OHIO AUDITOR OF STATE
KEITH FABER

ASHTABULA COUNTY TECHNICAL AND CAREER CENTER
ASHTABULA COUNTY
JUNE 30, 2023

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ASHTABULA COUNTY TECHNICAL AND CAREER CENTER
ASHTABULA COUNTY
JUNE 30, 2023

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INDEPENDENT AUDITOR'S REPORT

Ashtabula County Technical and Career Center
Ashtabula County
1565 State Route 167
Jefferson, Ohio 44047

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 Ashtabula County Technical and Career Center, Ashtabula County, Ohio (Career Center), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Career Center'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 Ashtabula County Technical and Career Center, Ashtabula County, Ohio as of June 30, 2023, and the respective changes in financial position and the respective budgetary comparisons for the General and Other Local Grants fund 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 the Career Center, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 the Career Center's internal control. Accordingly, no such opinion is expressed.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis*, and schedules of net pension and other post-employment benefit 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 the Career Center'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 are 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 Schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2023, on our consideration of the Career Center's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Career Center's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Career Center's internal control over financial reporting and compliance.

Keith Faber
Auditor of State
Columbus, Ohio

December 22, 2023

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As management of the Ashtabula County Technical and Career Center (the Career Center), we offer readers of the Career Center's financial statements this narrative overview and analysis of the financial activities of the Career Center for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with financial statements and notes to the basic financial statements to enhance their understanding of the Career Center's financial performance.

Financial Highlights

- Net position of governmental activities increased in fiscal year 2023. There was an increase in revenues and expenses for the year, with revenues outpacing expenses resulting in an increase in net position.

- The Career Center is committed to meeting the academic needs of their students. During fiscal year 2023, the Career Center's total expenses increased mainly due to a change in assumptions and benefit terms for pension and OPEB plans.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Career Center's basic financial statements. The Career Center's basic financial statements are comprised of three components: (1) government-wide statements, (2) fund financial statements, and (3) notes to the basic financial statements.

Government-wide Financial Statements The government-wide financial statements are designed to provide the reader with a broad overview of the Career Center's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Career Center's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Career Center is improving or deteriorating.

The *statement of activities* presents information showing how the Career Center's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statement distinguishes functions of the Career Center that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from those that are primarily supported through user charges *(business-type activities)*. The Career Center has no business-type activities. The governmental activities of the Career Center include instruction, support services, extracurricular activities, operation of non-instructional services and interest and fiscal charges.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Career Center, like the State and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. These fund financial statements focus on the Career Center's most significant funds. The Career Center's major governmental funds are the general fund, the other local grants special revenue fund and the permanent improvement capital projects fund. All of the funds of the Career Center are governmental.

Governmental Funds The Career Center's activities are reported in governmental funds, which focus on how money flows into and out of those funds and balances left at year-end available for spending in future periods. These funds are reported using an accounting method called *modified accrual*, 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 the Career Center'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 difference) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is reconciled in the financial statements.

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

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Table 1 provides a comparison of the Career Center's net position for fiscal year 2023 compared to fiscal year 2022.

Table 1
Net Position
Governmental Activities

	2023	2022	Change
Assets			
Current and Other Assets	$15,501,577	$15,290,915	$210,662
Net OPEB Asset	1,172,807	986,966	185,841
Capital Assets	3,562,022	3,632,214	(70,192)
Total Assets	20,236,406	19,910,095	326,311
Deferred Outflows of Resources			
Pension	3,005,439	2,985,460	19,979
OPEB	305,566	340,841	(35,275)
Total Deferred Outflows of Resources	$3,311,005	$3,326,301	($15,296)

(continued)

Table 1
Net Position (continued)
Governmental Activities

	2023	2022	Change
Liabilities			
Current Liabilities	$1,652,908	$1,739,404	$86,496
Long-Term Liabilities:			
Due Within One Year	128,443	93,604	(34,839)
Due in More than One Year:			
Net Pension Liability	12,705,123	7,707,349	(4,997,774)
Net OPEB Liability	692,515	902,366	209,851
Other Amounts Due in More Than One Year	605,943	621,773	15,830
Total Liabilities	15,784,932	11,064,496	(4,720,436)
Deferred Inflows of Resources			
Property Taxes	3,810,296	3,694,021	(116,275)
Pension	1,375,077	6,267,993	4,892,916
OPEB	1,763,516	1,678,254	(85,262)
Total Deferred Inflows of Resources	6,948,889	11,640,268	4,691,379
Net Position			
Net Investment in Capital Assets	3,562,022	3,632,214	(70,192)
Restricted for:			
Capital Improvements	1,851,183	1,634,039	217,144
OPEB Plan	239,782	17,383	222,399
Other Purposes	504,312	843,579	(339,267)
Unrestricted (Deficit)	(5,343,709)	(5,595,583)	251,874
Total Net Position	$813,590	$531,632	$281,958

The net pension liability (NPL) is the largest liability reported by the Career Center 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, the Career Center is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained previously, 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 liabilities section of the statement of net position.

Net position increased from fiscal year 2022 due to the increase in total assets outpacing the increase in total liabilities. Long-term liabilities increased mainly due to an increase in the net pension liability. Current liabilities decreased due to fewer invoices being carried into the new fiscal year, thus decreasing accounts payable.

Table 2 shows the changes in net position for fiscal year 2023 compared to fiscal year 2022.

Table 2
Change in Net Position
Governmental Activities

	2023	2022	Change
Revenues			
Program Revenues			
Charges for Services and Sales	$1,335,085	$1,621,648	($286,563)
Operating Grants and Contributions	4,370,062	4,456,139	(86,077)
Capital Grants and Contributions	221,163	62,269	158,894
Total Program Revenues	5,926,310	6,140,056	(213,746)
General Revenues			
Property Taxes	4,637,683	4,620,158	17,525
Grants and Entitlements not Restricted	6,889,242	6,243,836	645,406
Investment Earnings and Other Interest	95,647	(30,164)	125,811
Miscellaneous	109,263	46,637	62,626
Total General Revenues	11,731,835	10,880,467	851,368
Total Revenues	$17,658,145	$17,020,523	$637,622

(continued)

Table 2
Change in Net Position (continued)
Governmental Activities

	2023	2022	Change
Program Expenses			
Instruction	$11,247,269	$10,458,879	($788,390)
Support Services:			
Pupils and Instructional Staff	2,603,047	2,061,897	(541,150)
Board of Education, Administration, Fiscal and Business	1,833,524	1,518,226	(315,298)
Operation and Maintenance of Plant	1,200,876	1,212,436	11,560
Pupil Transportation	21,120	12,058	(9,062)
Central	136,160	93,456	(42,704)
Extracurricular Activities	51,796	36,817	(14,979)
Food Service Operations	282,395	232,588	(49,807)
Total Program Expenses	17,376,187	15,626,357	(1,749,830)
Change in Net Position	281,958	1,394,166	(1,112,208)
Net Position Beginning of Year	531,632	(862,534)	1,394,166
Net Position End of Year	$813,590	$531,632	$281,958

Governmental Activities

The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenue generated by a voted levy does not increase solely as a result of inflation. It increases as a result of new construction or collection from a new voted levy. Although Career Centers and other School Districts experience inflationary growth in expenses, tax revenue does not keep pace with the increased expenses due to House Bill 920. As an example, a homeowner with a home valued at $100,000 and taxed at 1.0 mill would pay $35.00 annually in taxes. If three years later the home were reappraised and increased to $200,000 (and this inflationary increase in value is comparable to other property owners) the effective tax rate would become .5 mills and the owner would still pay $35.00 and the Career Center would collect the same dollar value the levy generated in the year it passed. The 10 percent rollback on all residential/agricultural property and the 2.5 percent rollback on all owner occupied homes would reduce the amount of taxes paid.

Thus, Career Center's dependence upon property taxes are hampered by a lack of revenue growth and must regularly return to the voters to maintain a constant level of service. Property tax revenues increased slightly during fiscal year 2023.

Overall, the Career Center experienced an increase in program expenses from the prior fiscal year due to changes in assumptions and benefit terms related to pension and OPEB plans. Instruction expenses comprise the largest portion of all program expenses for the Career Center. These expenses pay for teacher salary and benefits, which increase at set levels every year through negotiated agreements.

The statement of activities shows the cost of program services and the charges for services, grants, and contributions offsetting those services. Table 3 shows, for government activities, the total cost of services and the net cost of services for fiscal year 2023 compared to fiscal year 2022.

