

During the course of fiscal year 2021, the District approved amendments to its original general fund appropriations. The District budget is adopted on a fund basis and has in place systems that are designed to tightly control expenses but provide flexibility for program-based decision and management.

For the general fund, actual revenue excluding other financing sources was \$2,144,444 more than original estimates and \$403,758 more than final estimates. The original budgeted receipts included very conservative estimates for property taxes, intergovernmental and services provided to other entities. Actual expenditures excluding other financing uses were \$880,216 more than original appropriations and \$853,615 more than final amended appropriations. The majority of this difference was due to a conservative budgeting approach.

**Capital Assets**

At the end of fiscal year 2021, the District had \$23,353,660 invested in land, construction in progress, land improvements, buildings and improvements, furniture, fixtures and equipment and vehicles. Table 4 shows fiscal year 2021 balances compared to 2020.

**Table 4**  
Capital Assets at June 30 (Net of Depreciation)

	2021	2020
Land	\$125,000	\$125,000
Construction in Progress	168,289	1,193,196
Land Improvements	153,409	183,015
Buildings and Improvements	21,575,515	20,621,660
Furniture, Fixtures and Equipment	1,254,753	1,190,314
Vehicles	76,694	154,144
<i>Total</i>	<u>\$23,353,660</u>	<u>\$23,467,329</u>

All capital assets, except land and construction in progress, are reported net of depreciation. The \$113,669 decrease in capital assets was the result of current year additions of \$944,695 being less than depreciation of \$966,604 and net deletions of \$91,760. For more information about the District's capital assets, see Note 10 to the basic financial statements.

**Long-Term Obligations**

Previously, the District issued \$9,595,000 in Certificates of Participation for the purpose of various site improvements. These Certificates mature in 2036 and have an interest rate that ranges from 3.375 to 6.25 percent. On September 20, 2017, the District issued refunding Certificates of Participation of \$13,005,000 (par value) with interest rates ranging from 3.00% to 4.00% to currently refund \$13,160,000 of the 10/15/09 Certificates of Participation with rates ranging from 2.00% to 4.75%. The term certificates mature 12/1/2036 and are callable 12/1/2025. The refunding certificates were issued at a premium of \$651,590 and, after paying issuance costs of \$233,855, the net proceeds were \$13,422,735. As a result of the advance refunding, the District reduced its total debt service requirements by \$2,177,428, which resulted in an economic gain (difference between the present value of debt service payments on the old and new debt) of \$1,678,959.

**Mahoning County Career & Technical Center**  
Mahoning County, Ohio

*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2021*  
*Unaudited*

In a prior fiscal year, the District issued \$15,300,000 in Certificates of Participation for the purpose of constructing, furnishing, improving, equipping, lease and eventual acquisition, of additions, renovations and other improvements to the Career Center Building and related site improvements. During fiscal year 2011, the District advance refunded all but \$450,000 of these certificates. The refunding Certificates of Participation were issued in the amount of \$16,360,000 and included an original issue discount of \$53,037. The advance refunding resulted in a net present value benefit of \$1,914,257 and \$3,357,956 in cash flow savings for the District.

On August 21, 2018, the District issued School Improvement Bonds, Series 2018, in the amount of \$1,050,000 for the purpose of various capital improvements. The bonds were issued at an interest rate of 4.0 percent and will mature on December 1, 2032.

The following is a summary of the outstanding long-term obligations of the district.

**Table 5 - Outstanding Long-Term Obligations**

	2021	2020
1/18/15 General Obligation Bonds	\$1,520,000	\$1,520,000
Unamortized Original Issue Premium	72,685	75,778
Capital Appreciation Bonds	8,824	19,999
Accretion on Capital Appreciation Bonds	28,434	47,517
11/20/14 Certificates of Participation	8,625,000	8,875,000
Unamortized Original Issue Discount	(78,282)	(81,774)
9/15/18 General Obligation School Improvement Bonds	915,000	975,000
9/20/17 Advance Refunded Certificates of Participation	11,280,000	11,835,000
Unamortized Original Issue Premium	531,561	565,855
Compensated Absences	1,305,954	1,097,634
Net Pension Liability	14,715,548	13,200,154
Net OPEB Liability (net of OPEB asset)	(70,893)	112,606
<b>Totals</b>	<b>\$38,853,831</b>	<b>\$38,242,769</b>

Pursuant to Section 133.06 of the Ohio Revised Code, the obligations of these lease-purchase agreements will not be construed as net indebtedness of the District. For more information about the District's long-term obligations, see Note 17 to the basic financial statements.

**Current Related Financial Activity**

Currently the Mahoning County Career and Technical Center (MCCTC) has over 700 students enrolled in its 11<sup>th</sup> and 12<sup>th</sup> grade high school programs. The Valley Stem + ME2 Academy, which is housed at the Career and Technical Center, has a current enrollment of 199 students, which is at capacity. During the 2022 fiscal year the MCCTC will continue renovations to District facilities and upgrade career and technical lighting within the labs. The District secured \$100,000 in State and Federal funding to construct the new animal science lab.



**Mahoning County Career & Technical Center**  
Mahoning County, Ohio

*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2021*  
*Unaudited*

---

---

**Contacting the District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions about this report or need additional financial information contact Brian Rella, Treasurer, Mahoning County Career & Technical Center, 7300 North Palmyra Road, Canfield, Ohio 44406 or email at [BRIAN.RELLA@MAHONINGCTC.COM](mailto:BRIAN.RELLA@MAHONINGCTC.COM).

*This page intentionally left blank.*

# Mahoning County Career & Technical Center

Mahoning County, Ohio

Statement of Net Position

June 30, 2021

	Governmental Activities
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$8,452,635
Investments	14,971,588
Accrued Interest Receivable	15,032
Accounts Receivable	32,295
Intergovernmental Receivable	95,546
Property Taxes Receivable	7,706,595
Inventory Held for Resale	3,438
Materials and Supplies Inventory	14,208
Net OPEB Asset	881,453
Restricted Assets:	
Equity in Pooled Cash and Cash Equivalents	706,339
Nondepreciable Capital Assets	293,289
Depreciable Capital Assets, Net	23,060,371
<i>Total Assets</i>	<u>56,232,789</u>
<b>Deferred Outflows of Resources</b>	
Deferred Charge on Refunding	1,316,654
Pension	3,155,469
Other Postemployment Benefits	434,401
<i>Total Deferred Outflows of Resources</i>	<u>4,906,524</u>
<b>Liabilities</b>	
Accounts Payable	171,125
Accrued Wages and Benefits Payable	1,059,474
Intergovernmental Payable	149,466
Matured Compensated Absences Payable	48,598
Accrued Interest Payable	73,042
Long-Term Liabilities:	
Due Within One Year	1,105,388
Due In More Than One Year:	
Net Pension Liability	14,715,548
Other Postemployment Benefits Liability	810,560
Other Amounts Due in More than One Year	23,103,788
<i>Total Liabilities</i>	<u>41,236,989</u>
<b>Deferred Inflows of Resources</b>	
Property Taxes	7,167,007
Pension	77,724
Other Postemployment Benefits	1,445,450
<i>Total Deferred Inflows of Resources</i>	<u>8,690,181</u>
<b>Net Position</b>	
Net Investment in Capital Assets	2,399,772
Restricted for:	
Capital Projects	724,363
Debt Service	650
Other Purposes	965,500
Unrestricted	7,121,858
<i>Total Net Position</i>	<u>\$11,212,143</u>

See accompanying notes to the basic financial statements

**Mahoning County Career & Technical Center**  
Mahoning County, Ohio

*Statement of Activities*  
*For the Fiscal Year Ended June 30, 2021*

	Program Revenues			Governmental Activities	Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants and Contributions		
<b>Governmental Activities</b>					
Current:					
Instruction:					
Regular	\$2,994,821	\$11,285	\$5,724	\$0	(\$2,977,812)
Vocational	6,824,535	2,008,682	268,601	399,999	(4,147,253)
Adult/Continuing	758,045	345,201	341,312	0	(71,532)
Support Services:					
Pupils	1,270,595	0	301,976	0	(968,619)
Instructional Staff	655,350	53,255	15,337	0	(586,758)
Board of Education	133,056	0	0	0	(133,056)
Administration	1,396,119	176,449	50,814	0	(1,168,856)
Fiscal	464,054	0	0	0	(464,054)
Business	156,636	0	155,414	0	(1,222)
Operation and Maintenance of Plant	1,558,834	17,980	34,886	0	(1,505,968)
Pupil Transportation	15,728	0	0	0	(15,728)
Central	232,618	62,823	43,644	0	(126,151)
Operation of Non-Instructional Services	493,738	678,998	534,953	0	720,213
Extracurricular Activities	227,221	39,973	98,407	0	(88,841)
Interest and Fiscal Charges	889,041	0	0	0	(889,041)
<i>Total Governmental Activities</i>	<u>\$18,070,391</u>	<u>\$3,394,646</u>	<u>\$1,851,068</u>	<u>\$399,999</u>	<u>(12,424,678)</u>
<b>General Revenues</b>					
Property Taxes Levied for:					
General Purposes					7,118,194
Grants and Entitlements not					
Restricted to Specific Programs					4,859,939
Investment Earnings					145,151
Miscellaneous					78,331
<i>Total General Revenues</i>					<u>12,201,615</u>
Change in Net Position					(223,063)
<i>Net Position Beginning of Year - Restated (See Note 3)</i>					11,435,206
<i>Net Position End of Year</i>					<u>\$11,212,143</u>

See accompanying notes to the basic financial statements

**Mahoning County Career & Technical Center**

Mahoning County, Ohio

*Balance Sheet*  
*Governmental Funds*  
*June 30, 2021*

	General	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$6,618,873	\$1,833,762	\$8,452,635
Investments	14,971,588	0	14,971,588
Accrued Interest Receivable	15,032	0	15,032
Accounts Receivable	0	32,295	32,295
Intergovernmental Receivable	0	95,546	95,546
Property Taxes Receivable	7,706,595	0	7,706,595
Inventory Held for Resale	0	3,438	3,438
Materials and Supplies Inventory	12,215	1,993	14,208
Restricted Assets:			
Equity in Pooled Cash and Cash Equivalents	706,339	0	706,339
<i>Total Assets</i>	<u>\$30,030,642</u>	<u>\$1,967,034</u>	<u>\$31,997,676</u>
<b>Liabilities</b>			
Accounts Payable	\$30,398	\$140,727	\$171,125
Accrued Wages and Benefits Payable	987,151	72,323	1,059,474
Intergovernmental Payable	134,051	15,415	149,466
Matured Compensated Absences Payable	48,598	0	48,598
<i>Total Liabilities</i>	<u>1,200,198</u>	<u>228,465</u>	<u>1,428,663</u>
<b>Deferred Inflows of Resources</b>			
Property Taxes	7,167,007	0	7,167,007
Unavailable Revenue - Property Taxes	437,788	0	437,788
Unavailable Revenue - Tuition & Fees	0	32,295	32,295
<i>Total Deferred Inflows of Resources</i>	<u>7,604,795</u>	<u>32,295</u>	<u>7,637,090</u>
<b>Fund Balances</b>			
Nonspendable	40,069	1,993	42,062
Restricted	0	1,473,339	1,473,339
Committed	706,339	250,000	956,339
Assigned	20,479,241	0	20,479,241
Unassigned (Deficit)	0	(19,058)	(19,058)
<i>Total Fund Balances</i>	<u>21,225,649</u>	<u>1,706,274</u>	<u>22,931,923</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$30,030,642</u>	<u>\$1,967,034</u>	<u>\$31,997,676</u>

See accompanying notes to the basic financial statements

**Mahoning County Career & Technical Center**  
Mahoning County, Ohio

*Reconciliation of Total Governmental Fund Balances to  
Net Position of Governmental Activities  
June 30, 2021*

---

**Total Governmental Fund Balances** \$22,931,923

***Amounts reported for governmental activities in the  
statement of net position are different because***

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 23,353,660

Other long-term assets are not available to pay for current-period expenditures and therefore are reported as unavailable revenue in the funds:

