CAREER AND TECHNOLOGY EDUCATION CENTERS OF LICKING COUNTY
LICKING COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2023

OHIO AUDITOR OF STATE
KEITH FABER

CAREER AND TECHNOLOGY EDUCATION CENTERS OF LICKING COUNTY
LICKING COUNTY
JUNE 30, 2023

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OHIO AUDITOR OF STATE
KEITH FABER

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INDEPENDENT AUDITOR'S REPORT

Career and Technology Education Centers of Licking County
Licking County
150 Price Road
Newark, Ohio 43055

To the Board of Education:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Career and Technology Education Centers of Licking County, Licking County, Ohio (C-TEC), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise C-TEC's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Career and Technology Education Centers of Licking County, Licking County, Ohio as of June 30, 2023, and the respective changes in financial position and, the respective budgetary comparisons for the General and Adult Education Funds for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about C-TEC's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

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

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

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of C-TEC's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about C-TEC's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise C-TEC's basic financial statements. The Schedule of Expenditures of Federal Awards 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 is presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the identify accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2023, on our consideration of C-TEC'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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of C-TEC's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering C-TEC's internal control over financial reporting and compliance.

Keith Faber
Auditor of State
Columbus, Ohio

November 30, 2023

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The discussion and analysis of the Career and Technology Education Centers of Licking County's (C-TEC) financial performance provides an overall review of C-TEC's financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at C-TEC's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of C-TEC's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2023 are as follows:

- Net position of governmental activities increased $9,784,332.

- General revenues accounted for $23,455,463 or 79 percent of total revenues of $29,814,749. Program specific revenues in the form of charges for services, grants, and contributions accounted for $6,359,286, or 21 percent of total revenues.

- C-TEC had $20,030,417 in expenses related to governmental activities; only $6,359,286 of these expenses was offset by program specific charges for services, grants, and contributions. General revenues of $23,455,463 were adequate to provide for these activities.

Using this Annual Financial Report

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

The Statement of Net Position and Statement of Activities provide information about the activities of C-TEC as a whole, presenting both an aggregate view of C-TEC'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 C-TEC's most significant funds with all other non-major funds presented in total in one column.

Reporting C-TEC as a Whole

Statement of Net Position and Statement of Activities

While this document contains information about the large number of funds used by C-TEC to provide programs and activities for students, the view of C-TEC as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2023?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

In the Statement of Net Position and the Statement of Activities, all of C-TEC's activities are reported as governmental including instruction, support services, operation of non-instructional services, extracurricular activities, and debt service.

Reporting C-TEC's Most Significant Funds

Fund Financial Statements

The analysis of C-TEC's major funds begins on page 11. Fund financial reports provide detailed information about C-TEC's major funds. C-TEC uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on C-TEC's most significant funds. C-TEC's major governmental funds are the General Fund, Adult Education Special Revenue Fund, Bond Retirement Debt Service Fund, and Permanent Improvement Capital Projects Fund.

Governmental Funds Most of C-TEC's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at fiscal 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 statements provide a detailed short-term view of C-TEC's general governmental 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 financial statements.

C-TEC as a Whole

Recall that the Statement of Net Position provides the perspective of C-TEC as a whole. Table 1 provides a summary of C-TEC's net position for 2023 compared to 2022.

Table 1
Net Position

	Governmental Activities		
	2023	Restated 2022 *	Change
Assets			
Current and Other Assets	$41,933,928	$42,299,158	($365,230)
Net OPEB Asset	1,433,536	1,182,476	251,060
Capital Assets	38,968,523	32,077,180	6,891,343
Total Assets	82,335,987	75,558,814	6,777,173
Deferred Outflows of Resources			
Pension	3,714,654	3,723,275	(8,621)
OPEB	315,351	398,416	(83,065)
Total Deferred Outflows of Resources	4,030,005	4,121,691	(91,686)
Liabilities			
Current and Other Liabilities	4,132,773	1,657,026	2,475,747
Long-Term Liabilities:			
Due Within One Year	2,880,673	2,654,163	226,510
Due in More Than One Year:			
Net Pension Liability	15,420,073	9,423,426	5,996,647
Net OPEB Liability	784,788	1,108,519	(323,731)
Other	961,732	3,804,048	(2,842,316)
Total Liabilities	24,180,039	18,647,182	5,532,857
Deferred Inflows of Resources			
Deferred Charge on Refunding	1,005	3,013	(2,008)
Property Taxes/Payment in Lieu of Taxes	8,903,856	11,678,180	(2,774,324)
Pension	1,804,591	7,798,998	(5,994,407)
OPEB	2,219,263	2,080,226	139,037
Total Deferred Inflows of Resources	12,928,715	21,560,417	(8,631,702)
Net Position			
Net Investment in Capital Assets	33,659,362	26,396,694	7,262,668
Restricted	5,607,193	4,549,255	1,057,938
Unrestricted	9,990,683	8,526,957	1,463,726
Total Net Position	$49,257,238	$39,472,906	$9,784,332

* Restated 2022 Net Position Restricted/Unrestricted balances to account for the OPEB Plan restricted balance.

The net pension liability (NPL) is the largest single liability reported by C-TEC at June 30, 2023. 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, C-TEC 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.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick 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.

Overall current and other assets remained consistent with the prior fiscal year, decreasing by $365,230. The decrease is mainly due to decreases in property taxes receivable and intergovernmental receivable balances compared to the prior fiscal year. Property taxes receivable in the Bond Retirement Debt Service fund due to the 2010 School Facilities Improvement Refunding Bonds maturing in fiscal year 2023. This decrease was offset by an increase in cash and cash equivalents which increased due to various reasons.

The $6,891,343 increase in capital assets is primarily due to current year asset additions exceeding current year depreciation. C-TEC had a continuation of construction in progress for building exterior and interior improvements to modernize their facilities. During fiscal year 2023, depreciation expenses were in the amount of $1,520,386.

Current and other liabilities increased in the amount of $2,475,747 from fiscal year 2022 to fiscal year 2023. This increase was due to increases in contracts and retainage payable due to C-TEC's building improvement contracts. The long-term liabilities due within one year increased $226,510 for fiscal year 2023 and other amounts due in more than one year decreased $2,842,316. The decrease in long-term liabilities for other amounts due in more than one year was due to reclassifying $2,840,000 from due in more than one year to due in one year for principal payments due in fiscal year 2024 and due to the current year amortization of premiums in the amount of $65,350. Sick leave benefits payable increased $44,544 and vacation benefits payable increased $26,864 in fiscal year 2023. See Note 14 for additional information concerning long-term liabilities.

Table 2 shows the changes in net position for the fiscal year ended June 30, 2023, and comparisons to fiscal year 2022.

Table 2
Changes in Net Position

	Governmental Activities		
	2023	Restated 2022*	Change
Revenues			
Program Revenues:			
Charges for Services	$2,399,555	$2,369,155	$30,400
Operating Grants, Contributions and Interest	3,959,731	3,581,119	378,612
Total Program Revenues	6,359,286	5,950,274	409,012
General Revenues:			
Property Taxes	15,158,702	12,685,577	2,473,125
Gain on Sale of Capital Assets	5,180	0	5,180
Payment in Lieu of Taxes	254,298	259,458	(5,160)
Grants and Entitlements	7,485,437	6,857,211	628,226
Investment Earnings/Interest	515,011	(500,722)	1,015,733
Miscellaneous	36,835	54,789	(17,954)
Total General Revenues	23,455,463	19,356,313	4,099,150
Total Revenues	29,814,749	25,306,587	4,508,162
Program Expenses			
Instruction:			
Regular	372,856	348,757	24,099
Special	921,955	712,498	209,457
Vocational	7,869,775	6,451,719	1,418,056
Adult/Continuing	3,669,792	3,650,916	18,876
Support Services:			
Pupils	1,168,281	918,064	250,217
Instructional Staff	1,419,884	1,392,265	27,619
Board of Education	26,966	28,545	(1,579)
Administration	1,280,327	1,055,934	224,393
Fiscal	401,073	450,929	(49,856)
Business	431,788	469,915	(38,127)
Operation and Maintenance of Plant	1,502,115	1,805,649	(303,534)
Pupil Transportation	1,019	815	204
Central	397,065	338,721	58,344
Operation of Non-Instructional Services:			
Food Service Operations	312,504	241,902	70,602
Other Non-Instructional Services	51,180	59,695	(8,515)
Extracurricular Activities	138,770	117,500	21,270
Interest and Fiscal Charges	65,067	165,670	(100,603)
Total Expenses	20,030,417	18,209,494	1,820,923
Change in Net Position	9,784,332	7,097,093	2,687,239
Net Position Beginning of Year	39,472,906	32,375,813	7,097,093
Net Position End of Year	$49,257,238	$39,472,906	$9,784,332

* Restated Program revenues. Moved $589,529 from Grants and Entitlements to Operating Grants, Contributions and Interest

C-TEC's net position increased $9,784,332. Revenues increased in the amount of $4,508,162 during fiscal year 2023 when compared to fiscal year 2022. Property taxes revenue increased during fiscal year 2023 due to increases in the amount available as an advance, which is collected by the various county auditors. The amount available fluctuates according to the tax bill due dates and the amount of taxpayers that paid their taxes earlier in 2023 compared to 2022. Investment earnings/interest increased in fiscal year 2023 due to increases in interest rates and the increase in cash available for investments. Gifts and donations for scholarships increased in fiscal year 2023, which led to the increase in operating grants, contributions, and interest. Grants and entitlements increased due to the increase in junior and senior student enrollment, as more students consider learning trades over going to college. Program expenses increased in the amount of $1,820,923. This increase in expenses was mainly in vocational instruction expenses due to an increase in C-TEC's portion of the net pension liability and an increase in student enrollment.

Instructional programs comprise approximately 64 percent of total governmental program expenses. Of the instructional expenses, approximately 3 percent is for regular instruction, 7 percent for special instruction, 61 percent for vocational instruction, and 29 percent for adult/continuing instruction. Support services comprise approximately 33 percent of total governmental program expenses.

The Statement of Activities shows the cost of program services and the charges for services, grants, and contributions offsetting those services. Table 3 shows the total cost of services and the net cost of services. In other words, it identifies the cost of those services supported by tax revenue and unrestricted entitlements.

Table 3
Governmental Activities

	2023 Total Cost of Services	2023 Net Cost of Services	2022 Total Cost of Services	Restated 2022 Net Cost of Services
Program Expenses				
Instruction:				
Regular	$372,856	$246,128	$348,757	$221,234
Special	921,955	237,663	712,498	122,969
Vocational	7,869,775	7,046,944	6,451,719	6,135,219
Adult/Continuing	3,669,792	245,532	3,650,916	201,673
Support Services:				
Pupils	1,168,281	824,939	918,064	595,213
Instructional Staff	1,419,884	1,126,007	1,392,265	1,049,524
Board of Education	26,966	26,966	28,545	28,545
Administration	1,280,327	1,092,783	1,055,934	883,879
Fiscal	401,073	381,073	450,929	430,929
Business	431,788	431,788	469,915	469,915
Operation and Maintenance of Plant	1,502,115	1,497,165	1,805,649	1,801,799
Pupil Transportation	1,019	1,019	815	815
Central	397,065	320,254	338,721	257,399
Operation of Non-Instructional Services:				
Food Service Operations	312,504	(2,446)	241,902	(228,688)
Other Non-Instructional Services	51,180	42,951	59,695	37,079
Extracurricular Activities	138,770	87,478	117,500	86,046
Interest and Fiscal Charges	65,067	65,067	165,670	165,670
Totals	$20,030,417	$13,671,311	$18,209,494	$12,259,220

* Restated Program Revenues as stated prior.

The dependence upon tax revenues and state subsidies for governmental activities is apparent. For 2023, only 32 percent of the governmental activities performed by C-TEC are supported through program revenues such as charges for services, grants, and contributions. The remaining 68 percent is provided through taxes and entitlements.

C-TEC Funds

C-TEC's major funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of $30,026,285 and expenditures of $29,887,941.