Table 3
Total and Net Cost of Program Services
Governmental Activities

	2023		2022	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction	$11,247,269	$7,152,581	$10,458,879	$6,076,981
Support Services:				
Pupils and Instructional Staff	2,603,047	1,738,701	2,061,897	1,271,537
Board of Education, Administration, Fiscal and Business	1,833,524	1,487,515	1,518,226	1,055,416
Operation and Maintenance of Plant	1,200,876	902,380	1,212,436	1,134,492
Pupil Transportation	21,120	21,120	12,058	12,058
Central	136,160	112,068	93,456	91,656
Extracurricular Activities	51,796	10,467	36,817	7,997
Food Service Operations	282,395	25,045	232,588	(163,836)
Total Expenses	$17,376,187	$11,449,877	$15,626,357	$9,486,301

The dependence upon general revenues for governmental activities is apparent as local property tax and grants and entitlements account for a majority of total revenues in fiscal year 2023.

Financial Analysis of the Government's Funds

Governmental Funds Information about the Career Center's major funds starts with the balance sheet. These funds are accounted for using the modified accrual basis of accounting. The total governmental fund balance increased from the prior fiscal year. The net change in the governmental fund balance for the year was most significant in the general fund, other local grants special revenue fund and permanent improvement capital projects fund for fiscal year 2023.

A key factor in the increase of fund balance for the general fund was a result of an increase in intergovernmental and interest revenues due to a larger amount of grant monies receipted in for the fiscal year. The decrease in the other local grants special revenue fund was due to increases in student intervention and support services outpacing grant monies received during fiscal year 2023. The permanent improvement capital projects major fund increase was the result of property tax and contributions and donations revenues exceeding capital outlays.

General Fund Budgeting Highlights

Budgeting is prescribed by the Ohio Revised Code. Essentially, the budget is the Career Center's appropriations which are restricted by the amounts of anticipated revenues certified by the Budget Commission in accordance with the Revised Code. During the course of fiscal year 2023, the Career Center amended its general fund budget numerous times to allow for insignificant amendments. Actual revenues received were slightly higher than the amount certified at the end of the year due to greater interest revenue received than anticipated. Actual expenditures were less than final appropriations showing the Career Center working to keep costs below the budget.

Capital Assets and Long-Term Liabilities

Capital Assets The Career Center's capital asset acquisitions during the fiscal year included updated equipment throughout the Career Center for maintenance and instructional purposes and administrative office furniture for instructional purposes. The decrease in capital assets was due to another year of depreciation and deletions exceeding additions. For fiscal year 2023, Ohio law required school districts to expend or otherwise reserve three percent of qualifying revenues and expenditures only for the purpose of capital improvements. For fiscal year 2023, this amounted to $147,464. Additional information on the Career Center's capital assets and set aside requirement can be found in Notes 13 and 20 of the basic financial statements.

Long-term Liabilities For fiscal year 2023, the Career Center reported compensated absences. The Career Center's compensated absences overall liability increased. Additional information on the Career Center's long-term liabilities can be found in Note 16 of the basic financial statements.

Current Financial Related Activities

Ashtabula County Technical and Career Center is strong financially. As the preceding information shows, the Career Center heavily depends on its property taxpayers. The Career Center has passed two levies that will allow the continuation of its education programs. The Career Center has a total of 4.11 mills levied, a 3.81 Mill Current Expense Tax Levy and a 0.30 Mill Permanent Improvement Tax Levy, both of which are continuing millage as of June 30, 2023.

With the passage of these levies the Career Center has been able to continue its educational programs. However, financially the future is not without challenges. While the Career Center was successful in maintaining its tax revenue base during the past few years, this does not constitute an actual increase. Some of the challenges include the unpredictable future of the State funding and the struggle to keep a competitive salary scale to retain quality personnel. Another example is seen in low interest rates being very good for issuing debt, but not attractive for maintaining investment revenues. Thus, management must diligently plan expenses, staying carefully within the Career Center's five-year forecast.

Property valuations provide no significant increase in future revenues. Any increases in property tax revenues, along with questionable increases in State foundation payments, may help to keep up with increased costs. However, personal property tax has been phased out, there will be revenue reimbursement during a "hold-harmless period" and a new Commercial Activity Tax has been instituted. But the enrollment is dependent on many factors and the Career Center must work hard to maintain its current enrollment, as they do not have a "captive audience" of automatic students enrolling.

Management needs to plan carefully and prudently to provide the resources to meet student needs over the next several years.

Contacting the Career Center's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the Career Center's finances and to show the Career Center's accountability for the money it receives. If you have questions about this report or need additional financial information contact Lindsey Elly, Treasurer at Ashtabula County Technical and Career Center, 1565 State Route 167, Jefferson, Ohio 44047.

Ashtabula County Technical and Career Center
Statement of Net Position
June 30, 2023

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	$10,299,849
Accrued Interest Receivable	12,686
Accounts Receivable	156,021
Intergovernmental Receivable	296,794
Inventory Held for Resale	10,407
Materials and Supplies Inventory	52,839
Property Taxes Receivable	4,672,981
Net OPEB Asset (See Note 22)	1,172,807
Nondepreciable Capital Assets	153,226
Depreciable Capital Assets, Net	3,408,796
Total Assets	20,236,406
Deferred Outflows of Resources	
Pension	3,005,439
OPEB	305,566
Total Deferred Outflows of Resources	3,311,005
Liabilities	
Accounts Payable	208,401
Accrued Wages and Benefits	1,214,285
Intergovernmental Payable	110,857
Matured Compensated Absences Payable	35,187
Unearned Revenue	84,178
Long-Term Liabilities:	
Due Within One Year	128,443
Due in More Than One Year:	
Net Pension Liability (See Note 21)	12,705,123
Net OPEB Liability (See Note 22)	692,515
Other Amounts Due in More Than One Year	605,943
Total Liabilities	15,784,932
Deferred Inflows of Resources	
Property Taxes	3,810,296
Pension	1,375,077
OPEB	1,763,516
Total Deferred Inflows of Resources	6,948,889
Net Position	
Net Investment in Capital Assets	3,562,022
Restricted for:	
Capital Improvements	1,851,183
OPEB Plan	239,782
Unclaimed Monies	1,733
Nursing Program	109,416
Cosmetology	35,885
Adult Continuing Instruction	120,013
Other Purposes	237,265
Unrestricted (Deficit)	(5,343,709)
Total Net Position	$813,590

See accompanying notes to the basic financial statements

Ashtabula County Technical and Career Center
Statement of Activities
For the Fiscal Year Ended June 30, 2023

		Program Revenues			Net Revenue/(Expense) and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
Instruction:					
Regular	$1,315,003	$6,830	$35,000	$0	($1,273,173)
Special	1,046,835	185,341	154,050	0	(707,444)
Vocational	5,581,147	197,579	480,664	0	(4,902,904)
Adult/Continuing	1,930,618	605,392	1,113,594	0	(211,632)
Student Intervention Services	1,373,666	0	1,316,238	0	(57,428)
Support Services:					
Pupils	1,408,263	0	847,836	0	(560,427)
Instructional Staff	1,194,784	5,865	10,645	0	(1,178,274)
Board of Education	67,090	0	0	0	(67,090)
Administration	1,207,921	170,870	175,139	0	(861,912)
Fiscal	488,885	0	0	0	(488,885)
Business	69,628	0	0	0	(69,628)
Operation and Maintenance of Plant	1,200,876	6,003	71,330	221,163	(902,380)
Pupil Transportation	21,120	0	0	0	(21,120)
Central	136,160	14,783	9,309	0	(112,068)
Extracurricular Activities	51,796	22,857	18,472	0	(10,467)
Food Service Operations	282,395	119,565	137,785	0	(25,045)
Totals	$17,376,187	$1,335,085	$4,370,062	$221,163	(11,449,877)

General Revenues	
Property Taxes Levied for:	
General Purposes	4,127,232
Capital Outlay	510,451
Grants and Entitlements not Restricted to Specific Programs	6,889,242
Investment Earnings and Other Interest	95,647
Miscellaneous	109,263
Total General Revenues	11,731,835
Change in Net Position	281,958
Net Position Beginning of Year	531,632
Net Position End of Year	$813,590