Delinquent Property Taxes	437,788
Tuition & Fees	32,295

Total 470,083

The net pension and OPEB liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Deferred Outflows - Pension	3,155,469
Deferred Inflows - Pension	(77,724)
Net Pension Liability	(14,715,548)
Deferred Outflows - OPEB	434,401
Deferred Inflows - OPEB	(1,445,450)
Net OPEB Asset	881,453
Net OPEB Liability	(810,560)

Total (12,577,959)

In the statement of activities, interest is accrued on outstanding debt, whereas in governmental funds, an interest expenditure is reported when due. (73,042)

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:

General Obligation Bonds	(2,435,000)
Capital Appreciation Bonds	(8,824)
Accretion on Bonds	(28,434)
Unamortized Premium on Bonds	(604,246)
Certificates of Participation Payable	(19,905,000)
Discount on Certificates of Participation Payable	78,282
Deferred Outflow of Resources from Refunding	1,316,654
Compensated Absences	(1,305,954)

Total (22,892,522)

*Net Position of Governmental Activities* \$11,212,143

See accompanying notes to the basic financial statements

**Mahoning County Career & Technical Center**  
Mahoning County, Ohio

*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
*For the Fiscal Year Ended June 30, 2021*

	General	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>			
Property Taxes	\$7,083,276	\$0	\$7,083,276
Tuition and Fees	666,053	585,319	1,251,372
Interest	145,151	0	145,151
Charges for Services	0	67,268	67,268
Extracurricular Activities	0	39,973	39,973
Rentals	611,730	0	611,730
Contributions and Donations	18,235	2,354	20,589
Intergovernmental	4,859,939	2,230,478	7,090,417
Miscellaneous	52,949	25,382	78,331
Services Provided to Other Entities	1,353,914	71,048	1,424,962
<i>Total Revenues</i>	<u>14,791,247</u>	<u>3,021,822</u>	<u>17,813,069</u>
<b>Expenditures</b>			
<b>Current:</b>			
<b>Instruction:</b>			
Regular	2,616,659	3,000	2,619,659
Vocational	5,140,479	243,127	5,383,606
Adult/Continuing	0	755,393	755,393
<b>Support Services:</b>			
Pupils	981,213	197,642	1,178,855
Instructional Staff	544,678	79,218	623,896
Board of Education	133,056	0	133,056
Administration	1,054,870	243,509	1,298,379
Fiscal	475,572	4,350	479,922
Business	1,222	155,414	156,636
Operation and Maintenance of Plant	1,454,404	76,548	1,530,952
Pupil Transportation	12,354	0	12,354
Central	111,550	121,068	232,618
Operation of Non-Instructional Services	694	473,915	474,609
Extracurricular Activities	108,076	110,740	218,816
Capital Outlay	775,548	169,147	944,695
<b>Debt Service:</b>			
Principal Retirement	805,000	105,000	910,000
Interest and Fiscal Charges	723,978	96,125	820,103
<i>Total Expenditures</i>	<u>14,939,353</u>	<u>2,834,196</u>	<u>17,773,549</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(148,106)</u>	<u>187,626</u>	<u>39,520</u>
<b>Other Financing Sources (Uses)</b>			
Proceeds from Sale of Capital Assets	84,152	0	84,152
Transfers In	0	597,980	597,980
Transfers Out	(597,980)	0	(597,980)
<i>Total Other Financing Sources (Uses)</i>	<u>(513,828)</u>	<u>597,980</u>	<u>84,152</u>
<i>Net Change in Fund Balances</i>	<u>(661,934)</u>	<u>785,606</u>	<u>123,672</u>
<i>Fund Balance Beginning of Year - Restated (See Note 3)</i>	<u>21,887,583</u>	<u>920,668</u>	<u>22,808,251</u>
<i>Fund Balance End of Year</i>	<u>\$21,225,649</u>	<u>\$1,706,274</u>	<u>\$22,931,923</u>

See accompanying notes to the basic financial statements

**Mahoning County Career & Technical Center**  
Mahoning 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*

<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$123,672</b>
 <b>Amounts reported for governmental activities in the statement of activities are different because</b>	
 Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.	
Capital Outlay	944,695
Current Year Depreciation	<u>(966,604)</u>
Total	(21,909)
 The net effect of various transactions involving capital assets (i.e.; disposals and sales) is a decrease in net position.	
Assets Disposed	(97,000)
Accumulated Depreciation on Disposals	<u>5,240</u>
Total	(91,760)
 Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Property Taxes	34,918
Tuition & Fees	<u>(659)</u>
Total	34,259
 Repayment of long-term bond, certificate of participation and lease principal is an expenditure in the governmental funds, but the repayment reduces the long-term liabilities in the statement of net position.	
	910,000
 Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
Accrued Interest	(3,146)
Accreted Interest on Capital Appreciation Bonds	(14,742)
Amortization of Bond Premium	37,387
Amortization of Discount	(3,492)
Amortization of Deferred Outflow from Refunding	<u>(84,945)</u>
Total	(68,938)
 Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.	
Pension	1,037,549
OPEB	<u>10,664</u>
Total	1,048,213
 Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability are reported as pension/OPEB expense in the statement of activities.	
Pension	(1,986,463)
OPEB	<u>38,183</u>
Total	(1,948,280)
 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.	
	<u>(208,320)</u>
 <i>Change in Net Position of Governmental Activities</i>	 <u><u>(\$223,063)</u></u>

See accompanying notes to the basic financial statements



**Mahoning County Career & Technical Center**  
Mahoning County, Ohio

*Statement of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
General Fund  
For the Fiscal Year Ended June 30, 2021*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$6,447,654	\$7,236,176	\$7,236,176	\$0
Tuition and Fees	556,807	624,902	626,932	2,030
Interest	271,349	304,534	339,018	34,484
Rentals	635,978	713,756	611,730	(102,026)
Contributions and Donations	16,248	18,235	18,235	0
Intergovernmental	4,330,354	4,859,939	4,859,939	0
Miscellaneous	44,495	49,936	52,949	3,013
Services Provided to Other Entities	1,930,503	2,166,596	2,632,853	466,257
<i>Total Revenues</i>	<u>14,233,388</u>	<u>15,974,074</u>	<u>16,377,832</u>	<u>403,758</u>
<b>Expenditures</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	2,834,817	2,840,061	2,591,835	248,226
Vocational	4,898,518	4,907,516	5,079,566	(172,050)
<b>Support Services:</b>				
Pupils	1,050,081	1,051,973	971,959	80,014
Instructional Staff	618,213	619,344	668,687	(49,343)
Board of Education	52,764	52,862	133,873	(81,011)
Administration	1,450,122	1,452,799	1,129,219	323,580
Fiscal	484,012	484,908	476,997	7,911
Business	686	687	1,174	(487)
Operation and Maintenance of Plant	1,392,540	1,395,097	1,458,843	(63,746)
Pupil Transportation	48,300	48,389	12,056	36,333
Central	23,748	23,792	111,269	(87,477)
Operation of Non-Instructional Services	584	584	694	(110)
Extracurricular Activities	113,722	113,932	107,610	6,322
Capital Outlay	23,821	23,864	1,069,941	(1,046,077)
<b>Debt Service:</b>				
Principal Retirement	805,000	805,000	805,000	0
Interest and Fiscal Charges	665,557	668,278	723,978	(55,700)
<i>Total Expenditures</i>	<u>14,462,485</u>	<u>14,489,086</u>	<u>15,342,701</u>	<u>(853,615)</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(229,097)</u>	<u>1,484,988</u>	<u>1,035,131</u>	<u>(449,857)</u>
<b>Other Financing Sources (Uses)</b>				
Proceeds from Sale of Capital Assets	0	60,243	60,383	140
Refund of Prior Year Expenditure	0	7,767	7,767	0
Advances In	0	145,130	145,130	0
Transfers In	0	17,758	0	(17,758)
Transfers Out	0	(359,977)	(644,264)	(284,287)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>(129,079)</u>	<u>(430,984)</u>	<u>(301,905)</u>
<i>Net Change in Fund Balance</i>	<u>(229,097)</u>	<u>1,355,909</u>	<u>604,147</u>	<u>(751,762)</u>
<i>Fund Balance Beginning of Year - Restated</i>	<u>21,067,589</u>	<u>21,067,589</u>	<u>21,067,589</u>	<u>0</u>
<i>Prior Year Encumbrances Appropriated</i>	<u>84,008</u>	<u>84,008</u>	<u>84,008</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$20,922,500</u>	<u>\$22,507,506</u>	<u>\$21,755,744</u>	<u>(\$751,762)</u>

See accompanying notes to the basic financial statements

**Mahoning County Career & Technical Center**  
Mahoning County, Ohio

*Statement of Net Position*  
*Fiduciary Fund*  
*June 30, 2021*

---

---

	<u>Private Purpose Trust</u>
	<u>Scholarship</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$3,220
<b>Liabilities</b>	
	<u>0</u>
<b>Net Position</b>	
Held in Trust for Scholarships	<u><u>\$3,220</u></u>

See accompanying notes to the basic financial statements

**Mahoning County Career & Technical Center**  
Mahoning County, Ohio

*Statement of Changes in Fiduciary Net Position*  
*Fiduciary Fund*  
*For the Fiscal Year Ended June 30, 2021*

	<u>Private Purpose Trust</u>
	<u>Scholarship</u>
<b>Additions</b>	
Contributions and Donations	\$3,220
<b>Deductions</b>	
Scholarships Awarded	<u>0</u>
<i>Change in Net Position</i>	3,220
<i>Net Position Beginning of Year</i>	<u>0</u>
<i>Net Position End of Year</i>	<u><u>\$3,220</u></u>

See accompanying notes to the basic financial statements

*This page intentionally left blank.*

# Mahoning County Career & Technical Center

Mahoning County, Ohio

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021*

---

---

## Note 1 - Description of the District and Reporting Entity

The Mahoning County Career & Technical Center (District) is a joint vocational school district as defined by Section 3311.18 of the Ohio Revised Code and is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A vocational school exposes students to job training leading to employment upon graduation from high school. The District includes thirteen member schools spread throughout Mahoning, Trumbull, Columbiana and Portage Counties.

The District operates under a seven-member Board of Education and is responsible for the provision of public education to residents of the District. The Board consists of the five members of the Mahoning County Educational Service Center Governing Board, representing the eleven local school districts, and one representative from each of the two city school districts, Struthers and Campbell. The Mahoning County Educational Service Center Governing Board cannot directly impose their will on the District; therefore, the District is a related organization of the Mahoning County Educational Service Center.

### A. Reporting Entity

The reporting entity is composed of the stand-alone government, component units and other organizations that are included to ensure that the financial statements are not misleading. The stand-alone government of the District consists of all funds, departments, boards and agencies that are not legally separate from the District. For the District this includes the agencies and departments that provide the following services: general operations, food service, adult education and student related activities of the District.

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

The following entities which perform activities within the District's boundaries for the benefit of its residents are excluded from the accompanying financial statements because the District is not financially accountable for these entities nor are they fiscally dependent on the District.

City of Canfield - The city government is a separate body politic and corporate. A mayor and council are elected independent of any District relationships and administer the provision of traditional city services. Council acts as the taxing and budgeting authority for these city services.

Member School Districts - The District accepts non-tuition students from each of the thirteen member school districts. Each of the member school districts are considered separate political subdivisions and are not considered a part of the District.

# Mahoning County Career & Technical Center

Mahoning County, Ohio

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021*

---

Canfield Branch of the Mahoning County Public Library - The Library is a distinct political subdivision of the State of Ohio governed by a board of trustees. The Board of Trustees possesses its own contracting and budgeting authority, hires and fires personnel and does not depend on the District for operational subsidies. The District does not serve as the taxing authority for the Library.