General Fund

The fund balance of the General Fund at June 30, 2023, is $19,642,114, an increase of $4,280,375 from fiscal year 2022. During fiscal year 2023, revenues increased in the amount of $3,539,782, which was due to an increase in property taxes revenue and investment earnings/interest revenue. The amount available as an advance increased from fiscal year 2022 to fiscal year 2023, due to the timing of tax collections made by the various county auditors, as discussed prior. The General Fund had an increase of $864,876 in investment earnings/interest revenues due to changes in market conditions of C-TEC's investments and due to current economic conditions and rising interest rates. The General Fund also had an increase in cash available for investing. During fiscal year 2023, the General Fund transferred $2,175,000 to the Permanent Improvement Capital Projects Fund for a building renovation project and $254,718 to the Adult Education Special Revenue Fund which was used for the director's salary and marketing purposes to help increase enrollment.

Other Governmental Major Funds

Adult Education Fund

The fund balance of the Adult Education Special Revenue Fund at June 30, 2023, is $2,266,227, an increase of $479,874 from the prior year of which the General Fund transferred in $254,718 to help with the director's salary and marketing purposes. Revenues and expenses both decreased during fiscal year 2023 due to a slight decrease in adult education students compared to fiscal year 2022.

Bond Retirement Fund

The fund balance of the Bond Retirement Debt Service Fund at June 30, 2023, is $2,360,820, an increase of $570,095 from the prior year. This increase is due to an increase in property tax and homestead and rollback revenues.

Permanent Improvement Fund

The fund balance of the Permanent Improvement Capital Projects Fund at June 30, 2023, is $3,364,638, a decrease of $5,650,618 from the prior year. This decrease is due to an increase in expenditures related to the new building renovation project. During fiscal year 2022, the General Fund transferred $9,000,000 to the Permanent Improvement Fund for the building renovations project. During fiscal year 2023, the General Fund only transferred in $2,175,000.

General Fund Budgeting Highlights

C-TEC's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund. During fiscal year 2023, C-TEC's appropriations remained fairly consistent with a minor increase from the original appropriations of $16,238,739 to the final appropriations of $17,191,327. Final appropriations exceeded actual expenditures and other financing uses by $814,352. C-TEC received $751,216 more in revenues than what was expected during fiscal year 2023. Actual revenue, excluding other financing sources, was $19,182,876 compared to final estimates of $18,431,660. C-TEC's ending General Fund budgetary balance was $18,376,003.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2023, C-TEC had $38,968,523 invested in land, construction in progress, land improvements, buildings and improvements, furniture and equipment, and vehicles. Table 4 shows fiscal year 2023 balances compared to 2022. See Note 9 for additional information regarding capital assets.

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

	Government Activities	
	2023	2022
Land	$107,951	$107,951
Construction in Progress	8,199,753	878,430
Land Improvements	482,713	518,085
Buildings and Improvements	25,936,570	26,577,940
Furniture and Equipment	4,146,184	3,869,371
Vehicles	95,352	125,403
Totals	$38,968,523	$32,077,180

Debt

At June 30, 2023, C-TEC had $2,844,745 in bonded debt outstanding (including premiums).

Table 5
Outstanding Debt at June 30

	Government Activities	
	2023	2022
School Facilities Improvement Refunding Bonds 2010	$0	$2,650,862
School Facilties Improvement Refunding Bonds 2013	2,844,745	2,854,233
Totals	$2,844,745	$5,505,095

See Note 14 for more detailed information of C-TEC's long-term obligations. The net pension liability under GASB 68 and the net OPEB liability under GASB 75 are also reported as long-term obligations that have been previously disclosed within the management's discussion and analysis.

COVID-19

The United States and the State of Ohio declared a state of emergency in March 2020, due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021, while the national state of emergency ended in April 2023. During fiscal year 2023, C-TEC received various forms of intergovernmental funding to aid in COVID-19 recovery. See Note 21 for additional information on COVID-19.

Economic Factors

Fiscal year 2023 ended with the General Fund increasing its fund balance by $4,280,375 over fiscal year 2022. This increase in fund balance was due an overall increase in revenues related specifically to property taxes, state foundation funding, and investment earnings offset by conservative budgeting. C-TEC's General Fund had avoided deficit spending for twelve years out of the last fourteen years. Financial forecasts submitted to the State of Ohio Department of Education in fiscal year 2023 show the General Fund balance growing for the next several years. Licking County went through a triennial update for tax year 2020 and collectible in calendar year 2021. C-TEC continues to prudently manage the resources given by the local taxpayers and continues to benefit from the State guaranteeing the level of State funding C-TEC receives.

C-TEC's fund balance has increased significantly in a short period of time due to past reductions made, but also in part due to stable State funding and a growing property tax base.

C-TEC remains in a strong financial position and continues to be good stewards of taxpayer dollars it receives.

Contacting C-TEC's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of C-TEC's finances and to show C-TEC's accountability for the money it receives. If you have any questions about this report or need additional financial information contact Benjamin R. Streby, Treasurer/CFO at Career and Technology Education Centers of Licking County, 150 Price Road, Newark, Ohio 43055. You may also e-mail the Treasurer/CFO at bstreby@c-tec.edu.

Career and Technology Education Centers of Licking County, Ohio
Statement of Net Position
June 30, 2023

	Governmental Activities
Assets	
Cash and Cash Equivalents	$28,686,082
Cash and Cash Equivalents in Segregated Accounts	10,618
Accounts Receivable	479,860
Intergovernmental Receivable	264,040
Prepaid Items	181,465
Accrued Interest Receivable	48,431
Inventory Held for Resale	3,773
Materials and Supplies Inventory	3,799
Payment in Lieu of Taxes Receivable	254,298
Property Taxes Receivable	12,001,562
Net OPEB Asset	1,433,536
Nondepreciable Capital Assets	8,307,704
Depreciable Capital Assets, Net	30,660,819
Total Assets	82,335,987
Deferred Outflows of Resources	
Pension	3,714,654
OPEB	315,351
Total Deferred Outflows of Resources	4,030,005
Liabilities	
Accounts Payable	389,679
Contracts Payable	1,719,492
Accrued Wages and Benefits Payable	956,414
Accrued Interest Payable	7,071
Intergovernmental Payable	271,711
Retainage Payable	558,167
Vacation Benefit Payable	213,895
Unearned Revenue	16,344
Long-Term Liabilities:	
Due Within One Year	2,880,673
Due In More Than One Year:	
Net Pension Liability	15,420,073
Net OPEB Liability	784,788
Other Amounts	961,732
Total Liabilities	24,180,039
Deferred Inflows of Resources	
Deferred Charge on Refunding	1,005
Property Taxes	8,649,558
Payment in Lieu of Taxes	254,298
Pension	1,804,591
OPEB	2,219,263
Total Deferred Inflows of Resources	12,928,715
Net Position	
Net Investment in Capital Assets	33,659,362
Restricted for:	
Debt Service	2,397,043
Adult Education	2,371,560
Food Service Operations	340,017
State and Federal Grants	9,584
District and Student Managed Activities	101,445
OPEB	310,230
Scholarships	69,517
Unclaimed Monies	7,797
Unrestricted	9,990,683
Total Net Position	$49,257,238

See accompanying notes to the basic financial statements

Career and Technology Education Centers of Licking County, Ohio
Statement of Activities
For the Fiscal Year Ended June 30, 2023

		Program Revenues		Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest	Governmental Activities
Governmental Activities				
Instruction:				
Regular	$372,856	$0	$126,728	($246,128)
Special	921,955	0	684,292	(237,663)
Vocational	7,869,775	132,826	690,005	(7,046,944)
Adult/Continuing	3,669,792	1,603,212	1,821,228	(245,352)
Support Services:				
Pupils	1,168,281	6,257	337,085	(824,939)
Instructional Staff	1,419,884	160,423	133,454	(1,126,007)
Board of Education	26,966	0	0	(26,966)
Administration	1,280,327	176,336	11,208	(1,092,783)
Fiscal	401,073	20,000	0	(381,073)
Business	431,788	0	0	(431,788)
Operation and Maintenance of Plant	1,502,115	4,950	0	(1,497,165)
Pupil Transportation	1,019	0	0	(1,019)
Central	397,065	74,965	1,846	(320,254)
Operation of Non-Instructional Services:				
Food Service Operations	312,504	169,294	145,656	2,446
Other Non-Instructional Services	51,180	0	8,229	(42,951)
Extracurricular Activities	138,770	51,292	0	(87,478)
Interest	65,067	0	0	(65,067)
Totals	$20,030,417	$2,399,555	$3,959,731	(13,671,131)

General Revenues	
Property Taxes Levied for:	
General Purposes	12,126,959
Debt Service	3,031,743
Gain on Sale of Capital Assets	5,180
Payment in Lieu of Taxes	254,298
Grants and Entitlements not Restricted	7,485,437
Investment Earnings/Interest	515,011
Miscellaneous	36,835
Total General Revenues	23,455,463
Change in Net Position	9,784,332
Net Position Beginning of Year	39,472,906
Net Position End of Year	$49,257,238

See accompanying notes to the basic financial statements

Career and Technology Education Centers of Licking County, Ohio
Balance Sheet
Governmental Funds
June 30, 2023

	General	Adult Education	Bond Retirement	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and Cash Equivalents	$18,340,149	$1,745,365	$1,733,714	$5,826,956	$1,032,101	$28,678,285
Cash and Cash Equivalents in Segregated Accounts	10,618	0	0	0	0	10,618
Restricted Assets:						
Equity in Pooled Cash and Cash Equivalents	7,797	0	0	0	0	7,797
Accounts Receivable	28,021	451,839	0	0	0	479,860
Interfund Receivable	134,623	293,385	0	0	98,063	526,071
Intergovernmental Receivable	48,498	108,527	0	0	107,015	264,040
Accrued Interest Receivable	48,431	0	0	0	0	48,431
Prepaid Items	151,780	20,101	0	0	9,584	181,465
Inventory Held for Resale	0	0	0	0	3,773	3,773
Materials and Supplies Inventory	1,936	0	0	0	1,863	3,799
Property Taxes Receivable	10,737,026	0	1,264,536	0	0	12,001,562
Payment in Lieu of Taxes Receivable	254,298	0	0	0	0	254,298
Total Assets	$29,763,177	$2,619,217	$2,998,250	$5,826,956	$1,252,399	$42,459,999
Liabilities						
Accounts Payable	$121,844	$79,265	$0	$184,659	$3,911	$389,679
Contracts Payable	0	0	0	1,719,492	0	1,719,492
Accrued Wages and Benefits Payable	882,811	49,306	0	0	24,297	956,414
Retainage Payable	0	0	0	558,167	0	558,167
Interfund Payable	371,430	151	0	0	154,490	526,071
Intergovernmental Payable	207,737	47,088	0	0	16,886	271,711
Unearned Revenue	0	0	0	0	16,344	16,344
Total Liabilities	1,583,822	175,810	0	2,462,318	215,928	4,437,878
Deferred Inflows of Resources						
Property Taxes	8,055,422	0	594,136	0	0	8,649,558
Payment in Lieu of Taxes	254,298	0	0	0	0	254,298
Unavailable Revenue	227,521	177,180	43,294	0	0	447,995
Total Deferred Inflows of Resources	8,537,241	177,180	637,430	0	0	9,351,851
Fund Balances						
Nonspendable	161,513	20,101	0	0	11,447	193,061
Restricted	0	2,246,126	2,360,820	0	509,116	5,116,062
Committed	0	0	0	3,364,638	516,408	3,881,046
Assigned	286,846	0	0	0	0	286,846
Unassigned (Deficit)	19,193,755	0	0	0	(500)	19,193,255
Total Fund Balances	19,642,114	2,266,227	2,360,820	3,364,638	1,036,471	28,670,270
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$29,763,177	$2,619,217	$2,998,250	$5,826,956	$1,252,399	$42,459,999

See accompanying notes to the basic financial statements

Career and Technology Education Centers of Licking County, Ohio
Reconciliation of Total Governmental Funds Balances to
Net Position of Governmental Activities
June 30, 2023