See accompanying notes to the basic financial statements

Ashtabula County Technical and Career Center

Balance Sheet

Governmental Funds

June 30, 2023

	General	Other Local Grants	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Assets					
Equity in Pooled Cash and Cash Equivalents	$7,523,665	$188,125	$1,815,022	$771,304	$10,298,116
Restricted Assets:					
Equity in Pooled Cash and Cash Equivalents	1,733	0	0	0	1,733
Property Taxes Receivable	4,158,918	0	514,063	0	4,672,981
Accounts Receivable	29,979	0	0	126,042	156,021
Intergovernmental Receivable	12,619	229,880	0	54,295	296,794
Interfund Receivable	836,345	0	0	0	836,345
Accrued Interest Receivable	12,686	0	0	0	12,686
Inventory Held for Resale	0	0	0	10,407	10,407
Materials and Supplies Inventory	50,278	0	0	2,561	52,839
Total Assets	$12,626,223	$418,005	$2,329,085	$964,609	$16,337,922
Liabilities					
Accounts Payable	$83,498	$13,384	$65,346	$46,173	$208,401
Accrued Wages and Benefits	1,055,258	22,086	0	136,941	1,214,285
Intergovernmental Payable	66,455	20,411	0	23,991	110,857
Interfund Payable	0	642,180	0	194,165	836,345
Unearned Revenue	0	0	0	84,178	84,178
Matured Compensated Absences Payable	35,187	0	0	0	35,187
Total Liabilities	1,240,398	698,061	65,346	485,448	2,489,253
Deferred Inflows of Resources					
Property Taxes	3,397,740	0	412,556	0	3,810,296
Unavailable Revenue	232,974	81,722	27,116	114,701	456,513
Total Deferred Inflows of Resources	3,630,714	81,722	439,672	114,701	4,266,809
Fund Balances:					
Nonspendable	52,011	0	0	2,561	54,572
Restricted	0	0	1,824,067	449,633	2,273,700
Assigned	260,666	0	0	0	260,666
Unassigned (Deficit)	7,442,434	(361,778)	0	(87,734)	6,992,922
Total Fund Balances (Deficit)	7,755,111	(361,778)	1,824,067	364,460	9,581,860
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$12,626,223	$418,005	$2,329,085	$964,609	$16,337,922

See accompanying notes to the basic financial statements

Ashtabula County Technical and Career Center

Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
June 30, 2023

Total Governmental Funds Balances		$9,581,860
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		3,562,022
Other long-term assets are not available to pay for current-period expenditures and therefore are reported as unavailable revenue in the funds:		
Delinquent Property Taxes	230,938	
Intergovernmental	98,367	
Tuition and Fees	127,208	
Total		456,513
Long-term liabilities, such as compensated absences, are not due and payable in the current period and therefore are not reported in the funds.		(734,386)
The net pension/OPEB liabilities/asset are not due and payable in the current period; therefore, the liabilities/asset and related deferred inflows/outflows are not reported in governmental funds:		
Net OPEB Asset	1,172,807	
Deferred Outflows - Pension	3,005,439	
Deferred Outflows - OPEB	305,566	
Net Pension Liability	(12,705,123)	
Net OPEB Liability	(692,515)	
Deferred Inflows - Pension	(1,375,077)	
Deferred Inflows - OPEB	(1,763,516)	
Total		(12,052,419)
Net Position of Governmental Activities		$813,590

See accompanying notes to the basic financial statements

Ashtabula County Technical and Career Center

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

	General	Other Local Grants	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Revenues					
Property Taxes	$4,196,628	$0	$519,540	$0	$4,716,168
Intergovernmental	6,888,684	2,194,753	61,526	2,237,138	11,382,101
Investment Earnings and Other Interest	95,647	0	0	0	95,647
Charges for Services	84,897	0	0	394,816	479,713
Tuition and Fees	103,915	0	0	712,788	816,703
Extracurricular Activities	0	0	0	22,817	22,817
Rentals	18,546	0	0	0	18,546
Contributions and Donations	1,100	1,146	159,637	53,311	215,194
Miscellaneous	47,365	0	0	61,898	109,263
Total Revenues	11,436,782	2,195,899	740,703	3,482,768	17,856,152
Expenditures					
Current:					
Instruction:					
Regular	1,277,085	0	0	35,000	1,312,085
Special	761,530	0	0	290,201	1,051,731
Vocational	4,796,711	0	0	475,184	5,271,895
Adult/Continuing	0	31,664	0	1,776,345	1,808,009
Student Intervention Services	0	1,406,237	0	191	1,406,428
Support Services:					
Pupils	459,295	741,254	0	209,321	1,409,870
Instructional Staff	1,085,208	0	0	76,234	1,161,442
Board of Education	72,498	0	0	0	72,498
Administration	696,732	89,448	0	404,347	1,190,527
Fiscal	493,230	0	11,159	0	504,389
Business	65,203	0	0	174	65,377
Operation and Maintenance of Plant	1,135,673	0	0	72,753	1,208,426
Pupil Transportation	20,320	0	0	0	20,320
Central	73,785	0	0	64,280	138,065
Extracurricular Activities	0	0	0	51,796	51,796
Food Service Operations	9,688	0	0	275,583	285,271
Capital Outlay	0	0	503,311	15,822	519,133
Total Expenditures	10,946,958	2,268,603	514,470	3,747,231	17,477,262
Net Change in Fund Balances	489,824	(72,704)	226,233	(264,463)	378,890
Fund Balances (Deficit) Beginning of Year	7,265,287	(289,074)	1,597,834	628,923	9,202,970
Fund Balances (Deficit) End of Year	$7,755,111	($361,778)	$1,824,067	$364,460	$9,581,860

See accompanying notes to the basic financial statements

Ashtabula County Technical and Career Center

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		$378,890
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period:		
Capital Asset Additions	337,030	
Current Year Depreciation	(387,115)	
Total		(50,085)
Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.		(20,107)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:		
Delinquent Property Taxes	(78,485)	
Intergovernmental	(116,828)	
Charges for Services	(24)	
Tuition and Fees	(2,670)	
Total		(198,007)
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		(19,009)
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows:		
Pension	1,111,656	
OPEB	22,553	
Total		1,134,209
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liabilities/asset are reported as pension/OPEB expense in the statement of activities:		
Pension	(1,196,535)	
OPEB	252,602	
Total		(943,933)
Change in Net Position of Governmental Activities		$281,958

See accompanying notes to the basic financial statements

Ashtabula County Technical and Career Center
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts			
	Original	Final	Actual	Variance With Final Budget
Revenues				
Property Taxes	$4,113,441	$4,196,628	$4,196,628	$0
Intergovernmental	6,247,873	6,878,043	6,878,043	0
Interest	19,574	110,864	113,822	2,958
Charges for Services	51,343	25,220	25,220	0
Tuition and Fees	14,928	3,950	3,950	0
Rentals	19,082	18,546	18,546	0
Contributions and Donations	2,800	1,100	1,100	0
Miscellaneous	40,392	49,868	49,869	1
Total Revenues	10,509,433	11,284,219	11,287,178	2,959
Expenditures				
Current:				
Instruction:				
Regular	1,595,783	1,253,482	1,253,480	2
Special	719,944	757,291	757,291	0
Vocational	5,483,820	4,652,135	4,652,008	127
Support Services:				
Pupils	374,346	441,679	440,752	927
Instructional Staff	1,156,164	1,127,022	1,125,116	1,906
Board of Education	50,529	73,164	72,962	202
Administration	795,114	705,658	705,658	0
Fiscal	531,546	495,932	495,931	1
Business	76,096	66,194	66,194	0
Operation and Maintenance of Plant	1,327,420	1,189,741	1,185,155	4,586
Pupil Transportation	20,821	24,494	24,494	0
Central	87,759	79,788	74,986	4,802
Food Service Operations	0	9,706	9,706	0
Total Expenditures	12,219,342	10,876,286	10,863,733	12,553
Excess of Revenues Over (Under) Expenditures	(1,709,909)	407,933	423,445	15,512
Other Financing Sources (Uses)				
Advances In	422,890	433,233	433,232	(1)
Advances Out	(173,293)	0	(831,860)	(831,860)
Total Other Financing Sources (Uses)	249,597	433,233	(398,628)	(831,861)
Net Change in Fund Balance	(1,460,312)	841,166	24,817	(816,349)
Fund Balance Beginning of Year	7,108,491	7,108,491	7,108,491	0
Prior Year Encumbrances Appropriated	159,441	159,441	159,441	0
Fund Balance End of Year	$5,807,620	$8,109,098	$7,292,749	($816,349)

See accompanying notes to the basic financial statements

Ashtabula County Technical and Career Center
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Other Local Grants Fund
For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts			
	Original	Final	Actual	Variance With Final Budget
Revenues				
Intergovernmental	$2,095,303	$2,215,458	$2,215,457	($1)
Contributions and Donations	7,277	1,146	1,146	0
Total Revenues	2,102,580	2,216,604	2,216,603	(1)
Expenditures				
Current:				
Instruction:				
Adult/Continuing	19,471	38,114	37,829	285
Student Intervention Services	951,906	1,636,840	1,636,838	2
Support Services:				
Pupils	599,387	747,725	747,126	599
Administration	102,871	98,758	98,758	0
Total Expenditures	1,673,635	2,521,437	2,520,551	886
Excess of Revenues Over (Under) Expenditures	428,945	(304,833)	(303,948)	885
Other Financing Sources (Uses)				
Advances In	0	642,180	642,180	0
Advances Out	(94,243)	0	(377,439)	(377,439)
Total Other Financing Sources (Uses)	(94,243)	642,180	264,741	(377,439)
Net Change in Fund Balance	334,702	337,347	(39,207)	(376,554)
Fund Balance Beginning of Year	16,683	16,683	16,683	0
Prior Year Encumbrances Appropriated	37,172	37,172	37,172	0
Fund Balance End of Year	$388,557	$391,202	$14,648	($376,554)

See accompanying notes to the basic financial statements

Note 1 - Description of the Career Center

Ashtabula County Technical and Career Center (the "Career Center") is organized under Article VI, Section 2 of the Constitution of the State of Ohio. The Career Center operates under a seven member Board of Education. Membership is comprised of Board Members from the following school districts: Ashtabula Area City (2 representatives), Ashtabula County Educational Service Center (3 representatives), Conneaut Area City (1 representative), and Geneva Area City (1 representative). The Career Center provides job training leading to employment upon graduation from high school. The Career Center fosters cooperative relationships with business and industry, professional organizations, participating Career Centers, and other interested, concerned groups and organizations to consider, plan and implement education programs designed to meet the common needs and interests of students.