The District participates in certain organizations which are defined as jointly governed organizations and as public entity risk pools. The jointly governed organizations are presented in Note 15 to the basic financial statements and the public entity risk pools are presented in Note 18. These organizations are:

- \*Area Cooperative Computerized Educational Service System/ACCESS Assembly
- \*Mahoning Area Consortium Tech Prep
- \*Ohio Association of School Business Officials Ohio Workers' Compensation Group Rating Program
- \*Ohio School Plan
- \*Mahoning County Insurance Consortium
- \*Ohio Schools Council

## **Note 2 - Summary of Significant Accounting Policies**

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

### **A. Basis of Presentation**

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

#### Government-wide Financial Statements:

The Statement of Net Position and the Statement of Activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

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

**Mahoning County Career & Technical Center**  
Mahoning County, Ohio

*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2021*

---

Fund Financial Statements:

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

B. Fund Accounting

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

Governmental Funds:

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

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

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

Fiduciary Fund Type:

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into the following four classifications: pension (and other employee benefit) 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 has certain characteristics. The School District has one private purpose trust funds for scholarships. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The School District has no custodial funds.

**Mahoning County Career & Technical Center**  
Mahoning County, Ohio

*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2021*

---

C. Measurement Focus

Government-wide Financial Statements:

The government-wide financial statements are prepared using the economic resources measurement focus. All assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of the District are included on the Statement of Net Position. The Statement of Activities presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position.

Fund Financial Statements:

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

Fiduciary funds are reported by fund type.

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 and the statements for the fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual bases of accounting arise in the recognition of revenue, the recording of deferred inflows, deferred outflows, and in the presentation of expenses versus expenditures.

Revenues – Exchange and Non-Exchange Transactions:

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

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 7). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.



**Mahoning County Career & Technical Center**  
Mahoning County, Ohio

*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2021*

---

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

Deferred Outflows/Inflows of Resources:

In addition to assets, the statements of net position and balance sheets will sometimes 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 District, deferred outflows of resources include a deferred charge on refunding, pension and OPEB reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension and OPEB are explained in Notes 12 and 13.

In addition to liabilities, the statements of net position and balance sheets 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 District, deferred inflows of resources include property taxes, pension, OPEB 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 on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the District unavailable revenue includes delinquent property taxes and tuition and fees. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension and OPEB are reported on the government-wide of statement of net position (see Notes 12 and 13).

Expenses/Expenditures:

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

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

E. Budgetary Data

All funds, other than Fiduciary funds, are legally required to be budgeted and appropriated. The major documents prepared are the appropriation resolution and the certificate of estimated resources, which are prepared on the budgetary basis of accounting. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the fund level.

# Mahoning County Career & Technical Center

Mahoning County, Ohio

## *Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2021*

---

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported as the original and final budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original and final appropriations were passed by the Board of Education.

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

### F. Cash and Cash Equivalents and Investments

To improve cash management, all cash received by the District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the District's records. Interest in the pool is presented as "equity in pooled cash and cash equivalents" on the financial statements.

During fiscal year 2021, investments were limited to United States Treasury notes, mutual funds, Municipal bonds, Commercial Paper, and securities issued by the Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Federal Farm Credit Bureau, Repurchase Agreements, and the State Treasury Assets Reserve (STAR Ohio). Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices.

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 District measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides 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 \$100 million. STAR Ohio reserves the right to limit the transaction to \$250 million, requiring the excess amount to be transacted the following business days(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

Following Ohio statutes the Board of Education has, by resolution, specified the funds to receive an allocation of interest. Interest revenue credited to the General Fund during fiscal year 2021 amounted to \$145,151, none of which was assigned from other District funds. The interest revenue amount reported included a non-cash cost basis to market value adjustment made on the District's investments as of the balance sheet date. Interest credited to the general fund on a cash (budget) basis amounted to \$339,018.

Investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the District, and investments maturing within three months of fiscal year end are presented on the financial statements as cash equivalents. Investments with an original maturity of more than one year or maturing more than three months after fiscal year end are presented on the financial statements as investments.

**Mahoning County Career & Technical Center**  
Mahoning County, Ohio

*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2021*

---

G. Inventory

Inventories are presented at cost on a first-in, first-out basis and are expensed/expensed when used. Inventories consist of materials and supplies held for consumption and donated and purchased food.

H. Capital Assets

The District's only capital assets are general capital assets. 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 retirements during the year. The District was able to estimate the historical cost for the initial reporting of assets by backtrending (i.e., estimating the current replacement cost of the asset to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year.) Donated capital assets are recorded at their acquisition value as of the date received. The District maintains a capitalization threshold of five thousand dollars. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets, except land and construction in progress, are depreciated. 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:

<u>Description</u>	<u>Estimated Lives</u>
Land Improvements	10 years
Buildings and Improvements	45 years
Furniture, Fixtures and Equipment	3 - 20 years
Vehicles	5 - 20 years

I. Discount on Certificates of Participation

On the government-wide financial statements, certificate discounts are deferred and amortized over the term of the certificates using the straight line method. Discounts are presented as a decrease of the face amount of the certificates of participation payable. On fund financial statements, discounts are expensed in the year issued.

J. Deferred Amount (Loss) on Refunding

The difference between the reacquisition price (funds required to refund the old debt) and the net carrying amount of the old debt, the deferred amount (loss) on refunding, is being amortized as a component of interest expense. This accounting loss amortized over the remaining life of the old or new debt, whichever is shorter, and is presented as a deferred outflow of resources on the statement of net position.

# Mahoning County Career & Technical Center

Mahoning County, Ohio

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021*

---

## K. Compensated Absences

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

Sick leave benefits are accrued as a liability using the termination method. An accrual for earned sick leave is made to the extent it is probable that benefits will result in termination payments. The liability is an estimate based on the District's past experience of making termination payments.

## L. Accrued Liabilities and Long-term Obligations

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

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

## M. Net Position

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted for other purposes include operation of instructional services and food service operation. Net position restricted for debt service includes money to be used for the repayment of the outstanding certificates of participation.

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

## N. Fund Balance

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

Nonspendable The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable, as well as property acquired for resale, unless the use of the proceeds from

# Mahoning County Career & Technical Center

Mahoning County, Ohio

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021*

---

the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.

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

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

Assigned Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the District Board of Education, which may be expressed by a motion but need not be passed by formal action, such as a Board Resolution.

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 used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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

## O. Internal Activity

Transfers between governmental activities are eliminated on the government-wide financial statements. Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities. Interfund payments for services provided and used are not eliminated.

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

# Mahoning County Career & Technical Center

Mahoning County, Ohio

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021*

---

P. Interfund Balances

On the fund financial statements, receivables and payables resulting short-term interfund loans are classified as “interfund receivables/payables.” These amounts are eliminated in the governmental columns of the statement of net position.

Q. Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension 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 systems. 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 systems report investments at fair value.

R. Bond Premium

On the government wide financial statements, bond premiums are deferred and amortized over the term of the bonds using the straight-line method. Bond premiums are presented as an increase of the face amount of the bonds payable. On governmental fund statements, bond premiums are receipted in the year the bonds are issued.

S. Estimates

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

### **Note 3 – Change in Accounting Principles & Restatement of Prior Year Fund Balance/Net Position**

For fiscal year 2021, the District has implemented Governmental Accounting Standards Board (GASB) Statement No. 83, “Certain Asset Retirement Obligations”, Statement No. 84, “Fiduciary Activities” and related guidance from (GASB) Implementation Guide No. 2019-2, Fiduciary Activities, and Statement No. 88, “Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements”.

GASB Statement No. 83, Certain Asset Retirement Obligations, addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The implementation of this Statement had no effect on the beginning fund balance/net position of the District.

GASB Statement No. 84 established specific criteria for identifying activities that should be reported as fiduciary activities and clarifies whether and how business type activities should report their fiduciary activities. Due to the implementation of GASB Statement No. 84, the District will no longer be reporting agency funds. The District reviewed its private purpose trust fund and its agency funds and none of them will be reported in the new fiduciary fund classification of custodial funds and have been reclassified as governmental funds. GASB Statement 84 was incorporated into the District’s fiscal year 2021 financial statements and had the following effect on the beginning fund balance/net position as presented below.

**Mahoning County Career & Technical Center**  
Mahoning County, Ohio

*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2021*

GASB Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements, aims to improve the information that is disclosed in notes to financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement also requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. The implementation of this Statement had no effect on the note disclosure of the District.

**Restatement of Fund Balances and Net Position**

The implementation of GASB Statement No. 84 had the following effect on fund balances as of June 30, 2020:

	General	Nonmajor Governmental	Total
Fund Balances at June 30, 2020	\$21,862,732	\$857,243	\$22,719,975
Adjustment due to GASB 84	24,851	63,425	88,276
<i>Restated Fund Balances</i>			
<i>at June 30, 2020</i>	\$21,887,583	\$920,668	\$22,808,251

The implementation of GASB Statement No. 84 had the following effect on governmental and fiduciary net position as of June 30, 2020:

	Governmental	
	Activities	Agency
Net Position at June 30, 2020	\$11,346,930	\$0
Adjustments:		
GASB Statement 84	88,276	0
Assets	0	(88,276)
Liabilities	0	88,276
<i>Restated Net Position</i>		
<i>at June 30, 2020</i>	\$11,435,206	\$0

The implementation of GASB Statement No. 84 also caused a restatement of the general fund budgetary basis fund balance from \$21,042,738, as previously reported, to \$21,067,589.

**Note 4 – Fund Deficits & Compliance**

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

	Deficit
Nonmajor Governmental Fund:	
Governor's Emergency Relief Fund	\$5,203
Vocational Education - Carl Perkins Grant Fund	13,855

The general fund is liable for any deficits in these funds and provides transfers when cash is required, not when accruals occur. This deficit fund balance is the result of adjustments for accrued liabilities.

**Mahoning County Career & Technical Center**  
Mahoning County, Ohio

*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2021*

Compliance - Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the General Fund, Miscellaneous Federal Grant Fund, Food Services Fund, and Perkins Secondary Fund by \$1,137,901, \$82,066, \$578,685, and \$70,379 as of June 30, 2021, respectively.

**Note 5 - Budgetary Basis of Accounting**

While the District is reporting its financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual 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 GAAP (modified accrual) basis are as follows:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than restricted, committed or assigned fund balances (GAAP basis).
4. The change in fair value of investments is not included on the budget basis operating statement, however, it is included on the GAAP basis operating statement.
5. Budgetary revenues and expenditures of the uniform school supplies fund and public school support fund are reclassified to the general fund for GAAP reporting.

The following table summarizes the adjustments necessary to reconcile the GAAP and budgetary basis statements for the General Fund:

Net Change in Fund Balance	
	General
GAAP Basis	(\$661,934)
Net Adjustment for Revenue Accruals	1,758,539
Advances In	145,130
Beginning Fair Value Adjustment	(133,826)
Ending Fair Value Adjustment	(58,484)
Net Adjustment for Expenditure Accruals	135,521
Net Adjustment for Funds Budgeted as Special Revenue	4,354
Adjustment for Encumbrances	(585,153)
Budget Basis	\$604,147



# Mahoning County Career & Technical Center

Mahoning County, Ohio

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021*

---

---

## **Note 6 - Deposits and Investments**

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

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

Inactive deposits are public deposits that the District 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.

Protection of the District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

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 or interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing 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 market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and 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 (STAR Ohio);

**Mahoning County Career & Technical Center**  
Mahoning County, Ohio

*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2021*

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.

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

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

Deposits At fiscal year end, the carrying amount of the District's deposits was \$9,161,004, plus cash on hand of \$1,190. As of June 30, 2021, all but \$460,346 of the District's bank balance of \$8,846,996 was covered by Federal Deposit Insurance Corporation.

Custodial credit risk is the risk that, in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in possession of an outside party. The District has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by (1) eligible securities pledged to the District and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured, or (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 market 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 District's financial institutions were approved for a reduced collateral rate of 50 percent through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the School District to a successful claim by the FDIC.