Total Governmental Fund Balances		$28,670,270
Amounts reported for governmental activities in the statement of net position are different because of the following:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		38,968,523
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as deferred inflows of resources - unavailable revenue in the funds:		
Delinquent Property Taxes	216,471	
Investment Earnings/Interest	17,603	
Tuition and Fees	204,228	
Intergovernmental Revenues	9,693	447,995
Vacation Benefits Payable is recognized for earned vacation benefits that are not expected to be paid with expendable available financial resources and therefore are not reported in the funds.		(213,895)
Accrued Interest Payable is recognized for outstanding long-term liabilities with interest accrual that are not expected to be paid with expendable available financial resources and therefore are not reported in the funds.		(7,071)
Deferred charges on refunding related to the issuance of long-term refunding debt will be amortized over the life of the debt on the statement of net position.		(1,005)
Some liabilities are not due and payable in the current period and, therefore, not reported in the funds:		
Refunding Serial Bonds Payable	(2,840,000)	
Premium on Refunding Serial Bonds	(4,745)	
Sick Leave Benefits Payable	(997,660)	(3,842,405)
The net pension/OPEB liability (asset) is not due and payable in the current period; therefore, the liability (asset) and related deferred inflows/outflows are not reported in the governmental funds:		
Net OPEB Asset	1,433,536	
Deferred Outflows - Pension	3,714,654	
Deferred Outflows - OPEB	315,351	
Net Pension Liability	(15,420,073)	
Net OPEB Liability	(784,788)	
Deferred Inflows - Pension	(1,804,591)	
Deferred Inflows - OPEB	(2,219,263)	(14,765,174)
Net Position of Governmental Activities		$49,257,238

See accompanying notes to the basic financial statements

Career and Technology Education Centers of Licking County, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2023

	General	Adult Education	Bond Retirement	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Revenues						
Property Taxes	$12,138,177	$0	$3,034,546	$0	$0	$15,172,723
Payment in Lieu of Taxes	254,298	0	0	0	0	254,298
Intergovernmental	7,858,634	1,557,647	310,101	0	1,200,456	10,926,838
Investment Earnings/Interest	359,400	0	0	149,018	7,276	515,694
Tuition and Fees	84,517	2,230,428	0	0	0	2,314,945
Extracurricular Activities	10,384	0	0	0	51,292	61,676
Charges for Services	58,972	0	0	0	169,294	228,266
Rent	4,950	0	0	0	0	4,950
Contributions and Donations	0	0	0	0	510,060	510,060
Miscellaneous	34,120	1,995	0	0	720	36,835
Total Revenues	20,803,452	3,790,070	3,344,647	149,018	1,939,098	30,026,285
Expenditures						
Current:						
Instruction:						
Regular	102,094	0	0	0	128,319	230,413
Special	930,126	0	0	0	0	930,126
Vocational	7,204,829	0	0	0	181,378	7,386,207
Adult/Continuing	224	3,155,162	0	0	264,596	3,419,982
Support Services:						
Pupils	849,717	0	0	0	341,318	1,191,035
Instructional Staff	1,005,779	157,837	0	0	133,620	1,297,236
Board of Education	26,420	0	0	0	0	26,420
Administration	1,079,649	176,679	0	0	11,209	1,267,537
Fiscal	426,286	0	0	0	0	426,286
Business	322,938	0	38,902	0	0	361,840
Operation and Maintenance of Plant	1,740,172	0	0	0	0	1,740,172
Pupil Transportation	1,019	0	0	0	0	1,019
Central	306,921	75,236	0	0	2,896	385,053
Operation of Non-Instructional Services:						
Food Service Operations	0	0	0	0	324,379	324,379
Other Non-Instructional Services	41,948	0	0	0	9,232	51,180
Extracurricular Activities	85,595	0	0	0	53,175	138,770
Capital Outlay	0	0	0	7,974,636	0	7,974,636
Debt Service:						
Principal Retirement	0	0	2,595,000	0	0	2,595,000
Interest	0	0	140,650	0	0	140,650
Total Expenditures	14,123,717	3,564,914	2,774,552	7,974,636	1,450,122	29,887,941
Excess of Revenues Over (Under) Expenditures	6,679,735	225,156	570,095	(7,825,618)	488,976	138,344
Other Financing Sources (Use)						
Proceeds from Sale of Capital Assets	30,358	0	0	0	0	30,358
Transfers In	0	254,718	0	2,175,000	0	2,429,718
Transfers Out	(2,429,718)	0	0	0	0	(2,429,718)
Total Other Financing Sources (Use)	(2,399,360)	254,718	0	2,175,000	0	30,358
Net Change in Fund Balances	4,280,375	479,874	570,095	(5,650,618)	488,976	168,702
Fund Balances Beginning of Year	15,361,739	1,786,353	1,790,725	9,015,256	547,495	28,501,568
Fund Balances End of Year	$19,642,114	$2,266,227	$2,360,820	$3,364,638	$1,036,471	$28,670,270

See accompanying notes to the basic financial statements

Career and Technology Education Centers of Licking County, Ohio

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2023

Net Change in Fund Balances - Total Governmental Funds		$168,702
Amounts reported for governmental activities in the statement of activities are different because of the following:		
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 capital outlay exceeded depreciation in the current period.		
Capital Asset Additions	8,436,907	
Depreciation Expense	(1,520,386)	6,916,521
Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. This is the result of the disposal of assets.		
Gain on the Sale of Capital Assets	5,180	
Proceeds from Sale of Capital Assets	(30,358)	(25,178)
Revenues on the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds:		
Delinquent Property Taxes	(14,021)	
Investment Earnings/Interest	6,593	
Intergovernmental Revenues	994	
Tuition and Fees	(210,282)	(216,716)
Some expenses reported on the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:		
Vacation Benefits Payable	(26,864)	
Sick Leave Benefits Payable	(44,544)	(71,408)
Interest is reported as an expenditure when due in the governmental funds, but is accrued on outstanding debt on the statement of activities. The amortization of premiums and discounts are reported on the statement of activities:		
Premium Amortization	65,350	
Accrued Interest Payable	8,225	73,575
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		2,595,000
The difference between the net carrying amount of the refunded debt and the acquisition price is allocated over the life of the outstanding debt on the statement of activities.		2,008
Contractually required contributions are reported as expenditures in the governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	1,432,121	
OPEB	20,973	1,453,094
Except for amounts reported as deferred inflows/outflows, changes in net pension/OPEB liability (asset) are reported as pension expense in the statement of activities.		
Pension	(1,442,982)	
OPEB	331,716	(1,111,266)
Change in Net Position of Governmental Activities		$9,784,332

See accompanying notes to the basic financial statements

Career and Technology Education Centers of Licking County, Ohio

Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Revenues				
Property Taxes	$10,231,064	$10,231,064	$10,510,175	$279,111
Payment in Lieu of Taxes	278,688	278,688	254,298	(24,390)
Intergovernmental	7,684,347	7,684,347	7,839,292	154,945
Interest	150,000	150,000	487,572	337,572
Tuition and Fees	37,267	37,267	36,679	(588)
Charges for Services	20,000	20,000	10,000	(10,000)
Rent	4,000	4,000	4,750	750
Miscellaneous	26,294	26,294	40,110	13,816
Total Revenues	18,431,660	18,431,660	19,182,876	751,216
Expenditures				
Current:				
Instruction:				
Regular	84,843	84,843	99,534	(14,691)
Special	915,446	931,000	926,981	4,019
Vocational	7,365,392	7,459,691	7,092,998	366,693
Support Services:				
Pupils	755,214	881,192	760,436	120,756
Instructional Staff	1,070,609	1,172,242	1,060,115	112,127
Board of Education	21,940	27,612	30,021	(2,409)
Administration	1,076,784	1,099,784	1,097,423	2,361
Fiscal	432,876	457,942	460,113	(2,171)
Business	301,905	326,259	342,582	(16,323)
Operation and Maintenance of Plant	1,948,159	2,028,569	1,870,735	157,834
Pupil Transportation	1,019	1,779	1,389	390
Central	382,576	419,081	329,359	89,722
Non-Instructional Services	46,046	51,304	42,289	9,015
Extracurricular Activities	74,668	75,029	85,595	(10,566)
Total Expenditures	14,477,477	15,016,327	14,199,570	816,757
Excess of Revenues Over Expenditures	3,954,183	3,415,333	4,983,306	1,567,973
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	5,000	5,000	10,358	5,358
Advances In	10,000	10,000	630	(9,370)
Advances Out	0	0	(975)	(975)
Transfers Out	(1,761,262)	(2,175,000)	(2,176,430)	(1,430)
Total Other Financing Sources (Uses)	(1,746,262)	(2,160,000)	(2,166,417)	(6,417)
Net Change in Fund Balance	2,207,921	1,255,333	2,816,889	1,561,556
Fund Balance Beginning of Year	15,220,375	15,220,375	15,220,375	0
Prior Year Encumbrances Appropriated	338,739	338,739	338,739	0
Fund Balance End of Year	$17,767,035	$16,814,447	$18,376,003	$1,561,556

See accompanying notes to the basic financial statements

Career and Technology Education Centers of Licking County, Ohio

Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Adult Education Fund
For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Revenues				
Intergovernmental	$881,647	$881,647	$955,328	$73,681
Tuition and Fees	2,781,840	2,844,926	2,065,208	(779,718)
Miscellaneous	1,995	1,995	1,995	0
Total Revenues	3,665,482	3,728,568	3,022,531	(706,037)
Expenditures				
Current:				
Instruction:				
Adult/Continuing	3,546,696	3,489,267	2,634,459	854,808
Support Services:				
Instructional Staff	233,665	254,899	231,085	23,814
Administration	181,787	182,282	180,354	1,928
Central	90,000	97,828	82,888	14,940
Total Expenditures	4,052,148	4,024,276	3,128,786	895,490
Excess of Revenues Under Expenditues	(386,666)	(295,708)	(106,255)	189,453
Other Financing Source				
Transfers In	264,787	264,787	0	(264,787)
Net Change in Fund Balance	(121,879)	(30,921)	(106,255)	(75,334)
Fund Balance Beginning of Year	1,651,967	1,651,967	1,651,967	0
Prior Year Encumbrances Appropriated	52,148	52,148	52,148	0
Fund Balance End of Year	$1,582,236	$1,673,194	$1,597,860	($75,334)

See accompanying notes to the basic financial statements

Note 1 - Description of the Career and Technology Education Centers of Licking County and Reporting Entity

Career and Technology Education Centers of Licking County (C-TEC) 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. C-TEC has ten participating districts spread throughout Licking, Delaware, Fairfield, Franklin, Muskingum, and Knox Counties, which include two city school districts, seven local school districts and one exempted village school district.

C-TEC operates under a seven-member Board of Education and is responsible for the provision of public education to residents of C-TEC. The Board of Education of C-TEC is not directly elected. The Board is made up from members of the elected boards of the participating school districts and the Licking County Educational Service Center. C-TEC is staffed by 88 non-certificated full and part-time employees and 203 certificated full and part-time teaching personnel who provide services to 946 students and other community members. C-TEC currently operates 4 buildings.

Reporting Entity

A reporting entity is composed of the primary government, component units, and other organizations that are included to ensure that the financial statements are not misleading. The primary government of C-TEC consists of all funds, departments, boards, and agencies that are not legally separate from C-TEC. For C-TEC, this includes general operations, student guidance, education media care, upkeep of grounds and buildings, food service, student related activities, and adult education of C-TEC.

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

C-TEC is associated with two jointly governed organizations and two insurance purchasing pools. These organizations are the Licking Area Computer Association, the META Solutions, the Ohio Association of School Business Officials Workers' Compensation Group Rating Program, and the Southwestern Ohio Educational Purchasing Council Property, Fleet, and Liability Program, which are presented in Notes 17 and 18 to the basic financial statements.

Note 2 - Summary of Significant Accounting Policies

The financial statements of C-TEC 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 C-TEC's accounting policies are described in this note.

Basis of Presentation

C-TEC's basic financial statements consists of government-wide financial 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 C-TEC as a whole. These statements include the financial activities of the primary government. The statements distinguish between those activities of C-TEC that are governmental (primarily supported by taxes and intergovernmental revenues) and those that are considered business-type activities (primarily supported by fees and charges). C-TEC has no business-type activities.

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

Fund Financial Statements During the fiscal year, C-TEC segregates transactions related to certain CTEC 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 C-TEC at this more detailed level. The focus of governmental fund financial statements is on major funds rather than reporting by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

Fund Accounting

C-TEC uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. C-TEC only has one category of funds, governmental.

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 and deferred outflows of resources, and liabilities and deferred inflows of resources is reported as fund balance. The following are C-TEC's major governmental funds:

> ***General Fund*** The General Fund accounts for and reports all financial resources, except those required to be accounted for in another fund. The General Fund is available to C-TEC for any purpose, provided it is expended or transferred according to the general laws of Ohio.