The Career Center was established in 1965 through the consolidation of existing land areas and Career Centers. The Career Center serves Ashtabula County. It is located in Ashtabula County. It is staffed by 44 non-certified employees, 76 certified full-time teaching personnel and 9 administrators who provide services to 2,892 students and many other community members. The Career Center currently operates five instructional buildings and a bus garage.

Reporting Entity

Since the Career Center does not have a separately elected governing board and does not meet the definition of a component unit, it is classified as a stand alone government under the provisions of Governmental Accounting Standards Board Statement 14, "The Financial Reporting Entity."

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

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

The Career Center is associated with a jointly governed organization, an insurance purchasing pool and two shared risk pools. These organizations are the Northeast Ohio Management Information Network, the Ohio Association of School Business Officials Workers' Compensation Group Retrospective Rating Program, the Ohio School Plan and the Ashtabula County Schools Council of Governments. These organizations are presented in Notes 18 and 19 to the basic financial statements.

Note 2 - Summary of Significant Accounting Policies

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

Basis of Presentation

The Career Center's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities and fund financial statements which provide a more detailed level of financial information.

Government-wide Financial Statements The statement of net position and the statement of activities display information about the Career Center as a whole. These statements include the financial activities of the primary government. The statements usually distinguish between those activities of the Career Center that are governmental and those that are considered business-type activities. The Career Center, however, has no business-type activities.

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

Fund Financial Statements During the fiscal year, the Career Center segregates transactions related to certain Career Center functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Career Center at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

Fund Accounting

The Career Center 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. In reporting its financial activities, the Career Center uses governmental funds.

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

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

Other Local Grants Fund The other local grants fund is used to account for and report local grant monies received restricted for youth opportunities.

Permanent Improvement Fund The permanent improvement fund accounts for and reports property taxes restricted to the acquiring, construction, or improving of such permanent improvements as are authorized by Chapter 5705, Revised Code.

The other governmental funds of the Career Center account for grants and other resources whose uses are 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 the Career Center 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 balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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, the recording of deferred outflows/inflows of resources, and in the presentation of expenses versus expenditures.

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

Nonexchange transactions, in which the Career Center receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 8). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the Career Center must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Career Center on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

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, represents 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 the Career Center deferred outflows of resources are reported on the government-wide statement of net position for pension and OPEB plans. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 21 and 22.

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 the Career Center, deferred inflows of resources include property taxes, pension, OPEB plans and unavailable revenue. 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 the Career Center unavailable revenue includes delinquent property taxes, intergovernmental and tuition and fees. 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 balances to net position of governmental activities found on page 14. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position (See Notes 21 and 22).

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

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

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.

Budgetary Data

All 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 demonstrates a need for existing or increased tax rates. 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 special cost center for all funds. The Treasurer has been given the authority to allocate Board appropriations to the function and object level within all funds without resolution by the Board of Education.

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

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

Cash and Cash Equivalents

To improve cash management, all cash received by the Career Center is pooled. Monies for all funds are maintained in this pool. Interest in the pool is presented as "equity in pooled cash and cash equivalents" on the basic financial statements.

During fiscal year 2023, investments were limited to negotiable certificates of deposit, which are reported at fair value.

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 fiscal year 2023 amounted to $95,647 which includes $25,769 assigned from other Career Center funds.

Investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the Career Center are presented on the financial statements as cash equivalents.

Restricted Assets

Assets are reported as restricted when limitations on their use change in nature or 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. Restricted assets in the general fund represent money required by State statute to be set aside for unclaimed monies.

Inventory

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

Capital Assets

The Career Center's only capital assets are general capital assets. General capital assets are those assets related to activities reported in the governmental funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

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

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

Description	Governmental Activities Estimated Lives
Land Improvements	5 years
Buildings and Improvements	10 to 50 years
Furniture, Equipment and Fixtures	15 to 20 years
Vehicles	10 to 20 years

Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans 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 employees' rights to receive compensation are attributable to services already rendered and it is probable that the Career Center will compensate the employees for the benefits through paid time off or some other means. The Career Center records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are eligible to receive termination benefits and those the Career Center has identified as probable of receiving payment 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 the Career Center's termination policy. The Career Center records a liability for accumulated unused sick leave for all employees after ten years of teaching and 5 years of service at the Career Center.

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

On the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "Matured Compensated Absences Payable" in the fund or funds form which the employees who have accumulated the leave are paid.

Accrued Liabilities and Long-term Obligations

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

Net Position

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Restricted net position for OPEB plans represent the corresponding restricted asset amounts after considering the related deferred outflows and deferred inflows. Net position restricted for other purposes include grants and resources restricted for vocational and extracurricular activities.

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

Fund Balance

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

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

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

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

Assigned Amounts in the assigned fund balance classification are intended to be used by the Career Center for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance includes the remaining amount that is not restricted or committed. These amounts are assigned by the Career Center Board of Education. In the general fund, assigned amounts represent intended uses established by the Career Center Board of Education or a Career Center official delegated that authority by State Statute. State statute authorizes the Treasurer to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. The Career Center Board of Education assigned fund balance for classroom support services.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

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

Unearned Revenues

Unearned revenue represents amounts under the accrual and modified accrual basis of accounting for which asset recognition criteria have been met, but for which revenue recognition criteria have not yet been met because the amounts have not yet been earned. The Career Center recognizes unearned revenue for intergovernmental revenue from grants received before the eligibility requirements are met.

Estimates

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

Note 3 – Changes in Accounting Principle

For fiscal year 2023, the Career Center implemented Governmental Accounting Standards Board (GASB) No. 91, *Conduit Debt Obligations*, 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. The Career Center 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). The Career Center 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). These changes were incorporated in the Career Center's 2023 financial statements. The Career Center did not have any contracts that met the GASB 96 definition of a SBITA, other than short-term SBITAs.

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

The following funds had deficit fund balances at June 30, 2023:

	Amount
Special Revenue Funds:	
Vocational Education - Carl D. Perkins	($31,382)
Pell Grant	(29,736)
Able Grant	(20,923)
Miscellaneous State Grants	(4,270)
Government Emergency Education Relief	(1,423)

These deficits are the result of the recognition of payables in accordance with generally accepted accounting principles as well as short-term interfund loans from the general fund needed for operations until the receipt of grant monies. The general fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

Note 5 – Fund Balance

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

Fund Balances	General	Other Local Grants	Permanent Improvement	Other Governmental Funds	Total
Nonspendable					
Inventory	$50,278	$0	$0	$2,561	$52,839
Unclaimed Monies	1,733	0	0	0	1,733
Total Nonspendable	52,011	0	0	2,561	54,572
Restricted for					
Food Service Operations	0	0	0	86,175	86,175
Cosmetology	0	0	0	35,885	35,885
District Managed Activities	0	0	0	10,212	10,212
Nursing Program	0	0	0	111,432	111,432
Student Activity	0	0	0	45,936	45,936
Adult Continuing Instruction	0	0	0	155,754	155,754
Student Wellness	0	0	0	4,239	4,239
Capital Improvements	0	0	1,824,067	0	1,824,067
Total Restricted	0	0	1,824,067	449,633	2,273,700
Assigned to					
Purchases on Order - Support Services	104,748	0	0	0	104,748
Classroom support services	155,918	0	0	0	155,918
Total Assigned	260,666	0	0	0	260,666
Unassigned (Deficit)	7,442,434	(361,778)	0	(87,734)	6,992,922
Total Fund Balances (Deficit)	$7,755,111	($361,778)	$1,824,067	$364,460	$9,581,860

Note 6 - Budgetary Basis of Accounting

While the Career Center 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 balance - budget (non-GAAP Basis) and actual are presented for the general fund and major special revenue fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

The major differences between the budget basis and GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).