Investments at June 30, 2021, the District had the following investments and maturities:

	Fair Value	Maturity
STAROhio	\$850,307	Less than One Year
Repurchase Agreement	2,229,252	Less than One Year
Money Market Mutual Funds	69,039	Less than One Year
Municipal Bonds	1,756,302	Less than One Year
Commercial Paper	3,498,950	Less than One Year
Federal Home Loan Bank Bonds	750,293	Less than One Year
Federal Home Loan Mortgage Corporation Bonds	225,272	Less than One Year
Municipal Bonds	332,274	One to Three Years
United States Treasury Notes	1,169,169	One to Three Years
United States Treasury Notes	264,849	Three to Five Years
Federal Home Loan Mortgage Corporation Bonds	994,240	Three to Five Years
Federal Farm Credit Bureau Bonds	589,826	Three to Five Years
Federal Home Loan Bank Bonds	1,994,600	Three to Five Years
Federal National Mortgage Association Bonds	247,215	Three to Five Years
Total Portfolio	\$14,971,588	

**Mahoning County Career & Technical Center**  
Mahoning County, Ohio

*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2021*

---

**Interest Rate Risk.** The District's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Credit Risk.** As of June 30, 2021, the District's investments in Mutual Funds were not rated, STAROhio was rated AAAm, Federal Home Loan Bank Bonds, Federal Home Loan Mortgage Corporation Bonds, Federal National Mortgage Association Bonds, Federal Farm Credit Bureau Bonds, Commercial Paper and Municipal Bonds were rated AA+ by Standard and Poors and Aaa by Moody's.

**Custodial Credit Risk.** For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

**Concentration of Credit Risk.** The District places no limit on the account it may invest in any one issuer. The following is the District's allocation as of June 30, 2021:

<u>Investment</u>	<u>Percent of Total</u>
Commercial Paper	23.37%
Federal Home Loan Bank	18.33%
Repurchase Agreements	14.89%
Municipal Bonds	13.95%
U. S. Treasury Notes	9.58%
Federal Home Loan Mortgage Corporation	8.15%
STAR Ohio	5.68%
Federal Farm Credit Bureau	3.94%
Federal National Mortgage Association	1.65%
Money Market Mutual Funds	0.46%
Total	<u>100.00%</u>

**Note 7 – Property Taxes**

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

Property taxes include amounts levied against all real property and public utility property located in the District. Real property tax revenue received in calendar 2021 represent collections of calendar year 2020 taxes. Real property taxes received in calendar year 2021 were levied after April 1, 2020, on the assessed value listed as of January 1, 2020, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, 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 revenue received in calendar 2021 represents collections of calendar year 2020 taxes. Public utility real and tangible personal property taxes received in calendar year 2020 became a lien December 31, 2019, were levied after April 1, 2020 and are collected in 2021 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

**Mahoning County Career & Technical Center**  
Mahoning County, Ohio

*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2021*

The District receives property taxes from Mahoning, Trumbull, Portage, and Columbiana Counties. The Mahoning County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the Counties by June 30, 2021, are available to finance fiscal year 2021 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property and public utility 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 of resources – property taxes.

The amount available as an advance at June 30, 2021, was \$101,800 in the General Fund. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

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	\$3,580,447,470	93.65 %	\$3,954,861,660	93.86 %
Public Utility Personal	242,942,220	6.35	258,837,320	6.14
<b>Total</b>	<b>\$3,823,389,690</b>	<b>100.00 %</b>	<b>\$4,213,698,980</b>	<b>100.00 %</b>
Tax rate per \$1,000 of assessed valuation	\$2.10		\$2.10	

**Mahoning County Career & Technical Center**  
Mahoning County, Ohio

*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2021*

**Note 8 – Fund Balances**

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

Fund Balances	General	Nonmajor Governmental	Total
<b><i>Nonspendable</i></b>			
Inventory	\$12,215	\$1,993	\$14,208
Unclaimed Funds	27,854	0	27,854
<i>Total Nonspendable</i>	<u>40,069</u>	<u>1,993</u>	<u>42,062</u>
<b><i>Restricted for</i></b>			
Food Service Operations	0	152,848	152,848
Adult Education	0	582,360	582,360
Student Managed Activity	0	92,325	92,325
Student Wellness	0	158,799	158,799
Debt Service Payments	0	650	650
Capital Improvements	0	474,363	474,363
Other Purposes	0	11,994	11,994
<i>Total Restricted</i>	<u>0</u>	<u>1,473,339</u>	<u>1,473,339</u>
<b><i>Committed to</i></b>			
Permanent Improvements	0	250,000	250,000
Debt Payment Reserve	706,339	0	706,339
<i>Total Committed</i>	<u>706,339</u>	<u>250,000</u>	<u>956,339</u>
<b><i>Assigned to</i></b>			
Encumbrances	555,019	0	555,019
Certificates of Participation	19,924,222	0	19,924,222
<i>Total Assigned</i>	<u>20,479,241</u>	<u>0</u>	<u>20,479,241</u>
<b><i>Unassigned (Deficit)</i></b>	<u>0</u>	<u>(19,058)</u>	<u>(19,058)</u>
<i>Total Fund Balances</i>	<u>\$21,225,649</u>	<u>\$1,706,274</u>	<u>\$22,931,923</u>

**Note 9 - Receivables**

Receivables at June 30, 2021, consisted of accrued interest, accounts, interfund, intergovernmental grants and property taxes. 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. All receivables are expected to be collected within one year. For fiscal year 2021, the District's intergovernmental receivable of \$95,546 was for a Vocational Education Enhancement grant, a Governors Emergency Education grant, a Coronavirus Relief grant, a Carl Perkins grant, and a Miscellaneous Federal grant.

**Mahoning County Career & Technical Center**  
Mahoning County, Ohio

*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2021*

**Note 10 – Capital Assets**

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

	Balance 6/30/20	Additions	Reductions	Balance 6/30/21
<b>Governmental Activities:</b>				
Capital assets not being depreciated				
Land	\$125,000	\$0	\$0	\$125,000
Construction in progress	1,193,196	654,816	(1,679,723)	168,289
<b>Total capital assets not being depreciated</b>	<b>1,318,196</b>	<b>654,816</b>	<b>(1,679,723)</b>	<b>293,289</b>
Capital assets being depreciated				
Land improvements	515,240	0	0	515,240
Buildings and improvements	30,839,369	1,723,868	0	32,563,237
Furniture, fixtures and equipment	3,645,896	220,087	0	3,865,983
Vehicles	273,491	25,647	(97,000)	202,138
<b>Total capital assets being depreciated</b>	<b>35,273,996</b>	<b>1,969,602</b>	<b>(97,000)</b>	<b>37,146,598</b>
Accumulated depreciation				
Land improvements	(332,225)	(29,606)	0	(361,831)
Buildings and improvements	(10,217,709)	(770,013)	0	(10,987,722)
Furniture, fixtures and equipment	(2,455,582)	(155,648)	0	(2,611,230)
Vehicles	(119,347)	(11,337)	5,240	(125,444)
<b>Total accumulated depreciation</b>	<b>(13,124,863)</b>	<b>(966,604) *</b>	<b>5,240</b>	<b>(14,086,227)</b>
Capital assets being depreciated, net	22,149,133	1,002,998	(91,760)	23,060,371
<b>Governmental activities capital assets, net</b>	<b>\$23,467,329</b>	<b>\$1,657,814</b>	<b>(\$1,771,483)</b>	<b>\$23,353,660</b>

\* Depreciation expense was charged to governmental functions as follows:

<b>Instruction:</b>	
Regular	\$14,712
Vocational	892,737
<b>Support Services:</b>	
Pupil	5,376
Instructional Staff	27,079
Administration	1,624
Operation and Maintenance of Plant	16,729
Pupil Transportation	3,374
Operation of Non-Instructional Services	4,973
<b>Total Depreciation Expense</b>	<b>\$966,604</b>

**Mahoning County Career & Technical Center**  
Mahoning County, Ohio

*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2021*

---

---

**Note 11 – Risk Management**

**A. Property and Liability**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Settled claims have not exceeded insurance coverage in the last three years. During fiscal year 2021, the District contracted for the following insurance coverage:

<u>Type of Coverage</u>	<u>Coverage</u>
<b>Coverage provided by Ohio School Plan:</b>	
Property/Boiler and Machinery (\$1,000 deductible)	\$79,304,909
Extra Expense (\$1,000 deductible)	1,000,000
Aircraft (\$1,000 deductible)	231,834
Crime (\$1,000 deductible)	50,000
Fleet Insurance, single limit (\$250 deductible - comprehensive)	2,000,000
(\$1,000 deductible - busses)	
(\$500 deductible - collision)	
<b>Coverage provided by The Ohio School Plan:</b>	
General Liability	
in aggregate	\$4,000,000
Per occurrence	2,000,000

Settled claims have not exceeded this commercial coverage in any of the past three years, and there has been no significant reduction in insurance coverage from last year.

**B. Workers' Compensation**

For 2021, the District participated in the Ohio Association of School Business Officials Ohio Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 18).

**C. Employee Medical Benefits**

The District has contracted with the Mahoning County Insurance Consortium to provide employee medical/surgical benefits since 1982. The Mahoning County Insurance Consortium is a shared risk pool comprised of various Mahoning County school districts. Rates are set through an annual calculation process. The District pays a monthly contribution which is placed in a common fund from which claim payments are made for all participating school districts. Claims are paid for all participants regardless of claims flow. The Board of Directors has the right to return monies to an exiting district subsequent to the settlement of all expenses and claims. The District pays medical/surgical premiums of \$1,918 for family coverage and \$685 for single coverage per employee per month.

Dental insurance is also provided through the Mahoning County Insurance Consortium. Premiums for dental coverage are \$36 for single coverage and \$87 for family.

Vision coverage is provided through Vision Service Plan. Monthly premiums for vision coverage are \$32.

**Mahoning County Career & Technical Center**  
Mahoning County, Ohio

*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2021*

---

---

**Note 12 – Defined Benefit Pension Plans**

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

**A. Net Pension Liability/Net OPEB Liability**

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

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

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

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

The proportionate share of each plan's unfunded benefits is presented as a *net OPEB asset* or long-term *net pension/OPEB liability* on the accrual basis of accounting. Any liability for the contractually-required pension/OPEB contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting. The remainder of this note includes the required pension disclosures. See Note 13 for the required OPEB disclosures.



**Mahoning County Career & Technical Center**  
Mahoning County, Ohio

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021*

**B. School Employees Retirement System**

Plan Description - District non-teaching employees participate in SERS, a cost-sharing multiple-employer defined benefit pension plan administered by SERS. Established in 1937, SERS provides retirement, disability, and survivor benefits to non-teaching employees of Ohio's public K-12 school districts. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS' fiduciary net position. That report can be obtained by visiting the SERS website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

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

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

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

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost of living adjustment (COLA) on the first anniversary date of the benefit. Beginning April 1, 2018, new benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. A three-year COLA suspension is in effect for all benefit recipients for the years 2018, 2019, and 2020. Upon resumption of the COLA, it will be indexed to the percentage increase in the CPI-W, not to exceed 2.5 percent and with a floor of 0 percent. In 2020, the Board of Trustees approved a 0.5 percent COLA for eligible retirees and beneficiaries in 2021.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2021, the allocation to pension, death benefits, and Medicare B was 14.0 percent. For fiscal year 2021, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The District's contractually required contribution to SERS was \$196,398 for fiscal year 2021. Of this amount \$15,139 is reported as an intergovernmental payable.

## **Mahoning County Career & Technical Center**

Mahoning County, Ohio

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021*

---

---

### ***C. State Teachers Retirement System***

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

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

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. Eligibility changes will be phased in until August 1, 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.

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

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

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

New members who choose the DC plan or CO 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.

**Mahoning County Career & Technical Center**  
Mahoning County, Ohio

*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2021*

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

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The fiscal year 2021 employer and employee contribution rate of 14 percent was equal to the statutory maximum rates. For fiscal year 2021, the full employer contribution was allocated to pension.