Adult Education Fund This fund accounts for and reports transactions made in connection with adult education classes.

Bond Retirement Fund This fund accounts for and reports property tax revenues restricted for the payment of general long-term debt principal, interest, and related costs.

Permanent Improvement Fund This fund accounts for and reports funds committed for the construction and improvement of C-TEC's capital facilities. This fund receives interest income and transfers from the General Fund.

The other governmental funds of C-TEC account for grants and other resources whose use is restricted, committed, or assigned to a particular purpose.

Measurement Focus

Government-Wide Financial Statements The government-wide financial statements are prepared using the economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of C-TEC 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 and deferred outflows of resources and current liabilities and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, in the recording of deferred outflows/inflows of resources, and in the presentation of expenses versus expenditures.

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

Nonexchange transactions, in which C-TEC receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On the 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 C-TEC must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to C-TEC on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

Deferred Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For C-TEC, deferred outflows of resources are reported on the government-wide statement of net position for pension and OPEB plans. The deferred outflows or resources related to pension and OPEB plans are explained in Notes 12 and 13.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized until that time. For C-TEC, deferred inflows of resources include deferred charge on refunding, property taxes, payment in lieu of taxes, unavailable revenue, pension, and OPEB plans. 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. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2023, but which were levied to finance fiscal year 2024 operations. These amounts have been recorded as a deferred inflow 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 C-TEC, unavailable revenue includes delinquent property taxes, interest earnings, student tuition, and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the reconciliation of total governmental fund balance to net position of governmental activities found on page 17. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide 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 the governmental funds.

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

Cash and Cash Equivalents

To improve cash management, cash received by C-TEC is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through C-TEC's records. Each fund's interest in the pool is presented as "Cash and Cash Equivalents" on the financial statements.

During fiscal year 2023, C-TEC's investments were limited to State Treasury Asset Reserve of Ohio (STAR Ohio), negotiable certificates of deposit, money market mutual funds, municipal bonds, treasury notes, and federal agency securities.

Except for nonparticipating investment contracts, C-TEC reports investments at fair value, which is based on quoted market prices. Nonparticipating investment contracts, such as money market accounts are reported at cost.

STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." C-TEC measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For fiscal year 2023, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, 24 hours advance notice for deposits and withdrawals of $100 million or more is appreciated. STAR Ohio reserves the right to limit the transactions to $250 million per day.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. Investment Earnings/Interest revenue credited to the General Fund during 2023 amounted to $359,400 which includes $29,487 assigned from other funds of C-TEC.

"Cash and Cash Equivalents in Segregated Accounts" represents monies held in segregated bank accounts for payroll purposes.

Investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by C-TEC are presented on the financial statements as Equity in Pooled Cash and Cash Equivalents.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2023, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

Inventory

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

Capital Assets

All capital assets of C-TEC are classified as 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 deletions during the year. Donated capital assets are recorded at their fair market values as of the date received. C-TEC's capitalization threshold is five thousand dollars. C-TEC does not possess any infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

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 for governmental:

Description	Estimated Lives
Land Improvements	15-30 years
Buildings and Improvements	20-40 years
Furniture and Fixtures	5-20 years
Vehicles	8 years

Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans and unpaid amounts for interfund services are classified as "interfund receivables/payables". These amounts are eliminated in the governmental activities column of the statement of net position.

Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employee's rights to receive compensation are attributed to services already rendered and it is probable that C-TEC will compensate the employees for the benefits through paid time off or some other means. C-TEC records a liability for accumulated unused vacation time when earned for all employees with more than one year of service. Vacation balances must be used by employees within the year in which it was earned.

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

Restricted Assets

Assets are reported as restricted assets when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. Restricted equity in pooled cash and cash equivalents in the General Fund represents unclaimed monies.

Accrued Liabilities and Long-Term Liabilities

All payables, accrued liabilities and long-term liabilities are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgements and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current 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. Bonds are recognized as a liability on the fund financial statements when due.

Internal Activity

Transfers within governmental activities are eliminated on the government-wide statements.

Internal allocations of overhead expenses from one program to another or within the same program are eliminated on the Statement of Activities. Payments for interfund 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 to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which C-TEC is bound to observe constraints imposed upon the use of the resources in 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 are legally or contractually required to be maintained intact. The "not in spendable form" includes items that are not expected to be converted to cash. It also includes the long-term amount of loans and notes receivable, prepaids, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.

Restricted: The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by State constitution or external resource providers. 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 or enabling legislation (C-TEC Board of resolutions).

Committed: The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action (resolution) of the C-TEC Board of Education. Those committed amounts cannot be used for any other purpose unless the C-TEC 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 the use in satisfying those contractual requirements.

Assigned: Amounts in the assigned fund balance classification are intended to be used by C-TEC 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. These amounts are assigned by C-TEC Board of Education or by State statute. In the General Fund, assigned amounts represent intended uses established by the C-TEC Board of Education or a School District official delegated that authority by resolution or by State Statute. State statute authorizes C-TEC's Treasurer to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. The Board of Education has assigned fund balance for public school support.

Unassigned: The 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 balances.

C-TEC 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 the amounts in any of the unrestricted fund balance classifications could be used.

Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. 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 either through external restrictions imposed by creditors, grantors or laws, or regulations of other governments.

C-TEC applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence.

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 on the financial statements and accompanying notes. Actual results may differ from those estimates.

Budgetary Process

All funds, except custodial funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution, and the certificate of estimated resources, which are prepared on the budgetary basis of accounting. The tax budget is required under the Ohio Revised Code; however this requirement is waived by the Licking County Budget Commission (Budget Commission). The Budget Commission accepts C-TEC's five year forecast in place of the tax budget. 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. The treasurer has been authorized to allocate Board appropriations to the function and object level within each fund.

The certificate of estimated resources may be amended during the fiscal year if projected increases or decreases in revenue are identified by C-TEC's Treasurer. The amounts reported as the original budgeted amounts in the budgetary statement reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statement reflect the amounts in the amended certificate in effect at the time final appropriations were passed.

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

Some of C-TEC's funds are separate for budgeting purposes, then combined on the GAAP basis. The Public School Support, Uniform School Supplies, Stale Checks, and Rotary for Student Items Special Revenue Funds are budgeted individually on a cash basis but are combined with the General Fund on a GAAP basis. The Adult Education and Pell Grant Special Revenue Funds are budgeted individually on a cash basis but they are combined on a GAAP basis and presented as the Adult Education Special Revenue Fund.

Bond Premiums

On the government-wide financial statements, bond premiums are deferred and amortized over the term of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium. On the governmental fund financial statements, bond premiums are recorded in the year the bonds are issued. Under Ohio law, premiums on the original issuance of debt are to be deposited to the bond retirement fund to be used for debt retirement and are precluded from being applied to the project fund. Ohio law does allow premiums on refunding debt to be used as part of the payment to the bond escrow agent.

Deferred Charge on Refunding

On the government-wide financial statements, the difference between the reacquisition price (funds required to refund the old debt) and the net carrying amount of the old debt, the gain/loss on the refunding, is being amortized as a component of interest expense. For C-TEC, this deferred amount is amortized over the life of the old or new debt, whichever is shorter, using the effective interest method and is presented as deferred inflows of resources on the statement of net position.

Note 3 - Changes in Accounting Principles

For fiscal year 2023, C-TEC implemented Governmental Accounting Standards Board (GASB) Statement No. 91, *Conduit Debt Obligations,* GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*; GASB Statement No. 96, *Subscription-Based Information Technology Arrangements;* and GASB Statement No. 99, *Omnibus 2022*.

GASB 91 clarifies the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. C-TEC did not have any debt that met the definition of conduit debt.

GASB Statement 94 improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). C-TEC did not have any arrangements that met the GASB 94 definition of a PPP or an APA.

GASB Statement 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). C-TEC did not have any contracts that met the GASB 96 definition of a SBITA.

GASB Statement 99 addresses various issues including items related to leases, PPPs, and SBITAs. The requirements related to PPPs and SBITAs were incorporated with the corresponding GASB 94 and GASB 96 changes identified above.

Note 4 - Accountability

As of June 30, 2023, the Other Grants Special Revenue Fund had a deficit fund balance of $500. This deficit was a result of the application of generally accepted accounting principles. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur. C-TEC is currently monitoring its financial condition and is taking steps to increase revenues and reduce spending.

Note 5 - Budgetary Basis of Accounting

While C-TEC is reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budget Basis) presented for the General Fund and the Adult Education Special Revenue Fund are 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. Cash in segregated accounts, fair market value adjustments, negative cash interfund advances, and prepaid items are reported on the balance sheet (GAAP basis) but not on the budgetary basis.

4. Encumbrances are treated as expenditures (budget) rather than committed or assigned fund balance (GAAP).

5. Advances in and advances out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).

The following tables summarize the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the General Fund and the Adult Education Fund.

Net Change in Fund Balances

	General	Adult Education
GAAP Basis	$4,280,375	$479,874
Net Adjustment for Revenue Accruals	(1,662,895)	(165,220)
Net Adjustment for Expenditure Accruals	247,504	(12,887)
Beginning of Fiscal Year:		
Segregated Accounts	33,335	0
Prepaid Items	74,052	12,363
Negative Cash Advances	(90,151)	0
Fair Value Adjustment for Investments	(543,038)	0
End of Fiscal Year:		
Segregated Accounts	(10,618)	0
Prepaid Items	(151,780)	(20,101)
Negative Cash Advances	43,961	0
Fair Value Adjustment for Investments	682,599	0
To reclassify excess of revenues and other sources of financial resources over expenditures and other uses of financial resources into financial statement fund types	2,717	0
Advances In	630	0
Advances Out	(975)	0
Transfers In	254,718	(254,718)
Adjustment for Encumbrances	(343,545)	(145,566)
Budget Basis	$2,816,889	($106,255)

Note 6 - Deposits and Investments

Monies held by C-TEC are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon C-TEC's treasury. Active monies must be maintained either as cash C-TEC's treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

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

Interim monies held by C-TEC can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;

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

3. Written repurchase agreements in the securities described in (1) or (2) provided 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 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 (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); and

8. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met. The investment in commercial paper notes of a single issuer shall not exceed in the aggregate five percent of interim moneys available for investment at the time of purchase.

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 C-TEC, 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. At year end, C-TEC had $1,300 in undeposited cash on hand which is included in the financial statements of C-TEC as part of "Equity in Pooled Cash and Cash Equivalents."

Investments Investments are reported at fair value. As of June 30, 2023, C-TEC had the following investments:

Measurement/Investment	Measurement Amount	Maturity	Ratings	Percentage of Total Investment
Net Asset Value (NAV) Per Share:				
STAR Ohio	$12,820,307	Average 39 Days	AAAm	48.86%
Fair Value - Level One Input:				
Money Market Mutual Funds	25,275	Less than one year	AAAm	0.10
Fair Value - Level Two Inputs:				
Federal Home Loan Mortgage Corporation Notes	1,118,852	Less than four years	Aaa	4.26
Federal National Mortgage Association Notes	2,891,053	Less than three years	Aaa	11.02
Federal Home Loan Bank Notes	2,507,482	Less than five years	Aaa	9.56
Federal Farm Credit Bank Notes	2,406,185	Less than five years	Aaa	9.17
Negotiable Certificates of Deposit	1,759,370	Less than five years	n/a	6.70
Municipal Bonds	229,480	Less than two years	Aaa	0.87
Federally Owned Corporation	147,584	Less than five years	Aaa	0.56
US Treasury Notes	2,334,290	Less than five years	Aaa	8.90
Total Fair Value - Level Two Inputs	13,394,296			
Total	$26,239,878			

C-TEC categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The above chart identifies C-TEC's recurring fair value measurements as of June 30, 2022. The money market mutual funds are measured at fair value and is valued using quoted market prices (Level 1 inputs). C-TEC's remaining investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data (Level 2 inputs).

Interest Rate Risk C-TEC's investment policy addresses interest rate risk to the extent that it allows the Treasurer to invest funds to a maximum maturity of five years. The Treasurer cannot make investments which he/she does not reasonably believe can be held until the maturity date. The stated intent of the policy is to avoid the need to sell securities prior to maturity. State statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of C-TEC, and that an investment must be purchased with the expectation that it will be held to maturity.