2. Investments are reported at fair value (GAAP basis) rather than cost (budget basis).

3. Advances In and Advances Out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).

4. Budgetary revenues and expenditures of the uniform school supply and rotary – customer service funds are classified to the general fund for GAAP reporting

5. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).

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

The following tables summarize the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund and other local grants special revenue fund:

Net Change in Fund Balance

	General	Other Local Grants
GAAP Basis	$489,824	($72,704)
Net Adjustment for Revenue Accruals	(8,796)	20,704
Beginning Fair Value Adjustment for Investments	(35,400)	0
Ending Fair Value Adjustment for Investments	60,635	0
Advances In	433,232	642,180
Perspective Difference:		
Uniform School Supply	18,517	0
Rotary - Customer Service	(8,292)	0
Net Adjustment for Expenditure Accruals	55,317	(78,471)
Advances Out	(831,860)	(377,439)
Adjustment for Encumbrances	(148,360)	(173,477)
Budget Basis	$24,817	($39,207)

Note 7 - Deposits and Investments

Monies held by the Career Center are classified by State statute into three categories.

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

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

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

Interim monies held by the Career Center 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 obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

3. Written repurchase agreements in the securities listed above provided 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 division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;

7. The State Treasurer's investment pool (STAR Ohio); 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 the Career Center, and must be purchased with the expectation that it will be held to maturity.

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

Deposits

Custodial Credit Risk Custodial credit risk for deposits is the risk that in the event of a bank failure, the Career Center will not be able to recover deposits or collateral securities that are in the possession of an outside party. At June 30, 2023, $2,923,248 of the Career Center's total bank balance (including investments) of $10,570,207 was exposed to custodial credit risk because those deposits were uninsured and collateralized. The Career Center's financial institution participates in the Ohio Pooled Collateral System (OPCS) and was approved for a reduced collateral floor of 50 percent resulting in the uninsured and uncollateralized balance.

The Career Center has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or be protected by:

> Eligible securities pledged to the Career Center and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or
>
> Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

Investments

As of June 30, 2023, the Career Center's only investment was $1,570,365 in negotiable certificates of deposit, which is measured at fair value at a level 2 input.

The Career Center 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 Career Center's 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 The Career Center has no investment policy that addresses interest rate risk. State statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Career Center, and that an investment must be purchased with the expectation that it will be held to maturity.

Credit Risk The Career Center's investments are unrated. The Career Center does not have an investment policy that addresses credit risk.

Note 8 - Property Taxes

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

Property taxes include amounts levied against all real and public utility property located in the Career Center's district. Real property tax revenues received in calendar year 2023 represent the collection of calendar year 2022 taxes. Real property taxes received in calendar year 2023 were levied after April 1, 2022, on the assessed values as of January 1, 2022, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenues received in calendar year 2023 represent the collection of calendar year 2022 taxes. Public utility real and tangible personal property taxes received in calendar year 2023 became a lien on December 31, 2021, were levied after April 1, 2022, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

The Career Center receives property taxes from Ashtabula County. The County Auditor periodically advances to the Career Center 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 are measurable as of June 30, 2023, and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations are reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows of resources – property taxes. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

The amount available as an advance at June 30, 2023 was $557,356 in the general fund and $74,391 in the permanent improvement capital projects fund. The amount available as an advance at June 30, 2022 was $557,356 in the general fund and $74,391 in the permanent improvement capital projects fund.

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

	2022 Second Half Collections		2023 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	$1,879,662,340	92.29 %	$1,890,788,360	91.32 %
Public Utility Personal	156,977,660	7.71	179,622,620	8.68
Total	$2,036,640,000	100.00 %	$2,070,410,980	100.00 %
Full Tax Rate per $1,000 of Assessed Valuation	$4.11		$4.11	

Note 9 – Tax Abatements

The Career Center property taxes were reduced as follows under various community reinvestment area and enterprise zone tax exemption agreements entered into by overlapping governments as follows:

Overlapping Government	Amount of Fiscal Year 2023 Taxes Abated
Community Reinvestment Areas:	
City of Ashtabula	$4,121
City of Conneaut	856
Enterprise Zone Tax Exemptions:	
City of Ashtabula	4,180
Total	$9,157

Note 10 - Interfund Transactions

The Career Center had the following interfund balances at June 30, 2023:

Interfund Payable	Interfund Receivable General
Other Local Grants	$642,180
Other Governmental Funds:	
Adult Education	175,604
Government Emergency Education Relief	1,423
Vocational Education - Carl D. Perkins	10,368
Miscellaneous State Grants	6,770
Total Other Governmental Funds	194,165
Total	$836,345

The interfund receivables and payables were due to the timing of the receipt of grant monies. The general fund provides temporary funding of the program until the grant dollars are received. All interfund receivables will be repaid within one year.

Note 11 - Receivables

Receivables at June 30, 2023, consisted of interest, accounts (charges for services and tuition and fees), intergovernmental revenues, and taxes. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current fiscal year guarantee of Federal funds. All receivables, except for delinquent property taxes, are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

A summary of the principal items of intergovernmental receivables follows:

	Amounts
Governmental Activities	
Other Local Grants	$229,880
Vocational Education - Carl D. Perkins	49,831
Youth Opportunities Grant	11,700
Adult Basic Education	3,612
Ohio Department of Education - Foundation	919
Miscellaneous State Grants	852
Total Intergovernmental Receivables	$296,794

Note 12 - Contingencies

Grants

The Career Center 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, in the opinion of management, the effect of any such disallowed claims on the overall financial position of the Career Center at June 30, 2023, if applicable, cannot be determined at this time.

School Foundation

Career Center 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. As of the date of this report, all ODE adjustments for fiscal year 2023 have been finalized.

Litigation

The Career Center is not party to legal proceedings as of June 30, 2023.

Note 13 – Capital Assets

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

Governmental Activities	Balance 06/30/22	Additions	Deductions	Balance 06/30/23
Capital Assets not being Depreciated:				
Land	$153,226	$0	$0	$153,226
Capital Assets being Depreciated:				
Land Improvements	333,875	0	0	333,875
Buildings and Improvements	7,532,216	46,726	0	7,578,942
Furniture, Equipment and Fixtures	5,021,199	290,304	(120,197)	5,191,306
Vehicles	524,101	0	0	524,101
Total Capital Assets being Depreciated	13,411,391	337,030	(120,197)	13,628,224
Less Accumulated Depreciation:				
Land Improvements	(193,428)	(4,727)	0	(198,155)
Buildings and Improvements	(5,626,495)	(150,246)	0	(5,776,741)
Furniture, Equipment and Fixtures	(3,701,029)	(203,261)	100,090	(3,804,200)
Vehicles	(411,451)	(28,881)	0	(440,332)
Total Accumulated Depreciation	(9,932,403)	(387,115) *	100,090	(10,219,428)
Total Capital Assets being Depreciated, Net	3,478,988	(50,085)	(20,107)	3,408,796
Governmental Activities Capital Assets, Net	$3,632,214	($50,085)	($20,107)	$3,562,022

*Depreciation expense was charged to governmental activities as follows:

Instruction:	
Regular	$381
Special	1,432
Vocational	249,874
Adult/Continuing	49,260
Support Services:	
Instructional Staff	13,592
Administration	23,157
Fiscal	476
Operation and Maintenance of Plant	44,296
Pupil Transportation	800
Food Service Operations	3,847
Total Depreciation Expense	$387,115

Note 14 - Risk Management

Property and Liability

The Career Center is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2023, the Career Center contracted with Ohio School Plan for various types of insurance. Coverage is as follows:

Coverage	Amount
Blanket Building and Contents ($1,000 Deductible)	$53,389,203
Fleet Insurance	5,000,000
General Liability - per Occurrence	5,000,000
Aggregate	7,000,000
Excess Liability	5,000,000

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

Employee Medical Benefits

The Career Center participates in the Ashtabula County Schools Council of Governments, a shared risk pool (Note 19) to provide employee medical/surgical, prescription drug, dental and vision benefits. Rates are set through an annual calculation process. The Career Center pays a monthly contribution which is placed in a common fund from which the claim payments are made for all participating districts. The Career Center's Board of Education pays $867 for single coverage and $2,181, monthly, for family coverage for all employees.

Workers' Compensation

For fiscal year 2023, the Career Center participated in the Ohio Association of School Business Officials Workers' Compensation Group Retrospective Rating Program (GRP), an insurance purchasing pool (Note 19). The intent of the GRP is to achieve the benefit of a reduced premium for the Career Center by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Sheakley provides administrative, cost control and actuarial services to the GRP.