The District's contractually required contribution to STRS was \$841,151 for fiscal year 2021. Of this amount \$105,219 is reported as an intergovernmental payable.

***D. 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 District's proportion of the net pension liability was based on the District'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	0.03816680%	0.04936407%	
Proportion of the Net Pension Liability Current Measurement Date	0.03900840%	0.05015386%	
Change in Proportionate Share	0.00084160%	0.00078979%	
Proportionate Share of the Net Pension Liability	\$2,580,098	\$12,135,450	\$14,715,548
Pension Expense	\$312,004	\$1,674,459	\$1,986,463

**Mahoning County Career & Technical Center**  
Mahoning County, Ohio

*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2021*

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

	SERS	STRS	Total
<b>Deferred Outflows of Resources</b>			
Differences between expected and actual experience	\$5,012	\$27,229	\$32,241
Net difference between projected and actual earnings on pension plan investments	163,786	590,150	753,936
Change of Assumptions	0	651,440	651,440
Change in Proportionate Share	38,684	641,619	680,303
District contributions subsequent to the measurement date	196,398	841,151	1,037,549
<b>Total Deferred Outflows of Resources</b>	<b>\$403,880</b>	<b>\$2,751,589</b>	<b>\$3,155,469</b>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$0	\$77,597	\$77,597
Change in Proportionate Share	0	127	127
<b>Total Deferred Inflows of Resources</b>	<b>\$0</b>	<b>\$77,724</b>	<b>\$77,724</b>

\$1,037,549 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the 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
<b>Fiscal Year Ending June 30:</b>			
2022	\$27,181	\$672,496	\$699,677
2023	60,751	464,491	525,242
2024	68,270	395,326	463,596
2025	51,280	300,401	351,681
<b>Total</b>	<b>\$207,482</b>	<b>\$1,832,714</b>	<b>\$2,040,196</b>

**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.

**Mahoning County Career & Technical Center**  
Mahoning County, Ohio

*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2021*

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:

Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Investment Rate of Return	7.50 Percent Net of Investment Expense, Including Inflation
COLA or Ad hoc COLA	2.50 Percent
Future Salary Increases, Including Inflation	3.50 Percent to 18.20 Percent
Wage Inflation	3.00 Percent

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 percent of male rates, and 110 percent of female rates. Mortality among disabled members were based upon the RP-2000 Disabled Mortality Table, 90 percent for male rates and 100 percent 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 by using a building-block approach and assumes a time horizon, as defined in SERS' *Statement of Investment Policy*. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating an arithmetic weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	2.00 %	1.85 %
U.S. Stocks	22.50	5.75
Non-U.S. Stocks	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	<u>100.00 %</u>	

**Mahoning County Career & Technical Center**  
Mahoning County, Ohio

*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2021*

**Discount Rate** The total pension liability was calculated using the discount rate of 7.50 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.50 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

**Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.50 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
District's Proportionate Share of the Net Pension Liability	\$3,534,419	\$2,580,098	\$1,779,404

**Actuarial Assumptions - STRS**

The total pension liability in the June 30, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 Percent
Projected Salary Increases	12.50 Percent at Age 20 to 2.50 Percent at Age 65
Investment Rate of Return	7.45 Percent, Net of Investment Expenses, Including Inflation
Discount Rate of Return	7.45 Percent
Payroll Increases	3.00 Percent
Cost of Living Adjustments (COLA)	0 Percent

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

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

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:

**Mahoning County Career & Technical Center**  
Mahoning County, Ohio

*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2021*

Asset Class	Target Allocation	Long-Term Expected Rate of Return*
Domestic Equity	28.00 %	7.35 %
International Equity	23.00	7.55
Fixed Income	21.00	3.00
Alternatives	17.00	7.09
Real Estate	10.00	6.00
Liquidity Reserves	1.00	2.25
<b>Total</b>	<b>100.00 %</b>	<b>7.45 %</b>

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

**Discount Rate** The discount rate used to measure the total pension liability was 7.45 percent as of June 30, 2020. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2020. Therefore, the long-term expected rate of return on pension plan investments of 7.45 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2020.

**Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** The following table presents the District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.45 percent, as well as what the District'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 percent) or one-percentage-point higher (8.45 percent) than the current rate:

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
District's Proportionate Share of the Net Pension Liability	\$17,278,767	\$12,135,450	\$7,776,916

**E. Social Security System**

Effective, July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System of Ohio have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System of Ohio. As of June 30, 2021, certain members of the Board of Education have elected Social Security. The District's liability is 6.2 percent of wages paid.

## **Mahoning County Career & Technical Center**

Mahoning County, Ohio

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021*

---

---

### **Note 13 – Defined Benefit Other Postemployment Benefit (OPEB) Plans**

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

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

Health Care Plan Description - The District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at [www.ohsers.org](http://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 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2021, no allocation was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2021, this amount was \$23,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2021, the District's surcharge obligation was \$10,664.

The surcharge added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was \$10,664 for fiscal year 2021, all of which was reported as an intergovernmental payable.



**Mahoning County Career & Technical Center**  
Mahoning County, Ohio

*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2021*

**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](http://www.strsoh.org) or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent 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/(Asset), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

The net OPEB liability/(asset) was measured as of June 30, 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 District's proportion of the net OPEB liability/(asset) was based on the District's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	SERS	STRS	Total
Proportion of the Net OPEB Liability (Asset) Prior Measurement Date	0.03698890%	0.04936407%	
Proportion of the Net OPEB Liability (Asset) Current Measurement Date	0.03729580%	0.05015386%	
Change in Proportionate Share	0.00030690%	0.00078979%	
Proportionate Share of the Net OPEB Liability (Asset)	\$810,560	(\$881,453)	(\$70,893)
OPEB Expense	(\$20,361)	(\$17,822)	(\$38,183)

**Mahoning County Career & Technical Center**  
Mahoning County, Ohio

*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2021*

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

	SERS	STRS	Total
<b>Deferred Outflows of Resources</b>			
Differences between expected and actual experience	\$10,646	\$56,478	\$67,124
Net difference between projected and actual earnings on OPEB plan investments	9,132	30,893	40,025
Change of Assumptions	138,171	14,550	152,721
Change in Proportionate Share	24,956	138,911	163,867
District contributions subsequent to the measurement date	10,664	0	10,664
<b>Total Deferred Outflows of Resources</b>	<b>\$193,569</b>	<b>\$240,832</b>	<b>\$434,401</b>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$412,226	\$175,573	\$587,799
Change of Assumptions	20,416	837,235	857,651
<b>Total Deferred Inflows of Resources</b>	<b>\$432,642</b>	<b>\$1,012,808</b>	<b>\$1,445,450</b>

\$10,664 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the 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
<b>Fiscal Year Ending June 30:</b>			
2022	(\$49,836)	(\$193,031)	(\$242,867)
2023	(49,178)	(172,123)	(221,301)
2024	(49,286)	(164,791)	(214,077)
2025	(48,939)	(160,259)	(209,198)
2026	(38,510)	(39,364)	(77,874)
Thereafter	(13,988)	(42,408)	(56,396)
<b>Total</b>	<b>(\$249,737)</b>	<b>(\$771,976)</b>	<b>(\$1,021,713)</b>

**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.

# Mahoning County Career & Technical Center

Mahoning County, Ohio

## Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2021

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

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

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

Wage Inflation	3.00 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent
Investment Rate of Return	7.50 percent net of investment expense, including inflation
Municipal Bond Index Rate:	
Measurement Date	2.45 percent
Prior Measurement Date	3.13 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation	
Measurement Date	2.63 percent
Prior Measurement Date	3.22 percent
Medical Trend Assumption	
Medicare	5.25 to 4.75 percent
Pre-Medicare	7.00 to 4.75 percent

Mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and Scale BB, 120 percent of male rates and 110 percent of female rates. RP-2000 Disabled Mortality Table with 90 percent for male rates and 100 percent 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 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The SERS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 12 for details.

**Mahoning County Career & Technical Center**  
Mahoning County, Ohio

*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2021*

**Discount Rate** The discount rate used to measure the total OPEB liability at June 30, 2020 was 2.63 percent. The discount rate used to measure total OPEB liability prior to June 30, 2019 was 3.22 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the state statute contribution rate of 1.50 percent of projected covered employee payroll each year, which includes a 1.50 percent payroll surcharge and no contributions from the basic pension 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, 2034. 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, 2033 and the Fidelity General Obligation 20-year Municipal Bond Index rate of 2.45 percent, 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. The total present value of projected benefit payments from all years was then 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 District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates** The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability 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 (6.0% decreasing to 3.75%) and higher (8.0% decreasing to 5.75%) than the current rate.

	1% Decrease (1.63%)	Current Discount Rate (2.63%)	1% Increase (3.63%)
District's proportionate share of the net OPEB liability (asset)	\$992,105	\$810,560	\$666,232
	1% Decrease (6.0 % decreasing to 3.75 %)	Current Trend Rate (7.0% decreasing to 4.75 %)	1% Increase (8.0 % decreasing to 5.75 %)
District's proportionate share of the net OPEB liability (asset)	\$638,254	\$810,560	\$1,040,977

**Mahoning County Career & Technical Center**  
Mahoning County, Ohio

*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2021*

---

---

**Actuarial Assumptions - STRS**

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

Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation
Payroll Increases	3 percent
Discount Rate of Return - Current Year	7.45 percent
Health Care Cost Trends:	
<i>Medical</i>	
Pre-Medicare	5.00 percent initial, 4 percent ultimate
Medicare	(6.69) percent initial, 4 percent ultimate
<i>Prescription Drug</i>	
Pre-Medicare	6.50 percent initial, 4 percent ultimate
Medicare	11.87 percent initial, 4 percent ultimate

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

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

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

The STRS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 12.

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

**Mahoning County Career & Technical Center**  
Mahoning County, Ohio

*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2021*

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

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
District's proportionate share of the net OPEB asset	(\$766,922)	(\$881,453)	(\$978,629)

  

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB asset	(\$972,597)	(\$881,453)	(\$770,426)

**Note 14 – Other Employee Benefits**

**A. Compensated Absences**

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per year, depending upon length of service. Accumulated unused vacation time is paid to classified employees upon termination of employment. Teachers do not earn vacation time.

Each employee earns sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to two hundred sixty-five days for classified employees and two hundred seventy-five days for certified employees. Upon retirement, payment is made for one-fourth of the total sick leave accumulation, up to a maximum accumulation of sixty-five days for classified employees and sixty-eight days for certified employees. An employee receiving such payment must meet the retirement provisions set by STRS or SERS.

**B. Life Insurance**

The District provides life insurance and accidental death and dismemberment insurance to its employees. Coverage is \$30,000 per classified employee and \$50,000 per certified and administrative employee. Life insurance is provided through the Metropolitan Educational Insurance Company.

**Mahoning County Career & Technical Center**  
Mahoning County, Ohio

*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2021*

---

**Note 15 – Jointly Governed Organizations**

A. Area Cooperative Computerized Educational Service System/ACCESS Assembly

The Area Cooperative Computerized Educational Service System/ACCESS Assembly (ACCESS) is a consortium of participating school districts in Mahoning and Columbiana Counties, educational service centers, non-public schools and Special Education Regional Resource Centers.

The jointly governed organization was formed for the purpose of utilizing computers and other electronic equipment for administrative and instructional functions among member districts. These include educational management information system services, fiscal services, library services, network services and student services.

ACCESS is governed by an Assembly, which makes all decisions regarding programs, fees, budget and policy. The Assembly is composed of the Superintendent of each of the member districts. Assembly members may designate proxy attendees at meetings for voting purposes. The Assembly meets twice per year, once in November and once in May. Budgets and fees are discussed at the fall meeting, while the Board of Directors are chosen at the spring meeting.