Credit Risk The credit ratings are by Moody's for all of C-TEC's securities listed above except STAR Ohio and Money Market Mutual Funds which are rated by Standard's and Poor's. Ohio Law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. C-TEC has no deposit policy for custodial risk beyond the requirements of State statute.

Concentration of Credit Risk C-TEC places no limit on the amount it may invest in any one issuer.

Note 7 - Property Taxes and Tax Abatements

Property Taxes

Property taxes are levied and assessed on a calendar year basis while C-TEC's fiscal year runs from July through June. First half tax collections are received by C-TEC 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 and public utility property located in C-TEC. Real property tax revenue received in calendar 2023 represents collections of calendar year 2022 taxes. Real property taxes received in calendar year 2023 were levied after April 1, 2022, on the assessed value listed as of January 1, 2022, the lien date. Assessed values for real property taxes are established by State law at 35 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 2023 represents collections of calendar year 2021 taxes. Public utility real property taxes received in calendar year 2023 became a lien December 31, 2021, were levied after April 1, 2022, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility personal property currently is assessed at varying percentages of true value.

C-TEC receives property taxes from Licking, Delaware, Fairfield, Franklin, Muskingum, and Knox Counties. The County Auditors from each county periodically advances to C-TEC its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2023, are available to finance fiscal year 2023 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 were measurable as of June 30, 2023, and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflow of resources for property taxes.

The amount available as an advance at June 30, 2023, was \$3,135,533, with \$2,508,427 available to the General Fund and \$627,106 available to the Bond Retirement Debt Service Fund. The amount available as an advance at June 30, 2022, was \$1,100,530, with \$880,425 was available to the General Fund and \$220,105 available to the Bond Retirement Debt Service 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 2023 taxes were collected are:

	2022 Second - Half Collections		2023 First - Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	$5,230,376,796	92.33%	$5,424,626,634	91.86%
Public Utility Personal	434,282,160	7.67%	480,415,140	8.14%
	$5,664,658,956	100.00%	$5,905,041,774	100.00%
Tax rate per $1,000 of assessed valuation	$2.50		$2.50	

Tax Abatements

C-TEC property taxes were reduced as follows under Community Reinvestment Area agreements and Enterprise Zone agreements entered into by overlapping governments:

Overlapping Government	Amount of Fiscal Year 2023 Taxes Abated
Community Reinvestment Areas:	
Newark City School District area located in Newark City	$20,148
Lakewood Local School District area located in Village of Hebron	5,543
Lakewood Local School District area located in Union Township	5,824
Heath City School District area located in Heath City	71,674
Southwest Licking Local School District area located in Etna Township	308,810
Licking Heights Local School District area located in the City of Pataskala	13
Johnstown Local School District area located in the City of Johnstown	3,672
Total Community Reinvestment Areas	415,684
Enterprise Zones:	
Village of Etna	31,983
Licking Heights Local School District zone located in Jefferson Township	1,250
City of Reynoldsburg	9,252
Union Township	4,205
Total Enterprise Zone Agreements	46,690
Total Tax Abatements	$462,374

Note 8 - Receivables

Receivables at June 30, 2023, consisted of property taxes, accrued interest, interfund, accounts (billings for user charged services, tuition and fees), payment in lieu of taxes, and intergovernmental grants. 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 fiscal year guarantee of federal funds. All receivables, except property taxes, are expected to be received within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year. The delinquent property taxes amounted to $216,471 as of June 30, 2023.

A summary of the principal items of intergovernmental receivables follows:

	Amounts
Governmental Activities	
Adult Education Program	$108,527
State Foundation Adjustments	3,163
Carl Perkins - Secondary Grant	50,868
Carl Perkins - Adult Grant	5,952
Aspire Instructional Grant	50,149
Intergovernmental Agreement	35,125
Public School Connectivity	46
Miscellaneous	210
Licking Area Computer Association	10,000
Total	$264,040

Payment in Lieu of Taxes Several entities within C-TEC's district have entered into various Tax Increment Financing Agreements (TIF). The TIF agreements pay a portion of the TIF to the various school districts located in the area; therefore, C-TEC is also entitled to a portion of the earnings. During fiscal year 2023, payments in the amount of $254,298 were received by C-TEC. As of June 30, 2023, a receivable for $254,298 has been recorded which represents the payment anticipated for fiscal year 2024.

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Note 9 - Capital Assets

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

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023
Nondepreciable Capital Assets				
Land	$107,951	$0	$0	$107,951
Construction in Progress	878,430	7,555,177	(233,854)	8,199,753
Total Nondepreciable Capital Assets	986,381	7,555,177	(233,854)	8,307,704
Depreciable Capital Assets				
Land Improvements	612,421	0	0	612,421
Buildings and Improvements	41,090,653	331,475	0	41,422,128
Furniture and Equipment	8,005,672	784,109	(65,973)	8,723,808
Vehicles	442,468	0	0	442,468
Total at Historical Cost	50,151,214	1,115,584	(65,973)	51,200,825
Less Accumulated Depreciation				
Land Improvements	(94,336)	(35,372)	0	(129,708)
Buildings and Improvements	(14,512,713)	(972,845)	0	(15,485,558)
Furniture and Equipment	(4,136,301)	(482,118)	40,795	(4,577,624)
Vehicles	(317,065)	(30,051)	0	(347,116)
Total Accumulated Depreciation	(19,060,415)	(1,520,386)	40,795	(20,540,006)
Depreciable Capital Assets, Net of Accumulated Depreciation	31,090,799	(404,802)	(25,178)	30,660,819
Governmental Activities Capital Assets, Net	$32,077,180	$7,150,375	($259,032)	$38,968,523

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	$141,716
Special	6,934
Vocational	632,375
Adult/ Continuing Education	324,472
Support Services:	
Instructional Staff	234,172
Board of Education	3,079
Administration	9,768
Fiscal	7,114
Business	69,948
Operation and Maintenance of Plant	67,979
Central	19,587
Food Service Operations	3,242
Total Depreciation Expense	$1,520,386

Note 10 - Risk Management

C-TEC is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2023, C-TEC contracted with Southwestern Ohio Educational Purchasing Council Property, Fleet, and Liability Program (Note 18) for property, fleet, and liability insurance. Coverages provided are as follows:

Building - Replacement Cost ($5,000 deductible)	$75,215,639
Employee Dishonesty	1,000,000
Forgery or Alteration	1,000,000
Flood and Surface Water – annual aggregate	850,000
Automobile Liability (each occurrence, no annual aggregate)	1,000,000
General Liability – per occurrence	1,000,000
General Liability - aggregate per year	3,000,000
Sexual Abuse – annual aggregate	1,000,000
Sexual Harassment - per occurrence	1,000,000
Sexual Harassment – annual aggregate	3,000,000
Law Enforcement Liability – per occurrence	1,000,000
Law Enforcement Liability – annual aggregate	3,000,000
Employee Benefits Liability – per occurrence	1,000,000
Employee Benefits Liability – annual aggregate	3,000,000

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

During fiscal year 2023, C-TEC participated in the Ohio Association of School Business Officials Workers' Compensation Group Rating Program (Program), an insurance purchasing pool (Note 18). The intent of the Program is to achieve the benefit of a reduced premium for C-TEC by virtue of its grouping and representation with other participants in the Program. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the Program. Each participant pays its workers' compensation premium to the State based on the rate for the Program rather than its individual rate. Participation in the Program is limited to school districts that can meet the GRP's selection criteria. The firm of Sedgwick provides administrative, cost control, and actuarial services to the Program.

Note 11 - Employee Benefits

Compensated Absences

The criteria for determining vested vacation and sick leave components 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 and administrators who work less than 240 days per year do not earn vacation time.

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 255 days for all employees. Upon retirement or upon separation after ten years of service, payment is made for one-fourth of accrued, but unused sick leave credit up to a maximum of 60 days for all employees. C-TEC also credits one day for every year of experience beyond ten years with C-TEC.

Insurance Benefits

Medical and prescription drug insurance is offered to employees through United Healthcare. Dental insurance coverage is provided through Delta Dental and vision insurance is provided by C-TEC through United Healthcare. The employees share the cost of the monthly premium with C-TEC, which varies with employees depending on the terms of the union contract. C-TEC provides life insurance and accidental death and dismemberment insurance to all full time employees through United Healthcare, in the amount of $50,000 for all employees.

<u>Note 12 - Defined Benefit Pension Plans</u>

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

Net Pension Liability/Net OPEB Liability (Asset)

The net pension liability and the net OPEB liability (asset) reported on the statement of net position 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) represents C-TEC'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 C-TEC's obligation for this liability to annually required payments. C-TEC cannot control benefit terms or the manner in which pensions/OPEB are financed; however, C-TEC 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.

Plan Description - School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire 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. 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. The COLA is indexed to the percentage increase in the CPI-W, not to exceed 2.5 percent and with a floor of 0 percent. A three-year COLA suspension was in effect for all benefit recipients for the years 2018, 2019, and 2020. The Retirement Board approved a 2.5 percent COLA for calendar year 2023.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and C-TEC 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, 2023, the allocation to pension, death benefits, and Medicare B was 14.0 percent. For fiscal year 2023, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

C-TEC's contractually required contribution to SERS was $288,613 for fiscal year 2023. Of this amount, $2,496 is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

Plan Description – C-TEC 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.

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan, and a Combined 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. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent upon a determination by its actuary that it was necessary to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of living increases are not affected by this change. Effective July 1, 2022, an ad-hoc COLA of 3 percent of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2023 as long as they retired prior to July 1, 2018. Eligibility changes will be phased in until August 1, 2023, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

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

The DC Plan allows members to place all 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 Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined 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 Combined Plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age fifty and after termination of employment.

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

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. New members on or after July 1, 2013, must have at least ten years of qualifying service credit 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 2023 employer and employee contribution rate of 14 percent was equal to the statutory maximum rates. For 2023, the full employer contribution was allocated to pension.

C-TEC's contractually required contribution to STRS was $1,143,508 for fiscal year 2023. Of this amount, $119,956 is reported as an intergovernmental payable.

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

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School District's proportion of the net pension liability was based on the School District's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	SERS	STRS	Total
Proportion of the Net Pension Liability:			
Prior Measurement Date	0.06105200%	0.056083531%	
Current Measurement Date	0.05755050%	0.055363130%	
Change in Proportionate Share	-0.00350150%	-0.000720401%	
Proportionate Share of the Net Pension Liability	$3,112,779	$12,307,294	$15,420,073
Pension Expense	$111,310	$1,331,672	$1,442,982

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

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	$126,070	$157,549	$283,619
Changes of assumptions	30,715	1,472,813	1,503,528
Net difference between projected and actual earnings on pension plan investments	0	428,267	428,267
Changes in proportionate Share and difference between C-TEC contributions and proportionate share of contributions	12,012	55,107	67,119
C-TEC contributions subsequent to the measurement date	288,613	1,143,508	1,432,121
Total Deferred Outflows of Resources	$457,410	$3,257,244	$3,714,654
Deferred Inflows of Resources			
Differences between expected and actual experience	$20,435	$47,079	$67,514
Changes of assumptions	0	1,108,605	1,108,605
Net difference between projected and actual earnings on pension plan investments	108,622	0	108,622
Changes in Proportionate Share and Difference between C-TEC contributions and proportionate share of contributions	131,048	388,802	519,850
Total Deferred Inflows of Resources	$260,105	$1,544,486	$1,804,591

$1,431,121 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ending June 30:	SERS	STRS	Total
2024	($41,639)	($73,565)	($115,204)
2025	(75,013)	(201,243)	(276,256)
2026	(155,168)	(404,102)	(559,270)
2027	180,512	1,248,160	1,428,672
Total	($91,308)	$569,250	$477,942

Actuarial Assumptions - SERS

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

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

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

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

	June 30, 2022
Inflation	2.4 percent
Future Salary Increases, including inflation	3.25 percent to 13.58 percent
COLA or Ad Hoc COLA	2.0 percent, on or after April 1, 2018, COLAs for future retirees will be delayed for three years following commencement
Investment Rate of Return	7.00 percent net of System expenses
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)

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

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

The long-term return expectation for the Pension Plan Investments has been determined by using a building-block approach and assumes a time horizon, as defined in SERS' *Statement of Investment Policy*. 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.