Note 15 – Other Employee Benefits

Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Each employee is entitled to fifteen (15) days sick leave with pay each year under contract and accrues sick leave at the rate of one and one-fourth (1-1/4) days for each calendar month under contract. Sick leave may be accumulated to a maximum based upon negotiated agreements. Certified staff accumulate sick leave to a maximum of 360 days; severance pay is based upon an incremental scale up to a maximum of 88 days. Classified staff who are members of the teamsters union accumulate sick leave to a maximum of 235 days;

severance is paid up to a maximum of 100 days. Non-union school employees of the Career Center who served at least 10 years in any political subdivision at the time of their retirement shall receive pay for one-quarter of their unused sick leave to a maximum of 200 days or payment of 50 days. Employees, who have 10 years of service and have accumulated more than 200 days, shall be paid for one-tenth of their remaining unused and un-reimbursed sick leave to a maximum of 80 days or payment of 8 days pay.

Classified employees earn ten (10) to twenty (20) days of vacation per year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Non-union classified staff, teamsters and secretaries receive an additional day of vacation for each year beyond 19 years of service. Administrative personnel earn 20 to 25 days of vacation leave annually.

Insurance

Life insurance is offered to employees through the Minnesota Life Company. Certified and classified employees are covered as follows:

- $35,000 for Teamsters Union employees at $4.13 per month;
- $35,000 for Administration, Non-union employees and Teachers at $4.13 per month.

Health Insurance Benefits

The Career Center provides employee medical and surgical insurance, prescription drug and dental insurance through the Ashtabula County Schools Council of Governments. Vision insurance is provided through VSP.

Note 16 - Long-Term Obligations

Changes in long-term obligations of the Career Center during fiscal year 2023 were as follows:

	Balance 6/30/22	Additions	Deductions	Balance 6/30/23	Amounts Due in One Year
Governmental Activities					
Net Pension Liability:					
SERS	$1,722,165	$914,085	$0	$2,636,250	$0
STRS	5,985,184	4,083,689	0	10,068,873	0
Total Net Pension Liability	7,707,349	4,997,774	0	12,705,123	0
Net OPEB Liability:					
SERS	902,366	0	209,851	692,515	0
Compensated Absences	715,377	112,613	93,604	734,386	128,443
Total Long-Term Obligations	$9,325,092	$5,110,387	$303,455	$14,132,024	$128,443

There is no repayment schedule for the net pension liability and net OPEB liability; however, employer pension and OPEB contributions are made from the following funds: the general fund and the food service, adult education, other local grants, Licensed Practical Nurse program, ABLE grant and Carl Perkins grant special revenue funds. For additional information related to the net pension and net OPEB liabilities see Notes 21 and 22. Compensated absences will be paid from the general fund and the food service, adult education, other local grants, Licensed Practical Nurse program, ABLE grant and government emergency education relief special revenue funds.

Note 17 – 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:

General	$148,360
Other Local Grants	173,477
Permanent Improvement	275,878
Other Governmental Funds	146,569
Total	$744,284

Note 18 - Jointly Governed Organization

Northeast Ohio Management Information Network (NEOMIN) – The North East Ohio Management Information Network (NEOMIN) is a jointly governed organization among 30 school districts in Trumbull and Ashtabula Counties. The jointly governed organization 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. Each of the districts supports NEOMIN based upon a per pupil charge. The Career Center paid $36,303 to NEOMIN during fiscal year 2023.

The Governing Board consists of ten members: the Trumbull and Ashtabula County superintendents (permanent members), three superintendents from Ashtabula County participating school districts, three superintendents from Trumbull County participating school districts, and a principal and treasurer (non-voting members who must be employed by a participating school district, the fiscal agent or NEOMIN). The Board exercises total control over the operations of NEOMIN including budgeting, appropriating, contracting and designating management. The degree of control exercised by a participating school district is limited to its representation on the Governing Board. To obtain a copy of NEOMIN's financial statements, contact the Trumbull Career and Technical Center, 528 Educational Highway, Warren, Ohio 44483.

Note 19 – Public Entity Risk Pools

Insurance Purchasing Pool

The Career Center participates in a group rating program for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. The Ohio Association of School Business Officials Workers' Compensation Group Retrospective Rating Program (GRP) was established through the Ohio Association of School Business Officials (OASBO) as a group purchasing pool. The Executive Director of the OASBO, or his designee, serves as coordinator of the GRP. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

Shared Risk Pools

Ohio School Plan – The Career Center participates in the Ohio School Plan (OSP), a shared risk pool. The Ohio School Plan (OSP) is created and organized pursuant to and as authorized by Section 2744.081 of the Ohio Revised Code. The OSP is an unincorporated, non-profit association of its members and an instrumentality for each member for the purpose of enabling members of the Plan to provide for a formalized, joint insurance purchasing program to maintain adequate insurance protection, risk management programs and other administrative services. The OSP's business and affairs are conducted by a thirteen member Board of directors consisting of District superintendents and treasurers, as well as the president of Love Insurance Agency and a partner of the Hylant Group. Hylant Group is the Administrator of the OSP and is responsible for processing claims. Harcum-Shuett Insurance Agency is the sales and marketing representative, which establishes agreements between OSP and member schools.

The Career Center has contracted with the Ashtabula County Schools Council of Governments (the Council) to provide employee medical/surgical, prescription drug, dental and vision benefits. The Council is organized under Chapter 167 of the Ohio Revised Code and is comprised of seven Ashtabula County school districts. Rates are set by the Council's board of directors. The Career Center pays a monthly contribution, which is placed in a common fund from which claim payments are made for all participating school districts. Claims are paid for all participants regardless of claims flow. The Council is a separate and independent entity governed by its own set of by-laws and constitution. All assets and liabilities are the responsibility of the Council. The program is operated as a full indemnity program with no financial liability (other than monthly premiums) or risk to the Career Center. The Council shall pay the run out of all claims for a withdrawing Member. Any Member which withdraws from the Council pursuant to the Council Agreement shall have no claim to the Council's assets.

Note 20 - Set-Aside Calculation

The Career Center 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 the end of the fiscal year or offset by similarly restricted resources received during the year must be held in cash at year-end. These amounts must be carried forward to be used for the same purposes in future years.

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

	Capital Improvements
Set-aside Cash Balance as of June 30, 2022	$0
Current Year Set-aside Requirement	147,464
Current Year Offsets	(581,067)
Qualifying Expenditures	(569,835)
Totals	($1,003,438)
Set-aside Balance Carried Forward to Future Fiscal Years	$0
Set-aside Balance as of June 30, 2023	$0

The Career Center had qualifying disbursements and offsets during the fiscal year that reduced the capital improvements set-aside amounts below zero. The negative set-aside balance for the capital improvements may not be used to reduce the set-aside requirements of future years. This negative balance is therefore not presented as being carried forward to future years.

Note 21 – Defined Benefit Pension Plans

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

Net Pension Liability/Net OPEB Liability (Asset)

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

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

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 22 for the required OPEB disclosures.

School Employees Retirement System (SERS)

Plan Description – Career Center non-teaching employees participate in SERS, a cost-sharing multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability and survivor benefits, 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 the Career Center 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.

The Career Center's contractually required contribution to SERS was $272,468 for fiscal year 2023. Of this amount $16,361 is reported as an intergovernmental payable.

State Teachers Retirement System (STRS)

Plan Description – Career Center 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.

The Career Center's contractually required contribution to STRS was $839,188 for fiscal year 2023. Of this amount $134,687 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 Career Center's proportion of the net pension liability was based on the Career Center's share of contributions to the pension plan relative to the 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:			
Current Measurement Date	0.04874020%	0.04529382%	
Prior Measurement Date	0.04667480%	0.04681081%	
Change in Proportionate Share	0.00206540%	-0.00151699%	
Proportionate Share of the Net Pension Liability	$2,636,250	$10,068,873	$12,705,123
Pension Expense	$149,956	$1,046,579	$1,196,535

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

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	$106,771	$128,895	$235,666
Changes of assumptions	26,012	1,204,942	1,230,954
Net difference between projected and actual earnings on pension plan investments	0	350,375	350,375
Changes in proportionate share and difference between Career Center contributions and proportionate share of contributions	76,788	0	76,788
Career Center contributions subsequent to the measurement date	272,468	839,188	1,111,656
Total Deferred Outflows of Resources	$482,039	$2,523,400	$3,005,439
Deferred Inflows of Resources			
Differences between expected and actual experience	$17,306	$38,517	$55,823
Changes of assumptions	0	906,975	906,975
Net difference between projected and actual earnings on pension plan investments	91,993	0	91,993
Changes in proportionate share and Difference between Career Center contributions and proportionate share of contributions	26,893	293,393	320,286
Total Deferred Inflows of Resources	$136,192	$1,238,885	$1,375,077

$1,111,656 reported as deferred outflows of resources related to pension resulting from Career Center contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2024	$22,986	($77,443)	($54,457)
2025	28,929	(131,471)	(102,542)
2026	(131,415)	(366,906)	(498,321)
2027	152,879	1,021,147	1,174,026
Total	$73,379	$445,327	$518,706

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 the Career Center's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.00 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%)
Career Center's proportionate share of the net pension liability	$3,880,433	$2,636,250	$1,588,041

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 the Career Center's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the Career Center's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.00 percent, as well as what the Career Center's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.00 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%)
Career Center's proportionate share of the net pension liability	$15,210,402	$10,068,873	$5,720,732

Note 22 - Defined Benefit OPEB Plans

See Note 21 for a description of the net OPEB liability (asset).