While the Assembly has overall governance for ACCESS, the Board of Directors is selected to make the majority of the day to day operational decisions. Everything from equipment purchases, contracts, personnel action and financial oversight is handled by the Board. The Board is made up of two superintendents each from both Mahoning and Columbiana counties, and the superintendents from both the Mahoning County and Columbiana County Educational Service Centers. The ACCESS Executive Director and the Treasurer are also part of the Board of Directors, but are non-voting members.

All ACCESS revenues are generated from charges for services and State funding. Each of the members supports the ACCESS Assembly based upon a per pupil charge. The District paid a monthly fee to ACCESS during fiscal year 2021. Financial information can be obtained by contacting the Treasurer, Brian Stidham, at 493 Bev Road, Unit 1, Boardman, Ohio, 44512.

B. Mahoning Area Consortium (MAC) Tech Prep

The MAC Tech Prep works with participating area high schools and Youngstown State University to create seamless college prep career-technical education programs that begin in the junior year of high school and continue through an associate or bachelor's degree program. College Tech Prep programs stress mathematics, science, communications, and technology.

All of the consortium revenues are from state and federal grants. The consortium is governed by an executive committee consisting of the superintendents of the school districts, the President or designee of Youngstown State University and representatives of business or industry. The committee exercises total control over the operation of the Consortium, including budgeting, appropriating, contracting and designating management.

# Mahoning County Career & Technical Center

Mahoning County, Ohio

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021*

---

## C. Ohio Schools Council

The Ohio Schools Council (“the Council”) is a jointly governed organization among participating school districts. The jointly governed organization was formed to purchase quality products and services at the lowest possible cost to member districts. The Council’s Board consists of seven superintendents of the participating districts whose terms rotate every year. The degree of control exercised by any school district is limited to its representation on the Board. Financial information for the Council can be obtained by contacting the Executive Secretary of the Council at 6393 Oak Tree Boulevard, Suite 377, Independence, Ohio 44131.

In fiscal year 2021, the District participated in the Council’s electric energy program. This program allows school districts to purchase electricity at reduced rates. The participants make monthly payments based on estimated usage. At the end of the fiscal year, these estimated monthly payments are compared to their actual usage and any necessary adjustments are made.

The District does not retain an ongoing financial interest or an ongoing financial responsibility in any of these organizations.

## **Note 16 - Contingencies**

### A. Grants:

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

### B. Litigation:

The District is not party to any legal proceedings seeking damages or injunctive relief generally incidental to its operations and pending at June 30, 2021.

### C. District Foundation:

School District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. The final adjustment was not material and is not reflected in the accompanying financial statements.



**Mahoning County Career & Technical Center**  
Mahoning County, Ohio

*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2021*

**Note 17 – Long-Term Obligations**

The changes in the District's long-term obligations during the fiscal year ended June 30, 2021, were as follows:

	Principal Outstanding 6/30/20	Additions	Deductions	Principal Outstanding 6/30/21	Amounts due in One Year
<b>General Obligation Bonds:</b>					
2015 Current Interest Term & Serial	\$1,520,000	\$0	\$0	\$1,520,000	\$0
Unamortized Issuance Premium	75,778	0	(3,093)	72,685	0
Capital Appreciation Bonds	19,999	0	(11,175)	8,824	8,824
Accretion on Capital Appreciation Bonds	47,517	14,742	(33,825)	28,434	28,434
2018 School Improvement	975,000	0	(60,000)	915,000	60,000
<i>Total General Obligation Bonds</i>	<u>2,638,294</u>	<u>14,742</u>	<u>(108,093)</u>	<u>2,544,943</u>	<u>97,258</u>
<b>Certificates of Participation:</b>					
11/20/14 Certificates of Participation	8,875,000	0	(250,000)	8,625,000	260,000
Discount on Certificates of Participation	(81,774)	0	3,492	(78,282)	0
<i>Subtotal</i>	<u>8,793,226</u>	<u>0</u>	<u>(246,508)</u>	<u>8,546,718</u>	<u>260,000</u>
9/20/17 Certificates of Participation	11,835,000	0	(555,000)	11,280,000	575,000
Unamortized Issuance Premium	565,855	0	(34,294)	531,561	0
<i>Subtotal</i>	<u>12,400,855</u>	<u>0</u>	<u>(589,294)</u>	<u>11,811,561</u>	<u>575,000</u>
<i>Total Certificates of Participation</i>	<u>21,194,081</u>	<u>0</u>	<u>(835,802)</u>	<u>20,358,279</u>	<u>835,000</u>
<b>Other Long-Term Obligations:</b>					
Compensated Absences	1,097,634	294,469	(86,509)	1,305,594	173,130
<i>Total Other Long-Term Liabilities</i>	<u>1,097,634</u>	<u>294,469</u>	<u>(86,509)</u>	<u>1,305,594</u>	<u>173,130</u>
<i>Total Before Net Pension/OPEB Liability</i>	<u>24,930,009</u>	<u>309,211</u>	<u>(1,030,404)</u>	<u>24,208,816</u>	<u>1,105,388</u>
<b>Net Pension Liability:</b>					
STRS	10,916,567	1,218,883	0	12,135,450	0
SERS	2,283,587	296,511	0	2,580,098	0
<i>Total Net Pension Liability</i>	<u>13,200,154</u>	<u>1,515,394</u>	<u>0</u>	<u>14,715,548</u>	<u>0</u>
<b>Net OPEB Liability:</b>					
SERS	930,193	0	(119,633)	810,560	0
<i>Total Long-Term Obligations</i>	<u>\$39,060,356</u>	<u>\$1,824,605</u>	<u>(\$1,150,037)</u>	<u>\$39,734,924</u>	<u>\$1,105,388</u>

On January 8, 2015, the District issued general obligation bonds in the amount of \$1,749,999 for the purpose of paying the costs of constructing, reconstructing and otherwise improving the roof of the existing career center building. The bonds were issued at a premium of \$92,789, mature on December 1, 2035 and have an interest rate ranging for 2.0% to 4.0%.

On August 21, 2018, the District issued School Improvement Bonds, Series 2018, in the amount of \$1,050,000 for the purpose of various capital improvements. The bonds were issued at an interest rate of 4.0 percent and will mature on December 1, 2032.

## **Mahoning County Career & Technical Center**

Mahoning County, Ohio

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021*

---

On September 20, 2017, the District issued Certificates of Participation of \$13,005,000 (par value) with interest rates ranging from 3.00% to 4.00% to currently refund \$13,160,000 of the 10/15/09 Certificates of Participation with rates ranging from 2.00% to 4.75%. The term certificates mature 12/1/2036 and are callable 12/1/2025. The refunding certificates were issued at a premium of \$651,590 and, after paying issuance costs of \$233,855, the net proceeds were \$13,422,735. The net proceeds from the issuance of the certificates of participation were used to purchase U.S. government securities and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the certificates are called. The advance refunding met the requirements of an in-substance debt defeasance and the Certificates of Participation were removed from the District's government-wide financial statements.

As a result of the advance refunding, the District reduced its total debt service requirements by \$2,177,428, which resulted in an economic gain (difference between the present value of debt service payments on the old and new debt) of \$1,678,959.

On November 11, 2014, the District entered a lease agreement, the facilities lease and the ground lease, with the Ohio School Building Leasing Corporation, as lessor, for the purpose of constructing, furnishing, improving, equipping, lease and eventual acquisition, of additions, renovations and other improvements to a new Administration Building. The Ohio School Building Leasing Corporation in turn entered into an agreement with The Huntington National Bank, as Trustee, through which it assigned and transferred its rights, title, and interest under the leases to The Huntington National Bank. The Trustee issued Certificates of Participation in the lease agreement enabling holders of the Certificates to receive a portion of the semiannual lease payments. The Certificates of Participation have a par value of \$9,595,000, interest rates ranging from 3.375% to 6.25%, were issued at a discount of \$101,271 and will be repaid over 28 years with principal payment beginning in fiscal year 2017. Huntington bank is holding \$665,099 in escrow for the District to be applied to future debt payments.

Pursuant to Section 133.06 of the Ohio Revised Code, the obligations of these lease-purchase agreements will not be construed as net indebtedness of the District.

The capital lease is being repaid from the general fund.

Compensated absences will be paid from the general fund and the food service, adult education and vocational education special revenue funds. The District pays obligations related to employee compensation from the fund benefitting from their service.

There is no repayment schedule for the net pension liability and net OPEB liability; however, employer pension and OPEB contributions are made from the General Fund. For additional information related to the net pension liability and net OPEB liability see Notes 12 and 13.

The District's overall legal debt margin was \$376,789,734 with an unvoted debt margin of \$4,213,699 at June 30, 2021. Principal and interest requirements to retire the General Obligation Bonds, Certificates of Participation and Lease outstanding at June 30, 2021, are as follows:

**Mahoning County Career & Technical Center**  
Mahoning County, Ohio

*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2021*

Fiscal Year Ending June 30,	General Obligation Bonds					
	Current Interest Term & Serial Bonds			Capital Appreciation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2022	\$0	\$58,675	\$58,675	\$8,824	\$36,176	\$45,000
2023	45,000	58,085	103,085	0	0	0
2024	45,000	56,903	101,903	0	0	0
2025	45,000	55,722	100,722	0	0	0
2026	45,000	54,541	99,541	0	0	0
2027 - 2031	260,000	244,350	504,350	0	0	0
2032 - 2036	320,000	186,750	506,750	0	0	0
2037 - 2041	390,000	116,150	506,150	0	0	0
2042 - 2045	370,000	31,825	401,825	0	0	0
<b>Total</b>	<b>\$1,520,000</b>	<b>\$863,001</b>	<b>\$2,383,001</b>	<b>\$8,824</b>	<b>\$36,176</b>	<b>\$45,000</b>

Fiscal Year Ending June 30,	General Obligation Bonds (continued)		
	2018 School Improvement		
	Principal	Interest	Total
2022	\$60,000	\$36,600	\$96,600
2023	65,000	34,200	99,200
2024	65,000	31,600	96,600
2025	70,000	29,000	99,000
2026	70,000	26,200	96,200
2027 - 2031	400,000	86,200	486,200
2032 - 2033	185,000	11,200	196,200
<b>Total</b>	<b>\$915,000</b>	<b>\$255,000</b>	<b>\$1,170,000</b>

Fiscal year Ending June 30,	9/20/17 Refunding		11/20/2014	
	Certificate of Participation		Certificate of Participation	
	Principal	Interest	Principal	Interest
2022	\$575,000	\$387,550	\$260,000	\$307,065
2023	605,000	363,950	265,000	301,188
2024	615,000	339,550	270,000	294,700
2025	580,000	315,650	280,000	287,650
2026	605,000	291,950	285,000	279,878
2027-2031	3,385,000	1,075,025	1,575,000	1,256,479
2032-2036	4,010,000	462,775	1,860,000	954,506
2037-2041	905,000	14,706	2,255,000	552,500
2042-2045	0	0	1,575,000	98,600
<b>Total</b>	<b>\$11,280,000</b>	<b>\$3,251,156</b>	<b>\$8,625,000</b>	<b>\$4,332,566</b>

**Mahoning County Career & Technical Center**  
Mahoning County, Ohio

*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2021*

**Note 18 – Public Entity Risk Pools**

A. Insurance Purchasing Pool

The District participates in the Ohio Association of School Business Officials Ohio Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. Each year, the participating school districts pay an enrollment fee to the GRP to cover the cost of administering the program. Sheakley UniService, Inc. is the third party administrator for the program.

B. Ohio School Plan

The District participates in the Ohio School Plan (OSP), an insurance purchasing pool. The OSP is created and organized pursuant to and as authorized by Section 2744.081 of the Ohio Revised Code. The OSP is an unincorporated, non-profit association of its members and an instrumentality for each member for the purpose of enabling members of the Plan to provide for a formalized, joint insurance purchasing program to maintain adequate insurance protection, risk management programs and other administrative services. The OSP's business and affairs are conducted by a ten member Board of directors consisting of school district superintendents and treasurers. Hylant Administrative Services, Inc. is the Administrator of the OSP and is responsible for processing claims.