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

Discount Rate The total pension liability for 2022 was calculated using the discount rate of 7.00 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 earnings were calculated using the long-term assumed investment rate of return (7.00 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 C-TEC's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.00 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 (6.00 percent), or one percentage point higher (8.00 percent) than the current rate.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
C-TEC's proportionate share of the net pension liability	$4,581,862	$3,112,779	$1,875,096

Actuarial Assumptions - STRS

Key methods and assumptions used in the June 30, 2022, actuarial valuation are presented below:

	June 30, 2022
Inflation	2.50 percent
Salary increases	From 2.5 percent to 12.5 percent based on age
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation
Discount Rate of Return	7.00 percent
Payroll Increases	3.00 percent
Cost-of-Living Adjustments (COLA)	0.0 percent, effective July 1, 2017

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

For 2021, post-retirement mortality rates are based on 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 Table, 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, 2022, valuation are based on the results of an actuarial experience study for the period July 1, 2015, through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

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

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

* Target allocation percentage is effective July 1, 2022. Target weights were phased in over a 3 month period concluding on October 1, 2022

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

Discount Rate The discount rate used to measure the total pension liability was 7.00 percent as of June 30, 2022. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with 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,

2022. Therefore, the long-term expected rate of return on pension plan investments of 7.00 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2022.

Sensitivity of C-TEC's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate
The following table presents C-TEC's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.00 percent, as well as what C-TEC's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.00 percent) or one-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
C-TEC's proportionate share of the net pension liability	$18,591,840	$12,307,294	$6,992,513

Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System / State Teachers Retirement System. As of June 30, 2023, there were two Board of Education members elected Social Security.

Note 13 - Defined Benefit OPEB Plans

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

Plan Description - School Employees Retirement System (SERS)

Health Care Plan Description – C-TEC 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. The following types of credit purchased after January 29, 1981, do not count toward health care coverage eligibility: military, federal, out-of-state, municipal, private school, exempted, and early retirement incentive credit. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Annual Comprehensive Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. 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 2023, 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 2023, this amount was $25,000. 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 2023, the School District's surcharge obligation was $20,973.

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 School District's contractually required contribution to SERS was $20,973 for fiscal year 2023 and is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

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

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. All benefit recipients 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, 2023, STRS did not allocate any employer contributions to post-employment health care.

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

The net OPEB liability (asset) was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of that date. C-TEC's proportion of the net OPEB liability (asset) was based on C-TEC'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	0.05857170%	0.056083531%	
Current Measurement Date	0.05589620%	0.055363130%	
Change in Proportionate Share	-0.00267550%	-0.000720401%	
Proportionate Share of the:			
Net OPEB Liability	$784,788	$0	$784,788
Net OPEB (Asset)	$0	($1,433,536)	($1,433,536)
OPEB Expense	($71,263)	($260,453)	($331,716)

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

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	$6,597	$20,781	$27,378
Changes of assumptions	124,831	61,063	185,894
Net difference between projected and actual earnings on OPEB plan investments	4,079	24,954	29,033
Changes in proportionate share and difference between C-TEC contributions and proportionate share of contributions contributions subsequent	44,408	7,665	52,073
C-TEC contributions subsequent to the measurement date	20,973	0	20,973
Total Deferred Outflows of Resources	$200,888	$114,463	$315,351
Deferred Inflows of Resources			
Differences between expected and actual experience	$502,009	$215,290	$717,299
Changes of assumptions	322,161	1,016,514	1,338,675
Changes in Proportionate Share and Difference between C-TEC contributions and proportionate share of contributions	157,324	5,965	163,289
Total Deferred Inflows of Resources	$981,494	$1,237,769	$2,219,263

$20,973 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2024	($175,491)	($330,915)	($506,406)
2025	(182,389)	(322,049)	(504,438)
2026	(158,353)	(152,656)	(311,009)
2027	(97,653)	(64,453)	(162,106)
2028	(68,970)	(83,713)	(152,683)
Thereafter	(118,723)	(169,520)	(288,243)
Total	($801,579)	($1,123,306)	($1,924,885)

Actuarial Assumptions - SERS

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

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

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

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

	June 30, 2022
Inflation	2.40 percent
Future Salary Increases, including inflation	
Wage Increases	3.25 percent to 13.58 percent
Investment Rate of Return	7.00 percent net of investment expense, including inflation
Fiduciary Net Position is Projected to be Depleted	2044
Municipal Bond Index Rate:	
Measurement Date	3.69 percent
Prior Measurement Date	1.92 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation	
Measurement Date	4.08 percent
Prior Measurement Date	2.27 percent
Health Care Cost Trend Rate	
Medicare	5.125 to 4.40 percent
Pre-Medicare	6.75 to 4.40 percent
Medical Trend Assumption	7.00 to 4.40 percent

Mortality rates among healthy retirees were based on the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females. Mortality rates for contingent survivors were based on PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5 percent for males and adjusted 122.5 percent for females. Mortality rates for actives is based on PUB-2010 General Amount Weighted Below Median Employee mortality table.

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

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 2016 through 2020, and was adopted by the Board in 2021. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a long-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.00 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.

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

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

	1% Decrease (3.08%)	Current Discount Rate (4.08%)	1% Increase (5.08%)
C-TEC's proportionate share of the net OPEB liability	$974,719	$784,788	$631,463

	1% Decrease (6.00% decreasing to 3.40%)	Current Trend Rate (7.00% decreasing to 4.40%)	1% Increase (8.00% decreasing to 5.40%)
C-TEC's proportionate share of the net OPEB liability	$605,213	$784,788	$1,019,343

Actuarial Assumptions – STRS

Key methods and assumptions used in the June 30, 2022, actuarial valuation are presented below:

	June 30, 2022	June 30, 2021
Projected salary increases	Varies by service from 2.5 percent to 8.5 percent	Varies by age from 2.5 percent to 12.50 percent
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation	7.00 percent, net of investment expenses, including inflation
Payroll Increases	3 percent	3 percent
Discount Rate of Return	7.00 percent	7.00 percent
Health Care Cost Trends		
Medical		
Pre-Medicare	7.50 percent initial 3.94 percent ultimate	5.00 percent initial 4 percent ultimate
Medicare	-68.78 percent initial 3.94 percent ultimate	-16.18 percent initial 4 percent ultimate
Prescription Drug		
Pre-Medicare	9.00 percent initial 3.94 percent ultimate	6.50 percent initial 4 percent ultimate
Medicare	-5.47 percent initial 3.94 percent ultimate	29.98 percent initial 4 percent ultimate

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

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

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

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 7.00 percent as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed STRS continues to allocate no employer contributions to the health care fund. Based on 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, 2022. Therefore, the long-term expected rate of return on health care plan investments of 7.00 percent was applied to all periods of projected health care costs to determine the total OPEB liability as of June 30, 2022.

Sensitivity of C-TEC's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate The following table represents the net OPEB asset as of June 30, 2022, calculated using the current period discount rate assumption of 7.00 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 (6.00 percent) or one percentage point higher (8.00 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 (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
C-TEC's proportionate share of the net OPEB asset	($1,325,266)	($1,433,536)	($1,526,278)

	1% Decrease	Current Trend Rate	1% Increase
C-TEC's proportionate share of the net OPEB asset	($1,486,925)	($1,433,536)	($1,366,144)

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Note 14 - Long-Term Obligations

The change in C-TEC's long-term obligations during fiscal year 2023 are as follows:

	Principal Outstanding 6/30/2022	Additions	Deductions	Principal Outstanding 6/30/2023	Due in One Year
Bonds:					
School Facilities Improvement Refunding Bonds 2010					
Current Interest Serial Bonds 2.0%-4.0%	$2,595,000	$0	$2,595,000	$0	$0
Bond Premium on Current Interest Serial Bonds	55,862	0	55,862	0	0
School Facilities Improvement Refunding Bonds 2013					
Serial Bonds 3.125%	2,840,000	0	0	2,840,000	2,840,000
Bond Premium	14,233	0	9,488	4,745	0
Total Bonds	5,505,095	0	2,660,350	2,844,745	2,840,000
Net Pension Liability:					
SERS	2,252,643	860,136	0	3,112,779	0
STRS	7,170,783	5,136,511	0	12,307,294	0
Total Net Pension Liability	9,423,426	5,996,647	0	15,420,073	0
Net OPEB Liability - SERS	1,108,519	0	323,731	784,788	0
Sick Leave Benefits Payable	953,116	64,315	19,771	997,660	40,673
Total Long-Term Obligations	$16,990,156	$6,060,962	$3,003,852	$20,047,266	$2,880,673

2010 School Facilities Improvement Refunding Bonds – C-Tec had previously issued 2002 School Facilities Improvement General Obligation Bonds for school improvements that were partially refunded through the 2010 School Facilities Improvement Refunding Bonds. At the date of refunding, $20,097,673 was deposited in an irrevocable trust to provide for all future debt service payments on the refunded 2002 School Facilities Improvement General Obligation Bonds. As all of the legal steps had been taken to refund the debt, the balance of the outstanding bonds refunded was removed from C-TEC's financial statements. During fiscal year 2013, the refunded 2002 School Facilities Improvement General Obligation Bonds outstanding were called and paid in full and the escrow account was closed on December 1, 2012. This debt was retired through the Bond Retirement Debt Service Fund using property tax revenues.

On May 20, 2010, C-TEC issued $17,954,991 of School Facilities Improvement Refunding Bonds that were issued to partially refund the 2002 School Facilities Improvement General Obligation Bonds. The bonds were issued for a thirteen year period with a final maturity at December 1, 2022. The $17,954,991 bond issue consisted of current interest serial bonds of $17,645,000 and $309,991 in capital appreciation bonds. The $17,954,991 School Facilities Improvement Refunding General Obligation Bonds were issued at a premium in the amount of $726,214 for the current interest serial bonds and $1,655,741 for the capital appreciation bonds. The partial advance refunding resulted in a difference between the net carrying amount of the debt and the acquisition price, in the amount of $1,782,333. This difference was reported as deferred outflows of resources – deferred charge on refunding and was amortized to interest expense over the life of the bonds using the straight-line method.

2013 School Facilities Improvement Refunding Bonds – C-TEC had previously issued 2002 School Facilities Improvement General Obligation Bonds for school improvements that were partially refunded through the 2013 School Facilities Improvement Refunding Bonds. At the date of refunding, $2,907,450 was deposited in an irrevocable trust to provide for all future debt service payments on the refunded 2002 School Facilities Improvement General Obligation Bonds. As all of the legal steps had been taken to refund the debt, the balance of the outstanding bonds refunded was removed from C-TEC's financial statements. During fiscal year 2014, the refunded 2002 School Facilities Improvement General Obligation Bonds outstanding were called and paid in full and the escrow account was closed on December 2, 2013. This debt was retired through the Bond Retirement Debt Service Fund using property tax revenues.

On November 20, 2013, C-TEC issued $2,840,000 of School Facilities Improvement Refunding Bonds that were issued to partially refund the 2002 School Facilities Improvement General Obligation Bonds. The bonds were issued for a ten year period with a final maturity at December 1, 2023. The $2,840,000 bond issue consists of serial bonds. The $2,840,000 School Facilities Improvement Refunding General Obligation Bonds were issued at a premium in the amount of $94,884. The advance refunding resulted in a difference between the net carrying amount of the debt and the acquisition price, in the amount of ($20,083). This difference is being reported in the accompanying financial statements as deferred inflows of resources – deferred charge on refunding and is being amortized to interest expense over the life of the bonds using the straight-line method.

Principal and interest requirements to retire the remaining bonds of the 2002 School Facilities Improvement General Obligation Bonds outstanding at June 30, 2023, are as follows:

Fiscal Year Ending June 30,	Principal	Interest
2024	$2,840,000	$44,375

C-TEC's overall legal debt margin was $530,974,580, with an unvoted debt margin of $5,905,042 at June 30, 2023.

Sick leave benefits will be paid from the General and Adult Education Funds. C-TEC pays obligations related to employee compensation from the fund benefitting from their service. There is no repayment schedule for the net pension/OPEB liability. However, employer pension/OPEB contributions are made from the following funds: General Fund and the Adult Education, Food Service, Adult Basic Education, and Vocational Education Special Revenue Funds. For additional information related to the net pension liability see Note 12 and net OPEB liability (asset) see Note 13.