School Employees Retirement System (SERS)

Health Care Plan Description - The Career Center contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. 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 Career Center's surcharge obligation was $22,553.

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 Career Center's contractually required contribution to SERS was $22,553 for fiscal year 2023. Of this amount $22,553 is reported as an intergovernmental payable.

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 Liability (Asset), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability (asset) was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of that date. The Career Center's proportion of the net OPEB liability (asset) was based on the Career Center's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	SERS	STRS	Total
Proportion of the Net OPEB Liability/Asset:			
Current Measurement Date	0.04932400%	0.04529382%	
Prior Measurement Date	0.04767900%	0.04681081%	
Change in Proportionate Share	0.00164500%	-0.00151699%	
Proportionate Share of the:			
Net OPEB Liability	$692,515	$0	$692,515
Net OPEB (Asset)	$0	($1,172,807)	($1,172,807)
OPEB Expense	($30,203)	($222,399)	($252,602)

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

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	$5,821	$17,002	$22,823
Changes of assumptions	110,154	49,957	160,111
Net difference between projected and actual earnings on OPEB plan investments	3,599	20,416	24,015
Changes in proportionate Share and difference between Career Center contributions and proportionate share of contributions	74,829	1,235	76,064
Career Center contributions subsequent to the measurement date	22,553	0	22,553
Total Deferred Outflows of Resources	$216,956	$88,610	$305,566
Deferred Inflows of Resources			
Differences between expected and actual experience	$442,983	$176,133	$619,116
Changes of assumptions	284,282	831,633	1,115,915
Changes in Proportionate Share and Difference between Career Center contributions and proportionate share of contributions	14,616	13,869	28,485
Total Deferred Inflows of Resources	$741,881	$1,021,635	$1,763,516

$22,553 reported as deferred outflows of resources related to OPEB resulting from Career Center contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability or an increase in the net OPEB asset in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2024	($122,176)	($280,047)	($402,223)
2025	(121,281)	(268,256)	(389,537)
2026	(108,345)	(125,661)	(234,006)
2027	(72,918)	(52,219)	(125,137)
2028	(49,927)	(68,365)	(118,292)
Thereafter	(72,831)	(138,477)	(211,308)
Total	($547,478)	($933,025)	($1,480,503)

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 21.

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 Single Equivalent Interest Rate (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 the Career Center's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (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%)
Career Center's proportionate share of the net OPEB liability	$860,113	$692,515	$557,216

	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%)
Career Center's proportionate share of the net OPEB liability	$534,053	$692,515	$899,490

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 21.

Discount Rate The discount rate used to measure the total OPEB liability (asset) 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 (asset) as of June 30, 2022.

Sensitivity of the Career Center's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate The following table represents the net OPEB asset as of June 30, 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%)
Career Center's proportionate share of the net OPEB (asset)	($1,084,230)	($1,172,807)	($1,248,682)

	1% Decrease	Current Trend Rate	1% Increase
Career Center's proportionate share of the net OPEB (asset)	($1,216,487)	($1,172,807)	($1,117,673)

Note 23 - COVID-19

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

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Required Supplementary Information

Ashtabula County Technical and Career Center

Required Supplementary Information
Schedule of the Career Center's Proportionate Share of the Net Pension Liability
School Employees Retirement System of Ohio
*Last Ten Fiscal Years **

	2023	2022	2021
Career Center's Proportion of the Net Pension Liability	0.04874020%	0.04667480%	0.04870000%
Career Center's Proportionate Share of the Net Pension Liability	$2,636,250	$1,722,165	$3,221,120
Career Center's Covered Payroll	$1,747,700	$1,736,243	$1,543,236
Career Center's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	150.84%	99.19%	208.73%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.82%	82.86%	68.55%

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

See accompanying notes to the required supplementary information

2020	2019	2018	2017	2016	2015	2014
0.04608030%	0.04384140%	0.04289040%	0.04280430%	0.04484530%	0.04587600%	0.04587600%
$2,757,064	$2,510,879	$2,562,607	$3,132,880	$2,558,917	$2,321,758	$2,728,098
$1,692,467	$1,460,015	$1,381,450	$1,359,414	$1,322,179	$1,344,550	$1,325,305
162.90%	171.98%	185.50%	230.46%	193.54%	172.68%	205.85%
70.85%	71.36%	69.50%	62.98%	69.16%	71.70%	65.52%

Ashtabula County Technical and Career Center

Required Supplementary Information

Schedule of the Career Center's Proportionate Share of the Net OPEB Liability

School Employees Retirement System of Ohio

*Last Seven Fiscal Years (1) **

	2023	2022	2021
Career Center's Proportion of the Net OPEB Liability	0.04932400%	0.04767900%	0.04819280%
Career Center's Proportionate Share of the Net OPEB Liability	$692,515	$902,366	$1,047,388
Career Center's Covered Payroll	$1,747,700	$1,736,243	$1,543,236
Career Center's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	39.62%	51.97%	67.87%
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 fiscal year 2017 is not available.
An additional column will be added each fiscal year.

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

See accompanying notes to the required supplementary information

2020	2019	2018	2017
0.04569620%	0.04402680%	0.04341720%	0.04329930%
$1,149,163	$1,221,423	$1,165,204	$1,234,190
$1,692,467	$1,460,015	$1,381,450	$1,359,414
67.90%	83.66%	84.35%	90.79%
15.57%	13.57%	12.46%	11.49%

Ashtabula County Technical and Career Center

Required Supplementary Information

Schedule of the Career Center's Proportionate Share of the Net Pension Liability

State Teachers Retirement System of Ohio

*Last Ten Fiscal Years **

	2023	2022	2021
Career Center's Proportion of the Net Pension Liability	0.04529382%	0.04681081%	0.04675936%
Career Center's Proportionate Share of the Net Pension Liability	$10,068,873	$5,985,184	$11,314,100
Career Center's Covered Payroll	$5,905,686	$5,810,493	$5,730,193
Career Center's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	170.49%	103.01%	197.45%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.90%	87.80%	75.50%

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

See accompanying notes to the required supplementary information

2020	2019	2018	2017	2016	2015	2014
0.04685028%	0.04684272%	0.04735482%	0.04836231%	0.04748618%	0.05057587%	0.05057587%
$10,360,658	$10,299,663	$11,249,240	$16,188,323	$13,123,791	$12,301,802	$14,653,826
$5,495,029	$5,350,979	$5,246,414	$5,116,057	$4,944,314	$5,102,886	$5,521,654
188.55%	192.48%	214.42%	316.42%	265.43%	241.08%	265.39%
77.40%	77.30%	75.30%	66.80%	72.10%	74.70%	69.30%

Ashtabula County Technical and Career Center
Required Supplementary Information
Schedule of the Career Center's Proportionate Share of the Net OPEB Liability (Asset)
State Teachers Retirement System of Ohio
*Last Seven Fiscal Years (1) **

	2023	2022	2021
Career Center's Proportion of the Net OPEB Asset/Liability	0.04529382%	0.04681081%	0.04675936%
Career Center's Proportionate Share of the Net OPEB Liability (Asset)	($1,172,807)	($986,966)	($821,795)
Career Center's Covered Payroll	$5,905,686	$5,810,493	$5,730,193
Career Center's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	-19.86%	-16.99%	-14.34%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	230.70%	174.70%	182.10%

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

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

See accompanying notes to the required supplementary information

2020	2019	2018	2017
0.04685028%	0.04684272%	0.04735482%	0.04836231%
($775,954)	($752,716)	$1,847,610	$2,586,429
$5,495,029	$5,350,979	$5,246,414	$5,116,057
-14.12%	-14.07%	35.22%	50.56%
174.70%	176.00%	47.10%	37.30%

Ashtabula County Technical and Career Center

Required Supplementary Information
Schedule of the Career Center's Contributions
School Employees Retirement System of Ohio
Last Ten Fiscal Years