C. Shared Risk Pool

The Mahoning County Insurance Consortium is a shared risk pool comprised of participating Mahoning County School Districts. The Consortium is governed by an assembly which consists of one representative from each participating school district (usually the superintendent or designee). The assembly elects officers for one year terms to serve as the Board of Directors. The assembly exercises control over the operation of the Consortium.

**Note 19 – Interfund Activity**

Interfund Transfers

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

	Transfers In	Transfers Out
Major Governmental Fund:		
General	\$0	\$597,980
Non-major Governmental Funds:		
District Agency	1,035	0
Bond Retirement	204,350	0
Permanent Improvement Fund	276,155	0
Building Fund	96,895	0
Capital Project Fund - Fire Tower	19,545	0
	\$597,980	\$597,980

**Mahoning County Career & Technical Center**  
Mahoning County, Ohio

*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2021*

---

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. Transfers between governmental funds are eliminated on the government-wide financials. All transfers were made in compliance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

Interfund Advances

The District did not have any interfund receivables/payables at June 30, 2021.

**Note 20 – Set Asides**

The District is required by State statute to annually set aside in the general fund an amount based on a statutory formula for the acquisition and construction of capital improvements. Amounts not spent by year-end or offset by similarly restricted resources received during the year must be held in cash at year-end and carried forward to be used for the same purposes in future years.

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

	Capital Improvements
Set-Aside Reserve Balance as of June 30, 2020	\$0
Current Year Set-Aside Requirement	147,227
Qualifying Disbursements	(776,406)
Total	<u>(\$629,179)</u>
Set-Aside Balance Carried Forward to Future Fiscal Years	<u>\$0</u>
Cash balance as of June 30, 2021	<u>\$0</u>

Although the District had qualifying disbursements during the fiscal year that reduced the set-aside amount to below zero for the capital acquisition set-aside, this amount may not be used to reduce the set-aside requirement for future years. This negative balance is therefore not presented as being carried forward to future years.

**Note 21 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June of 2021 while the national state of emergency continues. During fiscal year 2021, the District received Coronavirus Aid, Relief, and Economic Security (CARES) Act funding. The District's investment portfolio and the investments of the pension and other employee benefit plans in which the District participates fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the District's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated. Additional funding has been made available through the Consolidated Appropriations Act, 2021, passed December 21, 2020 and/or the American Rescue Plan Act, passed by Congress on March 11, 2021.

**Mahoning County Career & Technical Center**  
Mahoning County, Ohio

*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2021*

---

---

**Note 22 – Subsequent Event**

For fiscal year 2022, District foundation funding received from the state of Ohio will be funded using a direct funding model. Under this new model, community school, STEM school, scholarship, and open enrollment funding will be directly funded by the State of Ohio to the respective educating schools. For fiscal year 2021 and prior, the amounts related to students who were residents of the District were funded to the District who, in turn, made the payment to the educating school. For fiscal year 2021, the District reported \$563,097 in revenue and expenditures related to these programs. This new funding system calculates a unique base cost and a unique “per-pupil local capacity amount” for each District. The District’s state core foundation funding is then calculated. Any change in funding will be subject to a phase in percentage of 16.67 percent for fiscal year 2022 and 33.33 percent for fiscal year 2023.

**Mahoning County Career & Technical Center**  
Mahoning County, Ohio

*Required Supplementary Information*  
*Schedule of the School District's Proportionate Share of the Net Pension Liability*  
*School Employees Retirement System of Ohio (SERS)*  
*Last Eight Fiscal Years (1)*

	2021	2020	2019	2018	2017	2016	2015	2014
School District's Proportion of the Net Pension Liability	0.03900840%	0.03816680%	0.03749620%	0.03708240%	0.03947230%	0.04123090%	0.04050300%	0.04050300%
School District's Proportionate Share of the Net Pension Liability	\$2,580,098	\$2,283,587	\$2,147,477	\$2,215,591	\$2,889,008	\$2,352,676	\$2,049,834	\$2,408,583
School District's Employee Payroll	\$1,367,850	\$1,345,037	\$1,368,052	\$1,232,843	\$1,273,229	\$1,287,350	\$1,228,521	\$1,178,446
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Employee Payroll	188.67%	169.78%	156.97%	179.71%	226.90%	182.75%	166.85%	204.39%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.55%	70.85%	71.36%	69.50%	62.98%	69.16%	71.70%	65.52%

(1) Information prior to 2014 is not available.

Amounts presented as of the District's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information.

**Mahoning County Career & Technical Center**  
Mahoning County, Ohio

*Required Supplementary Information*  
*Schedule of the School District's Proportionate Share of the Net Pension Liability*  
*State Teachers Retirement System of Ohio (STRS)*  
*Last Eight Fiscal Years (1)*

	2021	2020	2019	2018	2017	2016	2015	2014
School District's Proportion of the Net Pension Liability	0.050153860%	0.049364070%	0.048680670%	0.043018040%	0.043071530%	0.044946110%	0.046949170%	0.046949170%
School District's Proportionate Share of the Net Pension Liability	\$12,135,450	\$10,916,567	\$10,703,786	\$10,219,028	\$14,417,339	\$12,421,790	\$11,419,663	\$13,603,028
School District's Employee Payroll	\$6,052,786	\$5,907,357	\$5,583,421	\$4,836,937	\$4,661,703	\$4,796,286	\$4,954,837	\$4,799,072
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Employee Payroll	200.49%	184.80%	191.71%	211.27%	309.27%	258.99%	230.48%	283.45%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.48%	77.40%	77.30%	75.30%	66.80%	72.10%	74.70%	69.30%

(1) Information prior to 2014 is not available.

Amounts presented as of the District's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information.



**Mahoning County Career & Technical Center**  
Mahoning County, Ohio

*Required Supplementary Information  
Schedule of School District Pension Contributions  
School Employees Retirement System of Ohio (SERS)  
Last Nine Fiscal Years (1)*

	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually Required Contribution	\$196,398	\$191,457	\$181,580	\$184,687	\$172,598	\$178,252	\$169,158	\$170,273	\$163,097
Contributions in Relation to the Contractually Required Contribution	(\$196,398)	(\$191,457)	(\$181,580)	(\$184,687)	(\$172,598)	(\$178,252)	(\$169,158)	(\$170,273)	(\$163,097)
Contribution Deficiency (Excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
School District Covered-Employee Payroll	\$1,402,843	\$1,367,550	\$1,345,037	\$1,368,052	\$1,232,843	\$1,273,229	\$1,287,350	\$1,228,521	\$1,178,446
Contributions as a Percentage of Covered-Employee Payroll	14.00%	14.00%	13.50%	13.50%	14.00%	14.00%	13.18%	13.86%	13.84%

(1) Information prior to 2013 available upon request.

See accompanying notes to the required supplementary information.

**Mahoning County Career & Technical Center**  
Mahoning County, Ohio

*Required Supplementary Information  
Schedule of School District Pension Contributions  
State Teachers Retirement System of Ohio (STRS)  
Last Nine Fiscal Years (1)*

	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually Required Contribution	\$841,151	\$847,390	\$827,030	\$781,679	\$677,171	\$652,638	\$671,480	\$644,129	\$623,879
Contributions in Relation to the Contractually Required Contribution	(\$841,151)	(\$847,390)	(\$827,030)	(\$781,679)	(\$677,171)	(\$652,638)	(\$671,480)	(\$644,129)	(\$623,879)
Contribution Deficiency (Excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
School District Covered-Employee Payroll	\$6,008,221	\$6,052,786	\$5,907,357	\$5,583,421	\$4,836,937	\$4,661,703	\$4,796,286	\$4,954,837	\$4,799,072
Contributions as a Percentage of Covered-Employee Payroll	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	13.00%	13.00%

(1) Information prior to 2013 available upon request.

See accompanying notes to the required supplementary information.

**Mahoning County Career & Technical Center**  
Mahoning County, Ohio

*Required Supplementary Information*  
*Schedule of the School District's Proportionate Share of the Net OPEB Liability*  
*School Employees Retirement System of Ohio (SERS)*  
*Last Five Fiscal Years (1)*

	2021	2020	2019	2018	2017
School District's Proportion of the Net OPEB Liability	0.03729580%	0.03698890%	0.03629500%	0.03589460%	0.03589460%
School District's Proportionate Share of the Net OPEB Liability	\$810,560	\$930,193	\$1,006,921	\$963,317	\$1,023,129
School District's Employee Payroll	\$1,367,550	\$1,345,037	\$1,368,052	\$1,232,843	\$1,273,229
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Employee Payroll	59.27%	69.16%	73.60%	78.14%	80.36%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	18.17%	15.57%	13.57%	12.46%	11.49%

(1) Information prior to 2017 is not available.

Amounts presented as of the District's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information.

**Mahoning County Career & Technical Center**  
Mahoning County, Ohio

*Required Supplementary Information*  
*Schedule of the School District's Proportionate Share of the Net OPEB Liability (Asset)*  
*State Teachers Retirement System of Ohio (STRS)*  
*Last Five Fiscal Years (1)*

	2021	2020	2019	2018	2017
School District's Proportion of the Net OPEB Liability (Asset)	0.050153860%	0.049364070%	0.048680670%	0.043018040%	0.043071530%
School District's Proportionate Share of the Net OPEB Liability (Asset)	(\$881,453)	(\$817,587)	(\$782,249)	\$1,678,405	\$2,300,616
School District's Employee Payroll	\$6,052,786	\$5,907,357	\$5,583,421	\$4,836,937	\$4,661,703
School District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Employee Payroll	-14.56%	-13.84%	-14.01%	34.70%	49.35%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	182.13%	174.74%	176.00%	47.10%	37.30%

(1) Information prior to 2017 is not available.

Amounts presented as of the District's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information.

**Mahoning County Career & Technical Center**  
Mahoning County, Ohio

*Required Supplementary Information  
Schedule of School District OPEB Contributions  
School Employees Retirement System of Ohio (SERS)  
Last Nine Fiscal Years (1)*

	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually Required Contribution	\$10,664	\$8,904	\$18,940	\$11,859	\$11,536	\$8,727	\$24,185	\$18,604	\$18,236
Contributions in Relation to the Contractually Required Contribution	(\$10,664)	(\$8,904)	(\$18,940)	(\$11,859)	(\$11,536)	(\$8,727)	(\$24,185)	(\$18,604)	(\$18,236)
Contribution Deficiency (Excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
School District Covered-Employee Payroll	\$1,402,843	\$1,367,550	\$1,345,037	\$1,368,052	\$1,232,843	\$1,273,229	\$1,287,350	\$1,228,521	\$1,178,446
Contributions as a Percentage of Covered-Employee Payroll	0.76%	0.65%	1.41%	0.87%	0.94%	0.69%	1.92%	1.51%	1.55%

(1) Information prior to 2013 available upon request.

See accompanying notes to the required supplementary information.

**Mahoning County Career & Technical Center**  
Mahoning County, Ohio

*Required Supplementary Information  
Schedule of School District OPEB Contributions  
State Teachers Retirement System of Ohio (STRS)  
Last Nine Fiscal Years (1)*

	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually Required Contribution	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$49,548	\$47,991
Contributions in Relation to the Contractually Required Contribution	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$49,548)	(\$47,991)
Contribution Deficiency (Excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
School District Covered-Employee Payroll	\$6,008,221	\$6,052,786	\$5,907,357	\$5,583,421	\$4,836,937	\$4,661,703	\$4,796,286	\$4,954,837	\$4,799,072
Contributions as a Percentage of Covered-Employee Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.00%	1.00%

(1) Information prior to 2013 available upon request.

See accompanying notes to the required supplementary information.

**Mahoning County Career & Technical Center**  
Mahoning County, Ohio

*Notes to the Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2021*

---

**Net Pension Liability**

**Changes in Assumptions – SERS**

Beginning in fiscal year 2018, an assumption of 2.5 percent was used for COLA or Ad Hoc Cola. Prior to 2018, an assumption of 3 percent was used.