Note 15 - Interfund Activity

Interfund balances at June 30, 2023, consist of the following individual fund receivables and payables:

	Interfund Receivable	Interfund Payable
Major Funds:		
General Fund	$134,623	$371,430
Adult Education	293,385	151
Total Major Funds	428,008	371,581
Other Nonmajor Governmental Funds:		
Other Grants	0	1,021
Adult Basic Education	0	38,367
Vocational Education	98,063	115,102
Total Other Nonmajor Governmental Funds	98,063	154,490
Total All Funds	$526,071	$526,071

Interfund balances/transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them. They are also used to move unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorization and to segregate and to return money to the fund from which it was originally provided once a project is completed.

C-TEC transferred $254,718 from the General Fund to the Adult Education Special Revenue Fund for reimbursements of expenditures paid from the Adult Education Special Revenue Fund. C-TEC also transferred $2,175,000 from the General Fund to the Permanent Improvement Capital Projects Fund for various future improvement projects to buildings and grounds.

Note 16 - Statutory Set-Asides

C-TEC 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 fiscal year-end or offset by similarly restricted resources received during the fiscal year must be held in cash at fiscal year-end and carried forward to be used for the same purposes in future fiscal years.

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

	Capital Acquisition
Set-aside Reserve Balance as of June 30, 2022	$0
Current Year Set-Aside Requirement	190,928
Current Year Offsets	(2,175,000)
Current Year Qualifying Disbursements	(446,653)
Total	($2,430,725)
Balance Carried Forward to Future Fiscal Years	$0
Cash Balances to Carry Forward to Future Fiscal Years	$0

C-TEC had qualifying disbursements and offsets during the fiscal year that reduced the capital improvements set-aside amount below zero.

Note 17 - Jointly Governed Organizations

Licking Area Computer Association - C-TEC is a participant in the Licking Area Computer Association (LACA), a regional council of governments, computer consortium. LACA is an association which services twenty-five school districts, educational service centers, and community schools within the boundaries of Licking, Muskingum, Fairfield, Perry, and Knox counties. LACA was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The governing board of LACA consists of the superintendents from all participating school districts. The continued existence of LACA is not dependent on C-TEC's continued participation and no equity interest exists. The LACA constitution states that any school district withdrawing from the Association prior to dissolution forfeits their claim to the Association's capital assets. The Board exercises total control over the operations of LACA including budgeting, appropriating, contracting, and designating management. C-TEC's total payments to LACA for fiscal year 2023 were $119,437. Financial statements for LACA can be obtained from the Licking Area Computer Association, 50 South Quentin Road, Newark, OH 43055.

META Solutions - C-TEC participates in the META Solutions, a jointly governed organization created as a regional council of governments pursuant to Chapter 167 of the Ohio Revised Code. META Solutions operates as, and has all the powers of, a data acquisition site/information technology center pursuant to applicable provisions of the Ohio Revised Code. The organization was formed for the purpose of identifying, developing, and providing to members and non-members innovative educational and technological services and products, as well as expanded opportunities for cooperative purchasing. The General Assembly of META Solutions consists of one delegate from every member school district. The delegate is the superintendent of school district or the superintendent's designee. The degree of control exercised by any participating school district is limited to its representation on the General Assembly. The General Assembly exercises total control over the operation of META Solutions including budgeting, appropriating, contracting, and designating management. META Solutions memberships became free effective July 1, 2017. Financial information can be obtained from META Solutions, 2100 Citygate Drive, Columbus, Ohio 43219.

Note 18 - Insurance Purchasing Pools

Ohio Association of School Business Officials Workers' Compensation Group Rating Program - Beginning on January 1, 2012, C-TEC participated in the Ohio Association of School Business Officials Workers' Compensation Group Rating Program (Program), an insurance purchasing pool. The Program's business and affairs are conducted by a three member Board of directors consisting of the President, the President-Elect, and the Immediate Past President of the OASBO. The Executive Director of the OSBA, or his designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program. No membership dues were paid during fiscal year 2023 by C-TEC.

Southwestern Ohio Educational Purchasing Council Property, Fleet, and Liability Program - C-TEC participates in the Southwestern Ohio Educational Purchasing Council Property, Fleet, and Liability Program (Council). The Council is an incorporated nonprofit association of its members which enables the participates to provide for a formalized joint insurance purchasing program for maintaining adequate insurance protection and provides risk management programs and other administrative services. The Council's business and affairs are conducted by a board of seven school administrators, who are elected by the membership each year. The purpose of the Council is to jointly provide or obtain casualty, property, employer liability, general liability, risk management, professional liability, group coverage, and other protections for participants. C-TEC paid $76,176 to the Council for fiscal year 2023 insurance coverage.

Note 19 - Contingencies

Grants - C-TEC received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, the effect of any such disallowed claims on the overall financial position of C-TEC at June 30, 2023, if applicable, cannot be determined at this time.

Litigation - C-TEC is currently not party to any litigation.

School Foundation - School 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. ODE adjustments for fiscal year 2023 were finalized in November 2023.

Note 20 - Significant Commitments

Encumbrances - Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At fiscal year-end, the amount of encumbrances expected to be honored upon performance by the vendor in the next fiscal year were as follows:

Governmental Funds:	
General Fund	$343,545
Adult Education Fund	145,566
Permanent Improvement Fund	5,166,989
Nonmajor Governmental Funds	11,190
Total	$5,667,290

Contractual Commitments - As of June 30, 2023, C-TEC had one contractual purchase commitment for building renovations paid from the Permanent Improvement Capital Projects fund. The original contract amount was for $8,454,540. As of June 30, 2023, $8,199,753 was paid to date, with $254,787 remaining.

Note 21 - COVID-19

The United States and the State of Ohio declared a state of emergency in March 2020, due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021, while the national state of emergency ended in April 2023. During fiscal year 2023, C-TEC received COVID-19 funding in the form of the Governors Emergency Education Relief funding. C-TEC will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

Note 22 - Fund Balances

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

Fund Balances	General	Adult Education	Bond Retirement	Permanent Improvement	Other Governmental Funds	Total
Nonspendable:						
Unclaimed Monies	$7,797	$0	$0	$0	$0	$7,797
Prepaid Items	151,780	20,101	0	0	9,584	181,465
Materials and Supplies Inventory	1,936	0	0	0	1,863	3,799
Total Nonspendable	161,513	20,101	0	0	11,447	193,061
Restricted for:						
Debt Service Payments	0	0	2,360,820	0	0	2,360,820
Adult Education	0	2,246,126	0	0	0	2,246,126
Food Service Operations	0	0	0	0	338,154	338,154
Student Managed Activities	0	0	0	0	85,239	85,239
District Managed Activities	0	0	0	0	16,206	16,206
Scholarships	0	0	0	0	69,517	69,517
Total Restricted	0	2,246,126	2,360,820	0	509,116	5,116,062
Committed to:						
Scholarships	0	0	0	0	516,408	516,408
Permanent Improvements	0	0	0	3,364,638	0	3,364,638
Vocational	0	0	0	0	0	0
Total Committed	0	0	0	3,364,638	516,408	3,881,046
Assigned to:						
Public School Support	80,187	0	0	0	0	80,187
Purchases on Order	206,659	0	0	0	0	206,659
Total Assigned	286,846	0	0	0	0	286,846
Unassigned	19,193,755	0	0	0	(500)	19,193,255
Total Fund Balances	$19,642,114	$2,266,227	$2,360,820	$3,364,638	$1,036,471	$28,670,270

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Career and Technology Education Centers of Licking County, Ohio
Required Supplementary Information
Schedule of C-TEC's Proportionate Share of the Net Pension Liability
School Employees Retirement System of Ohio
*Last Ten Fiscal Years **

	2023	2022	2021	2020
C-TEC's Proportion of the Net Pension Liability	0.05755050%	0.06105200%	0.06019460%	0.06031380%
C-TEC's Proportionate Share of the Net Pension Liability	$3,112,779	$2,252,643	$3,981,397	$3,608,681
C-TEC's Covered Payroll	$2,146,800	$2,066,314	$2,097,614	$2,077,281
C-TEC's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	145.00%	109.02%	189.81%	173.72%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.82%	82.86%	68.55%	70.85%

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

See accompanying notes to the required supplementary information

2019	2018	2017	2016	2015	2014
0.06421049%	0.05952510%	0.06418139%	0.06306380%	0.06086710%	0.06086710%
$3,677,454	$3,556,493	$4,697,486	$3,598,481	$3,080,449	$3,619,571
$2,060,800	$1,984,114	$1,967,293	$1,902,822	$1,772,035	$1,735,311
178.45%	179.25%	238.78%	189.11%	173.84%	208.58%
71.36%	69.50%	62.98%	69.16%	71.70%	65.52%

Career and Technology Education Centers of Licking County, Ohio
Required Supplementary Information
Schedule of C-TEC's Proportionate Share of the Net OPEB Liability
School Employees Retirement System of Ohio
*Last Seven Fiscal Years (1) **

	2023	2022	2021
C-TEC's Proportion of the Net OPEB Liability	0.05589620%	0.05857170%	0.05647069%
C-TEC's Proportionate Share of the Net OPEB Liability	$784,788	$1,108,519	$1,227,293
C-TEC's Covered Payroll	$2,146,800	$2,066,314	$2,097,614
C-TEC's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	36.56%	53.65%	58.51%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	30.34%	24.08%	18.17%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available. An additional column will be added each fiscal year.

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

See accompanying notes to the required supplementary information

2020	2019	2018	2017
0.0562383%	0.060137520%	0.055976899%	0.060372859%
$1,414,275	$1,668,377	$1,502,273	$1,720,850
$2,077,281	$2,060,800	$1,984,114	$1,967,293
68.08%	80.96%	75.72%	87.47%
15.57%	13.57%	12.46%	11.49%

Career and Technology Education Centers of Licking County, Ohio
Required Supplementary Information
Schedule of C-TEC's Proportionate Share of the Net Pension Liability
State Teachers Retirement System of Ohio
*Last Ten Fiscal Years **

	2023	2022	2021	2020
C-TEC's Proportion of the Net Pension Liability	0.055363130%	0.056083531%	0.056304770%	0.058460830%
C-TEC's Proportionate Share of the Net Pension Liability	$12,307,294	$7,170,783	$13,623,751	$12,928,262
C-TEC's Covered Payroll	$7,268,564	$6,902,464	$6,861,571	$6,840,464
C-TEC's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	169.32%	103.89%	198.55%	189.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.90%	87.80%	75.50%	77.40%

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

See accompanying notes to the required supplementary information

2019	2018	2017	2016	2015	2014
0.056818900%	0.056619480%	0.057125150%	0.054629480%	0.054122270%	0.054122270%
$12,493,200	$13,450,079	$19,121,510	$15,097,990	$13,164,409	$15,681,358
$6,510,907	$6,261,214	$6,041,821	$5,887,129	$5,529,893	$5,952,454
191.88%	214.82%	316.49%	256.46%	238.06%	263.44%
77.30%	75.30%	66.80%	72.10%	74.70%	69.30%

Career and Technology Education Centers of Licking County, Ohio
Required Supplementary Information
Schedule of C-TEC's Proportionate Share of the Net OPEB Liability (Asset)
State Teachers Retirement System of Ohio
*Last Seven Fiscal Years (1) **

	2023	2022	2021	2020
C-TEC's Proportion of the Net OPEB Liability (Asset)	0.055363130%	0.056083531%	0.056304770%	0.058460830%
C-TEC's Proportionate Share of the Net OPEB Liability (Asset)	($1,433,536)	($1,182,476)	($989,556)	($968,251)
C-TEC's Covered Payroll	$7,268,564	$6,902,464	$6,861,571	$6,840,464
C-TEC's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	-19.72%	-17.13%	-14.42%	-14.15%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	230.70%	174.70%	182.10%	174.70%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available. An additional column will be added each fiscal year.