	2023	2022	2021
Net Pension Liability:			
Contractually Required Contribution	$272,468	$244,678	$243,074
Contributions in Relation to the Contractually Required Contribution	(272,468)	(244,678)	(243,074)
Contribution Deficiency (Excess)	$0	$0	$0
Career Center Covered Payroll (1)	$1,946,200	$1,747,700	$1,736,243
Pension Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%
Net OPEB Liability:			
Contractually Required Contribution (2)	$22,553	$29,586	$28,557
Contributions in Relation to the Contractually Required Contribution	(22,553)	(29,586)	(28,557)
Contribution Deficiency (Excess)	$0	$0	$0
OPEB Contributions as a Percentage of Covered Payroll	1.16%	1.69%	1.64%
Total Contributions as a Percentage of Covered Payroll (2)	15.16%	15.69%	15.64%

(1) The Career Center's covered payroll is the same for Pension and OPEB.
(2) Includes Surcharge

See accompanying notes to the required supplementary information

2020	2019	2018	2017	2016	2015	2014
$216,053	$228,483	$197,102	$193,403	$190,318	$174,263	$186,355
(216,053)	(228,483)	(197,102)	(193,403)	(190,318)	(174,263)	(186,355)
$0	$0	$0	$0	$0	$0	$0
$1,543,236	$1,692,467	$1,460,015	$1,381,450	$1,359,414	$1,322,179	$1,344,550
14.00%	13.50%	13.50%	14.00%	14.00%	13.18%	13.86%
$19,878	$29,196	$29,288	$23,170	$21,574	$29,776	$22,703
(19,878)	(29,196)	(29,288)	(23,170)	(21,574)	(29,776)	(22,703)
$0	$0	$0	$0	$0	$0	$0
1.29%	1.73%	2.01%	1.68%	1.59%	2.25%	1.69%
15.29%	15.23%	15.51%	15.68%	15.59%	15.43%	15.55%

Ashtabula County Technical and Career Center

Required Supplementary Information
Schedule of the Career Center's Contributions
State Teachers Retirement System of Ohio
Last Ten Fiscal Years

	2023	2022	2021
Net Pension Liability:			
Contractually Required Contribution	$839,188	$826,796	$813,469
Contributions in Relation to the Contractually Required Contribution	(839,188)	(826,796)	(813,469)
Contribution Deficiency (Excess)	$0	$0	$0
Career Center Covered Payroll (1)	$5,994,200	$5,905,686	$5,810,493
Pension Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%
Net OPEB Liability (Asset):			
Contractually Required Contribution	$0	$0	$0
Contributions in Relation to the Contractually Required Contribution	0	0	0
Contribution Deficiency (Excess)	$0	$0	$0
OPEB Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%
Total Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%

(1) The Career Center's covered payroll is the same for Pension and OPEB.

See accompanying notes to the required supplementary information

2020	2019	2018	2017	2016	2015	2014
$802,227	$769,304	$749,137	$734,498	$716,248	$692,204	$663,375
(802,227)	(769,304)	(749,137)	(734,498)	(716,248)	(692,204)	(663,375)
$0	$0	$0	$0	$0	$0	$0
$5,730,193	$5,495,029	$5,350,979	$5,246,414	$5,116,057	$4,944,314	$5,102,886
14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	13.00%
$0	$0	$0	$0	$0	$0	$51,029
0	0	0	0	0	0	(51,029)
$0	$0	$0	$0	$0	$0	$0
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.00%
14.00%	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 as follows:

	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

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/(Asset)

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

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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ASHTABULA COUNTY TECHNICAL AND CAREER CENTER
ASHTABULA 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**	**Pass Through Entity Identifying Number**	**Total Federal Expenditures**
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through Ohio Department of Education:			
Child Nutrition Cluster:			
COVID-19 School Breakfast Subsidy FY22 Carryover	10.553	2022	$10,461
National School Breakfast Program	10.553	2023	16,808
COVID-19 National School Lunch Program	10.555	2023	3,601
COVID-19 School Lunch Subsidy FY22 Carryover	10.555	2022	70,443
National School Lunch Program	10.555	2023	113,185
Non-Cash Food Commodities	10.555	2023	11,722
Sub-Total - Child Nutrition Cluster			**226,220**
COVID-19 - State Pandemic Electronic Benefit Transfer (P-EBT)	10.649	2023	628
Total U.S. Department of Agriculture			**226,848**
U.S. DEPARTMENT OF EDUCATION			
Direct Programs:			
Student Financial Assistance Cluster:			
Pell Grants	84.063	2023	267,624
Direct Student Loans	84.268	2023	441,036
Sub-Total - Student Financial Assistance Cluster			**708,660**
Passed Through the Ohio Department of Education:			
COVID-19 - Governor's Emergency Education Relief (GEER)	84.425C	2022	77,992
COVID-19 - GEER	84.425C	2023	113,086
COVID-19 - ARP ESSER - Homeless Children and Youth	84.425W	2023	191
Sub-Total - GEER and ESSER			**191,269**
Direct Programs:			
Rural Education Grant	84.358	2022	1,342
Rural Education Grant	84.358	2023	70,637
Sub-Total - Rural Education			**71,979**
Passed Through the Ohio Board of Regents:			
Aspire Instructional - Adult Education - Basic Grants to States	84.002A	2022	17,059
Aspire Instructional - Adult Education - Basic Grants to States	84.002A	2023	171,818
Sub-Total - Aspire Instructional			**188,877**
Passed Through the Ohio Department of Education:			
Career and Technical Education - Basic Grants to States - Carl D. Perkins - CTX	84.048A	2020	14,395
Career and Technical Education - Basic Grants to States - Carl D. Perkins - CTX	84.048A	2023	24,950
Career and Technical Education - Basic Grants to States - Carl D. Perkins - Secondary	84.048A	2022	60,293
Career and Technical Education - Basic Grants to States - Carl D. Perkins - Secondary	84.048A	2023	270,113
Career and Technical Education - Basic Grants to States - Carl D. Perkins - Adult	84.048A	2022	28,578
Career and Technical Education - Basic Grants to States - Carl D. Perkins - Adult	84.048A	2023	167,780
Sub-Total - Carl D. Perkins			**566,109**
Total U.S Department of Education			**1,726,894**
U.S. DEPARTMENT OF TREASURY			
Passed Through the Ohio Department of Budget and Management:			
COVID-19 State Fiscal Recovery Funds (SFRF)	21.027	2023	**15,822**
Total U.S Department of Treasury			**15,822**
Totals			**$1,969,564**

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

ASHTABULA COUNTY TECHNICAL AND CAREER CENTER
ASHTABULA COUNTY

NOTE TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FISCAL 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 Ashtabula County Technical and Career Center (the Career Center) 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 the Career Center, it is not intended to and does not present the financial position or changes in net position of the Career Center.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

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

NOTE D - CHILD NUTRITION CLUSTER

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

NOTE E – FOOD DONATION PROGRAM

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

NOTE F – FEDERAL DIRECT STUDENT LOANS PROGRAM

The amount included on the Schedule represents new loans advanced during the fiscal year ended June 30, 2023. The District is not a direct lender of Federal Direct Student Loans. The amount represents the value of new Federal Direct Student Loans awarded and disbursed to the District's students during the year as follows:

Federal Subsidized Stafford Loans	$142,295
Federal Unsubsidized Stafford Loans	224,043
Total Direct Student Loans	**$366,338**

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

Ashtabula County Technical and Career Center
Ashtabula County
1565 State Route 167
Jefferson, Ohio 44047

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Ashtabula County Technical and Career Center, Ashtabula County, (the Career Center) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Career Center's basic financial statements and have issued our report thereon dated December 22, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Keith Faber
Auditor of State
Columbus, Ohio

December 22, 2023

OHIO AUDITOR OF STATE
KEITH FABER

88 East Broad Street
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(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

Ashtabula County Technical and Career Center
Ashtabula County
1565 State Route 167
Jefferson, Ohio 44047

To the Board of Education:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Ashtabula County Technical and Career Center's (the Career Center) 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 Ashtabula County Technical and Career Center's major federal program for the year ended June 30, 2023. Ashtabula County Technical and Career Center's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, Ashtabula County Technical and Career Center 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 the Career Center and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Career Center's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

The Career Center'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 the Career Center's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Career Center's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 the Career Center'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 the Career Center's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Career Center's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Career Center's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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

December 22, 2023

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ASHTABULA COUNTY TECHNICAL AND CAREER CENTER
ASHTABULA COUNTY

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: AL# 84.063 Federal Pell Grant Program (PELL) AL# 84.268 Federal Direct Student Loans (DIRECT LOAN)
(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

OHIO AUDITOR OF STATE
KEITH FABER

ASHTABULA COUNTY TECHNICAL AND CAREER CENTER

ASHTABULA 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 1/11/2024

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