Beginning with fiscal year 2017, amounts reported incorporate changes in assumptions used by SERS in calculating the total pension liability in the latest actuarial valuation. These assumptions compared with those used in fiscal year 2016 and prior are presented below:

	<u>Fiscal Year 2017</u>	<u>Fiscal Year 2016 &amp; Prior</u>
Wage Inflation	3.00 Percent	3.25 Percent
Future Salary Increases, Including Inflation	3.50 Percent to 18.20 Percent	4.00 Percent to 22.00 Percent
Investment Rate of Return	7.50 Percent Net of Investment Expense, Including Inflation	7.75 Percent Net of Investment Expense, Including Inflation

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

**Changes of Benefit and Funding Terms – SERS**

In fiscal year 2019, post-retirement increases in benefits included the following changes:

\*Members, or their survivors, retiring prior to January 1, 2018, receive a COLA increase of 3 percent of their base benefit on the anniversary of their initial date of retirement.

\*Members, or their survivors, retiring on and after January 1, 2018, receive a COLA increase on each anniversary of their initial date of retirement equal to the annual rate of increase in the CPI-W measured as of the June preceding the beginning of the applicable calendar year. The annual rate of increase shall not be less than 0 percent, nor greater than 2.5 percent. COLAs are suspended for calendar years 2018, 2019, and 2020.

\*Members, or their survivors, retiring on and after April 1, 2018, will have their COLA delayed for three years following their initial date of retirement.

**Mahoning County Career & Technical Center**  
Mahoning County, Ohio

*Notes to the Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2021*

**Changes in Assumptions - STRS**

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

	Fiscal Year 2018
Inflation	2.50 Percent
Projected Salary Increases	12.50 Percent at Age 20 to 2.50 Percent at Age 65
Investment Rate of Return	7.45 Percent, Net of Expenses, Including Inflation
Payroll Increases	3.00 Percent
Cost of Living Adjustments (COLA)	0 Percent, Effective July 1, 2017
	Fiscal Year 2017 & Prior
Inflation	2.75 Percent
Projected Salary Increases	12.25 Percent at Age 20 to 2.75 Percent at Age 70
Investment Rate of Return	7.75 Percent, Net of Expenses, Including Inflation
Payroll Increases	3.50 Percent
Cost of Living Adjustments (COLA)	2 Percent Simple applied as follows: For Members Retiring Before August 1, 2013 3 percent per year. For Members retiring August 1, 2013 or later, 2 percent COLA commences on 5th anniversary date

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

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

**Changes in Benefit Terms - STRS**

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.



**Mahoning County Career & Technical Center**  
Mahoning County, Ohio

*Notes to the Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2021*

---

**Net OPEB Liability**

**Changes in Assumptions – SERS**

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

Municipal Bond Index Rate:

Fiscal year 2021	2.45 percent
Fiscal year 2020	3.13 percent
Fiscal year 2019	3.62 percent
Fiscal year 2018	3.56 percent
Fiscal year 2017	2.92 percent

Single Equivalent Interest Rate, net of plan investment expense, including price inflation

Fiscal year 2021	2.63 percent
Fiscal year 2020	3.22 percent
Fiscal year 2019	3.70 percent
Fiscal year 2018	3.63 percent
Fiscal year 2017	2.98 percent

**Changes of Benefit and Funding Terms – SERS**

In fiscal year 2019, SERS' funding policy allowed a 2.0 percent health care contribution rate to be allocated to the Health Care fund. The 2.0 percent is a combination of 0.5 percent employer contributions and 1.5 percent surcharge.

In fiscal year 2020, SERS' funding policy allowed a 1.5 percent health care contribution rate to be allocated to the Health Care fund. The 1.5 percent is a combination of 0.0 percent employer contributions and 1.5 percent surcharge.

**Mahoning County Career & Technical Center**  
Mahoning County, Ohio

*Notes to the Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2021*

---

**Changes in Assumptions – STRS OPEB**

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

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

**Changes in Benefit Terms – STRS OPEB**

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

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

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

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

**MAHONING COUNTY CAREER & TECHNICAL CENTER  
MAHONING COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2021**

<b>FEDERAL GRANTOR</b> <i>Pass Through Grantor</i> <b>Program / Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Pass Through Entity Identifying Number</b>	<b>Total Federal Expenditures</b>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
<i>Passed Through Ohio Department of Education</i>			
Child Nutrition Cluster:			
National School Lunch Program	10.555	006	\$ 338,139
COVID-19 National School Lunch Program	10.555	006	30,892
National School Lunch Program - Commodities	10.555	006	23,393
School Breakfast Program	10.553	006	129,421
COVID-19 School Breakfast Program	10.553	006	13,109
Total Child Nutrition Cluster			<u>534,954</u>
Total U.S. Department of Agriculture			<u><b>534,954</b></u>
<b>U.S. DEPARTMENT OF EDUCATION / U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
<i>Direct Program</i>			
Student Financial Assistance Cluster:			
Federal Pell Grant Program	84.063	535-9021	89,655
Federal Pell Grant Program	84.063	535-9020	24,413
Federal Direct Student Loans	84.268	022-9120	73,830
Health Professions Student Loans, Including Primary Care Loans and Loans for Disadvantaged Students*	93.342	599-9120	18,575
Health Professions Student Loans, Including Primary Care Loans and Loans for Disadvantaged Students*	93.342	599-9220	18,574
Total Student Financial Assistance Cluster			<u>225,047</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>			
<i>Direct Program</i>			
Adult Education - Basic Grants to States			
Adult Education - Basic Grants to States	84.002	599-9121	2,459
Adult Education - Basic Grants to States	84.002	599-9320	288,609
Total Adult Education - Basic Grants to States			<u>291,068</u>
<i>Passed Through Ohio Department of Education</i>			
Career and Technical Education - Basic Grants to States			
Career and Technical Education - Basic Grants to States	84.048	524-912Q	(646)
Career and Technical Education - Basic Grants to States	84.048	524-921Q	314,464
Career and Technical Education - Basic Grants to States	84.048	524-920Q	102,442
Total Career and Technical Education - Basic Grants to States			<u>416,260</u>
COVID-19 Governor's Emergency Education Relief (GEER I and II) Fund			
COVID-19 Governor's Emergency Education Relief (GEER I and II) Fund	84.425C	508-0000	7,543
COVID-19 Governor's Emergency Education Relief (GEER I and II) Fund	84.425C	508-9021	7,725
Total Governor's Emergency Education Relief (GEER I and II) Fund			<u>15,268</u>
Total U.S. Department of Education			<u><b>910,494</b></u>
Total U.S. Department of Health and Human Services*			<u><b>37,149</b></u>
<b>U.S. DEPARTMENT OF TREASURY</b>			
<i>Passed Through the Ohio Department of Education</i>			
COVID-19 Coronavirus Relief Fund			
COVID-19 Coronavirus Relief Fund	21.019	510-921A	29,350
COVID-19 Coronavirus Relief Fund	21.019	510-921B	23,647
Total Coronavirus Relief Fund			<u>52,997</u>
Total U.S. Department of Treasury			<u><b>52,997</b></u>
<b>Total Expenditures of Federal Awards</b>			<u><b>\$1,535,594</b></u>

The accompanying notes are an integral part of this schedule.

**MAHONING COUNTY CAREER AND TECHNICAL CENTER  
MAHONING COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
2 CFR 200.510(b)(6)  
FOR THE YEAR ENDED JUNE 30, 2021**

**NOTE A – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Mahoning County Career and Technical Center (the Center) under programs of the federal government for the year ended June 30, 2021. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Center, it is not intended to and does not present the financial position or changes in net position of the Center.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

**NOTE C – INDIRECT COST RATE**

The Center has elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE D - CHILD NUTRITION CLUSTER**

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

**NOTE E – FOOD DONATION PROGRAM**

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



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

Mahoning County Career and Technical Center  
Mahoning County  
7300 North Palmyra Road  
Canfield, Ohio 44406

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Mahoning County Career and Technical Center, Mahoning County, (the Center) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Center's basic financial statements and have issued our report thereon dated April 14, 2022. We noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the Center.

***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the Center's internal control over financial reporting (internal control) as a basis for designing audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Center's internal control. Accordingly, we have not opined on it.

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

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

**Compliance and Other Matters**

As part of reasonably assuring whether the Center's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the financial statement. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matters we must report under Government Auditing Standards which is described in the accompanying schedule of findings as item 2021-001.

**Center's Response to Finding**

The Center's response to the finding identified in our audit is described in the accompanying schedule of findings and corrective action plan. We did not subject the Center's response to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**Purpose of this Report**

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Center's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Center's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Keith Faber  
Auditor of State  
Columbus, Ohio

April 14, 2022



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

Mahoning County Career and Technical Center  
Mahoning County  
7300 North Palmyra Road  
Canfield, Ohio 44406

To the Board of Education:

***Report on Compliance for the Major Federal Program***

We have audited Mahoning County Career and Technical Center's (the Center) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect Mahoning County Career and Technical Center's major federal program for the year ended June 30, 2021. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the Center's major federal program.

***Management's Responsibility***

The Center's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal program.

***Auditor's Responsibility***

Our responsibility is to opine on the Center's compliance for the Center's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the Center's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the Center's major program. However, our audit does not provide a legal determination of the Center's compliance.

***Opinion on the Major Federal Program***

In our opinion, Mahoning County Career and Technical Center complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended June 30, 2021.

***Report on Internal Control Over Compliance***

The Center's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the Center's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the Center's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.



Keith Faber  
Auditor of State  
Columbus, Ohio

April 14, 2022



**MAHONING COUNTY CAREER AND TECHNICAL CENTER  
MAHONING COUNTY**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
JUNE 30, 2021**

**1. SUMMARY OF AUDITOR'S RESULTS**

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unmodified
<b>(d)(1)(ii)</b>	<b>Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	Yes
<b>(d)(1)(iv)</b>	<b>Were there any material weaknesses in internal control reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unmodified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under 2 CFR § 200.516(a)?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	Child Nutrition Cluster: National School Lunch Program - CFDA #10.555 COVID-19 National School Lunch Program - CFDA #10.555 National School lunch Program – Commodities - CFDA #10.555 School Breakfast Program - CFDA #10.553 COVID-19 School Breakfast Program - CFDA #10.553
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 750,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee under 2 CFR § 200.520?</b>	Yes

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

**1. Ohio Rev. Code § 5705.41(B) – Expenditures exceeding appropriations**

**FINDING NUMBER 2021-001**

NONCOMPLIANCE

**Ohio Rev. Code § 5705.41(B)** prohibits a subdivision or taxing authority unit from making any expenditure of money unless it has been appropriated in accordance with the Ohio Revised Code.

Due to inadequate policies and procedures in approving and reviewing budget versus actual information, the Center's General Fund, Miscellaneous Federal Grant Fund, Food Services Fund, and Perkins Secondary Fund all had expenditures in excess of appropriations of \$1,137,901, \$82,066, \$578,685, and \$70,379 as of June 30, 2021, respectively.

Failure to have adequate appropriations in place at the time expenditures are made could cause expenditures to exceed available resources, further resulting in deficit spending practices.

The Center should closely monitor expenditures and appropriations and make the necessary appropriation amendments, if possible, to reduce the likelihood of expenditures exceeding appropriations. Additionally, the Treasurer should deny payment requests exceeding appropriations when appropriations are inadequate to cover the expenditures.

**Official's Response:** See Corrective Action Plan

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

None

Finding Number 2021-001

Planned Correction Action:

- The Treasurer will monitor encumbrances to complete and close inactive purchase orders.
- The treasurer will review appropriations and actual expenditures monthly to ensure that appropriations are sufficient to cover expenditures.

Anticipated completion Date:

- Effective immediately

Responsible Contact Person:

- Brian Rella – Treasurer/CFO



**This page intentionally left blank.**

# OHIO AUDITOR OF STATE KEITH FABER



**MAHONING COUNTY CAREER AND TECHNICAL CENTER**

**MAHONING COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 5/17/2022**

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

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