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

See accompanying notes to the required supplementary information

2019	2018	2017
0.056818900%	0.056619480%	0.057125150%
($913,022)	$2,209,083	$3,055,068
$6,510,907	$6,261,214	$6,041,821
-14.02%	35.28%	50.57%
176.00%	47.10%	37.30%

Career and Technology Education Centers of Licking County, Ohio
Required Supplementary Information
Schedule of C-TEC Contributions
School Employees Retirement System of Ohio
Last Ten Fiscal Years

	2023	2022	2021	2020
Net Pension Liability				
Contractually Required Contribution	$288,613	$300,552	$289,284	$293,666
Contributions in Relation to the Contractually Required Contribution	(288,613)	(300,552)	(289,284)	(293,666)
Contribution Deficiency (Excess)	$0	$0	$0	$0
C-TEC Covered Payroll (2)	$2,061,521	$2,146,800	$2,066,314	$2,097,614
Pension Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%
Net OPEB Liability				
Contractually Required Contribution (3)	$20,973	$21,417	$17,401	$13,004
Contributions in Relation to the Contractually Required Contribution	(20,973)	(21,417)	(17,401)	(13,004)
Contribution Deficiency (Excess)	$0	$0	$0	$0
OPEB Contributions as a Percentage of Covered Payroll	1.02%	1.00%	0.84%	0.62%
Total Contributions as a Percentage of Covered Payroll (3)	15.02%	15.00%	14.84%	14.62%

(1) These years were restated to remove the Licking Area Computer Association employees.
(2) C-TEC's covered payroll is the same for Pension and OPEB.
(3) Includes Surcharge

See accompanying notes to the required supplementary information

2019	2018	2017	2016	(1) 2015	(1) 2014
$280,433	$278,208	$277,776	$275,421	$250,792	$245,604
(280,433)	(278,208)	(277,776)	(275,421)	(250,792)	(245,604)
$0	$0	$0	$0	$0	$0
$2,077,281	$2,060,800	$1,984,114	$1,967,293	$1,902,822	$1,772,035
13.50%	13.50%	14.00%	14.00%	13.18%	13.86%
$23,816	$26,861	$17,000	$16,390	$36,908	$24,392
(23,816)	(26,861)	(17,000)	(16,390)	(36,908)	(24,392)
$0	$0	$0	$0	$0	$0
1.15%	1.30%	0.86%	0.83%	1.94%	1.38%
14.65%	14.80%	14.86%	14.83%	15.12%	15.24%

Career and Technology Education Centers of Licking County, Ohio

Required Supplementary Information

Schedule of C-TEC Contributions

State Teachers Retirement System of Ohio

Last Ten Fiscal Years

	2023	2022	2021	2020
Net Pension Liability				
Contractually Required Contribution	$1,143,508	$1,017,599	$966,345	$960,620
Contributions in Relation to the Contractually Required Contribution	(1,143,508)	(1,017,599)	(966,345)	(960,620)
Contribution Deficiency (Excess)	$0	$0	$0	$0
C-TEC Covered Payroll (1)	$8,167,914	$7,268,564	$6,902,464	$6,861,571
Pension Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%
Net OPEB Liability				
Contractually Required Contribution	$0	$0	$0	$0
Contributions in Relation to the Contractually Required Contribution	0	0	0	0
Contribution Deficiency (Excess)	$0	$0	$0	$0
OPEB Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%
Total Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%

(1) C-TEC's covered payroll is the same for Pension and OPEB.

See accompanying notes to the required supplementary information

2019	2018	2017	2016	2015	2014
$957,665	$911,527	$876,570	$845,855	$824,198	$718,886
(957,665)	(911,527)	(876,570)	(845,855)	(824,198)	(718,886)
$0	$0	$0	$0	$0	$0
$6,840,464	$6,510,907	$6,261,214	$6,041,821	$5,887,129	$5,529,893
14.00%	14.00%	14.00%	14.00%	14.00%	13.00%
$0	$0	$0	$0	$0	$55,299
0	0	0	0	0	(55,299)
$0	$0	$0	$0	$0	$0
0.00%	0.00%	0.00%	0.00%	0.00%	1.00%
14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

Net Pension Liability

Changes in Assumptions – SERS

Beginning in fiscal year 2018, on each anniversary of the initial retirement, the allowance of all retirees and survivors may be increased by 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. The COLA was suspended for 2018-2020. Prior to 2018, an assumption of 3 percent was used.

Amounts reported in 2022 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 prior years are presented below:

	Fiscal Year 2022	Fiscal Years 2021-2017	Fiscal Year 2016 and Prior
Wage Inflation	2.4 percent	3.00 percent	3.25 percent
Future Salary Increases, including inflation	3.25 percent to 13.58 percent	3.50 percent to 18.20 percent	4.00 percent to 22.00 percent
Investment Rate of Return	7.0 percent net of system expenses	7.50 percent net of investments expense, including inflation	7.75 percent net of investments expense, including inflation

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

Amounts report for 2017 through 2021 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 in Assumptions - STRS

Beginning with fiscal year 2022, 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 years 2018-2021 and fiscal year 2017 and prior are presented below:

	Fiscal Year 2022	Fiscal Years 2021-2018	Fiscal Year 2017 and Prior
Inflation	2.50 percent	2.50 percent	2.75 percent
Projected salary increases	From 2.5 percent to 12.5 percent based on age	12.50 percent at age 20 to 2.50 percent at age 65	12.25 percent at age 20 to 2.75 percent at age 70
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation	7.45 percent, net of investment expenses, including inflation	7.75 percent, net of investment expenses, including inflation
Payroll Increases	3 percent	3 percent	3.5 percent
Cost-of-Living Adjustments (COLA)	0.0 percent, effective July 1, 2017	0.0 percent, effective July 1, 2017	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, ,2013 or later, 2 percent COLA commences on fifth anniversary of retirement date

Beginning with fiscal year 2022, post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110 percent for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95 percent for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disable Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

Beginning with fiscal year 2018, post-retirement mortality rates for healthy retirees were 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 Term – STRS Pension

For fiscal year 2023, the Board approved a one-time 3 percent COLA effective on the anniversary of a benefit recipient's retirement date for those eligible during fiscal year 2023 and eliminated the age 60 requirement to receive unreduced retirement that was scheduled to go into effect August 1, 2026.

Net OPEB Liability

Changes in Assumptions – SERS

Beginning with fiscal year 2022, amounts reported incorporate changes in assumptions and changes in benefit terms used by SERS in calculating the total OPEB liability in the latest actuarial valuation. These new assumptions compared with those used in fiscal year 2021 and prior are presented below:

	2022	2021 and Prior
Inflation	2.40 percent	3.00 percent
Future Salary Increases, including inflation		
Wage Increases	3.25 percent to 13.58 percent	3.50 percent to 18.20 percent
Investment Rate of Return	7.00 percent net of investment expense, including inflation	7.50 percent net of investment expense, including inflation

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 2023	3.69 percent
Fiscal year 2022	1.92 percent
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 2023	4.08 percent
Fiscal year 2022	2.27 percent
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 in Assumptions – STRS

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.

For fiscal year 2022, the discount rate was decreased from 7.45 percent to the long-term expected rate of return of 7.00.

For fiscal year 2023, the projected salary increases were changed from age based (2.5 percent to 12.50 percent) to service based (2.5 percent to 8.5 percent.)

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 updated to reflect the projected 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.

For fiscal year 2022, there was no change to the claims costs process. Claim curves were updated to reflect the projected fiscal year ending June 30, 2022, premium based on June 30, 2021, enrollment distribution. The non-Medicare subsidy percentage was increased effective January 1, 2022, from 2.055 percent to 2.1 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D Subsidy was updated to reflect it is expected to be negative in CY 2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

For fiscal year 2023, healthcare trends were updated to reflect emerging claims and recoveries experience.

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CAREER AND TECHNOLOGY EDUCATION CENTERS OF LICKING COUNTY
LICKING COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

FEDERAL GRANTOR ***Pass Through Grantor*** **Program / Cluster Title**	**Federal AL Number**	**Total Federal Expenditures**
U.S. DEPARTMENT OF AGRICULTURE		
Passed Through Ohio Department of Education		
Child Nutrition Cluster:		
Non-Cash Assistance (Food Distribution):		
National School Lunch Program	10.555	$9,864
Fresh Fruit and Vegatable Program	10.582	$8,892
Cash Assistance:		
School Breakfast Program	10.553	9,429
National School Lunch Program	10.555	113,037
Cash Assistance Subtotal		122,466
Total Child Nutrition Cluster		141,222
Covid-19 Pandemic EBT Adminstrative Costs	10.649	628
Total U.S. Department of Agriculture		**141,850**
U.S. DEPARTMENT OF EDUCATION		
Direct Program		
Student Financial Assistance Cluster:		
Federal Pell Grant Program	84.063	273,799
Federal Direct Student Loans	84.268	328,520
Total Student Financial Assistance Cluster		**602,319**
Passed Through Ohio Department of Education		
Adult Education-Basic Grants to States	84.002	239,831
Career and Technical Education- Basic Grants to States	84.048	663,368
Education Stabilization Fund:		
Covid-19 Education Stabilization Fund	84.425C	180,898
Total Passed Through Ohio Department of Education		**1,084,097**
Total U.S. Department of Education		**1,686,416**
U.S. DEPARTMENT OF THE TREASURY		
Passed Through Ohio Facilites Construction Commission		
Coronavirus State and Local Fiscal Recovery Funds	21.027	50,000
Passed Through Licking County Government		
Coronavirus Relief Fund	21.019	75,211
Total U.S. Department of the Treasury		**125,211**
Total Expenditures of Federal Awards		**$1,953,477**

The accompanying notes are an integral part of this schedule.

CAREER AND TECHNOLOGY EDUCATION CENTERS OF LICKING COUNTY
LICKING COUNTY

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED JUNE 30, 2023

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Career and Technology Education Centers (C-TEC) under programs of the federal government for the year ended June 30, 2023. 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 C-TEC, it is not intended to and does not present the financial position or changes in net position of C-TEC.

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.

NOTE C – INDIRECT COST RATE

C-TEC has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D - CHILD NUTRITION CLUSTER

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

NOTE F – FOOD DONATION PROGRAM

C-TEC reports commodities consumed on the Schedule at the fair value. C-TEC allocated donated food commodities to the respective program that benefitted from the use of those donated food commodities.

OHIO AUDITOR OF STATE
KEITH FABER

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Columbus, Ohio 43215
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(800) 282-0370

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

Career and Technology Education Centers of Licking County
Licking County
150 Price Road
Newark, Ohio 43055

To the Board of Education:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States *(Government Auditing Standards)*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Career and Technology Education Centers of Licking County, Licking County, (C-TEC) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise C-TEC's basic financial statements and have issued our report thereon dated November 30, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Keith Faber
Auditor of State
Columbus, Ohio

November 30, 2023

88 East Broad Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
(800) 282-0370

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

Career and Technology Education Centers of Licking County
Licking County
150 Price Road
Newark, Ohio 43055

To the Board of Education:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Career and Technology Education Centers of Licking County's, (C-TEC) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on Career and Technology Education Centers of Licking County's, major federal program for the year ended June 30, 2023. Career and Technology Education Centers of Licking County's, major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, Career and Technology Education Centers of Licking County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2023.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of C-TEC and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of C-TEC's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

C-TEC's Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to C-TEC's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on C-TEC's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about C-TEC's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding C-TEC's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of C-TEC's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of C-TEC's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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

Keith Faber
Auditor of State
Columbus, Ohio

November 30, 2023

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SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2023

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	**Type of Financial Statement Opinion**	Unmodified
(d)(1)(ii)	**Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(ii)	**Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(iii)	**Was there any reported material noncompliance at the financial statement level (GAGAS)?**	No
(d)(1)(iv)	**Were there any material weaknesses in internal control reported for major federal programs?**	No
(d)(1)(iv)	**Were there any significant deficiencies in internal control reported for major federal programs?**	No
(d)(1)(v)	**Type of Major Programs' Compliance Opinion**	Unmodified
(d)(1)(vi)	**Are there any reportable findings under 2 CFR § 200.516(a)?**	No
(d)(1)(vii)	**Major Programs (list):**	Student Financial Assistance Cluster
(d)(1)(viii)	**Dollar Threshold: Type A\B Programs**	Type A: > $ 750,000 Type B: all others
(d)(1)(ix)	**Low Risk Auditee under 2 CFR § 200.520?**	Yes

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

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OHIO AUDITOR OF STATE
KEITH FABER

CAREER AND TECHNOLOGY EDUCATION CENTERS OF LICKING COUNTY

LICKING 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 12/21/2023

88 East Broad Street, Columbus, Ohio 43215
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