



OHIO AUDITOR OF STATE  
**KEITH FABER**





**SCIOTO COUNTY CAREER TECHNICAL CENTER  
SCIOTO COUNTY  
JUNE 30, 2023**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Independent Auditor's Report .....	1
Prepared by Management:	
Management's Discussion and Analysis .....	5
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position .....	13
Statement of Activities.....	14
Fund Financial Statements:	
Balance Sheet	
Governmental Funds.....	15
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities .....	16
Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds.....	17
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	18
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budgetary Basis) General Fund.....	19
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budgetary Basis) Adult Education Fund .....	20
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budgetary Basis) Classroom Facilities Maintenance Fund .....	21
Notes to the Basic Financial Statements.....	23
Required Supplementary Information:	
Schedule of the School District's Proportionate Share of the Net Pension Liability - School Employees Retirement System of Ohio - Last Ten Years .....	59
Schedule of the School District's Proportionate Share of the Net Pension Liability - State Teachers Retirement System of Ohio - Last Ten Years.....	60
Schedule of the School District Pension Contributions - School Employees Retirement System of Ohio - Last Ten Years .....	61

SCIOTO COUNTY CAREER TECHNICAL CENTER  
SCIOTO COUNTY  
JUNE 30, 2023

TABLE OF CONTENTS  
(Continued)

<b>TITLE</b>	<b>PAGE</b>
Schedule of the School District Pension Contributions - State Teachers Retirement System of Ohio - Last Ten Years.....	62
Schedule of the School District's Proportionate Share of the Net OPEB Liability - School Employees Retirement System of Ohio - Last Seven Years.....	63
Schedule of the School District's Proportionate Share of the Net OPEB Liability (Assets) - State Teachers Retirement System of Ohio - Last Seven Years.....	64
Schedule of the School District OPEB Contributions - School Employees Retirement System of Ohio - Last Eight Years.....	65
Schedule of the School District OPEB Contributions - State Teachers Retirement System of Ohio - Last Eight Years.....	66
Notes to the Required Supplementary Information.....	67
Schedule of Expenditures of Federal Awards.....	73
Notes to the Schedule of Expenditures of Federal Awards.....	74
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	75
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.....	77
Schedule of Findings.....	81

# OHIO AUDITOR OF STATE KEITH FABER



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

## INDEPENDENT AUDITOR'S REPORT

Scioto County Career Technical Center  
Scioto County  
951 Vern Riffe Drive  
Lucasville, Ohio 45648

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 Scioto County Career Technical Center, Scioto County, Ohio (School District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School District'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 Scioto County Career Technical Center, Scioto County, Ohio as of June 30, 2023, and the respective changes in financial position thereof and the budgetary comparisons for the General Fund, Adult Education Fund, and the Classroom Facilities Maintenance 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 School District, 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 School District'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 School District'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 School District'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 School District's basic financial statements. The Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 14, 2024, on our consideration of the School District'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 School District'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 School District's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State  
Columbus, Ohio  
February 14, 2024

**This page intentionally left blank.**

**Scioto County Career Technical Center**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2023*  
*Unaudited*

---

The discussion and analysis of Scioto County Career Technical Center's (School District) financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

### **FINANCIAL HIGHLIGHTS**

Key financial highlights for the fiscal year 2023 are as follows:

- Net position of governmental activities increased \$929,737.
- General revenues accounted for \$10,271,417 or 62% of all revenues. Program specific revenues in the form of charges for services and sales, operating grants, and contributions, accounted for \$6,369,388 or 38% of total revenues of \$16,640,805.
- The School District had \$15,711,068 in expenses related to governmental activities; only \$6,369,388 of these expenses were offset by program specific charges for services and sales, operating grants, and contributions. General revenues of \$10,271,417 offset the remaining \$9,341,680 cost for these programs.
- The School District has four major funds: the General Fund, the Permanent Improvement Fund, the Adult Education Fund, and the Classroom Facilities Maintenance Fund. All governmental funds had total revenues and other financing sources of \$16,990,798 and expenditures and other financing uses of \$15,706,145.

### **USING THIS ANNUAL FINANCIAL REPORT**

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

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

**Scioto County Career Technical Center**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2023*  
*Unaudited*

---

***Reporting the School District as a Whole***

*Statement of Net Position and Statement of Activities*

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

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

- In the Statement of Net Position and the Statement of Activities, most of the School District’s programs and services are reported as governmental activities including instruction, support services, operation of non-instructional services, and extracurricular activities.

***Reporting the School District’s Most Significant Funds***

**Fund Financial Statements**

The analysis of the School District’s major funds begins on page 10. Fund financial statements provide detailed information about the School District’s major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District’s most significant funds. The School District’s major governmental funds are the General Fund, the Permanent Improvement Fund, the Adult Education Fund, and the Classroom Facilities Maintenance Fund.

**Governmental Funds**

Most of the School District’s activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at fiscal year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District’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 relationships (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds are reconciled in the financial statements.

**Scioto County Career Technical Center**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2023*  
*Unaudited*

**THE SCHOOL DISTRICT AS A WHOLE**

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

Table 1  
Statement of Net Position

	Governmental Activities	
	2023	2022
<b>Assets</b>		
Current and Other Assets	\$ 15,339,986	\$ 14,111,790
Net OPEB Asset	1,051,825	873,591
Capital Assets, Net	19,317,841	19,654,253
<b>Total Assets</b>	<b>35,709,652</b>	<b>34,639,634</b>
<b>Deferred Outflows of Resources</b>		
Pensions	2,874,101	3,074,903
OPEB	364,408	481,887
<b>Total Deferred Outflows of Resources</b>	<b>3,238,509</b>	<b>3,556,790</b>
<b>Liabilities</b>		
Current and Other Liabilities	837,187	761,442
Long-Term Liabilities:		
Due Within One Year	429,943	349,105
Due in More than One Year:		
Net Pension Liabilities	11,744,801	7,273,993
Net OPEB Liabilities	697,093	995,419
Other Amounts	274,137	349,705
<b>Total Liabilities</b>	<b>13,983,161</b>	<b>9,729,664</b>
<b>Deferred Inflows of Resources</b>		
Pensions	1,324,236	5,915,926
OPEB	1,774,552	1,682,251
Property Taxes not Levied to Finance Current Year Operations	3,384,139	3,316,247
<b>Total Deferred Inflows of Resources</b>	<b>6,482,927</b>	<b>10,914,424</b>
<b>Net Position</b>		
Net Investment in Capital Assets	19,317,841	19,654,253
Restricted	6,750,625	6,244,328
Unrestricted	(7,586,393)	(8,346,245)
<b>Total Net Position</b>	<b>\$ 18,482,073</b>	<b>\$ 17,552,336</b>

The net pension liability (NPL) is the largest single liability reported by the School District at June 30, 2023 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." The net other post-employment benefits (OPEB) liability (asset) is another significant liability (asset) reported pursuant to GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the School District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability (asset) to the reported net position and subtracting deferred outflows related to pension and OPEB. Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles.

**Scioto County Career Technical Center**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2023*  
*Unaudited*

---

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

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

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

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the School District is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position. If there is a net OPEB asset, it will be reported in the asset section of the statement of net position. In accordance with GASB 68 and GASB 75, the School District's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability (asset), respectively, not accounted for as deferred inflows/outflows.

Total net position of the School District as a whole increased \$929,737. The increase to current and other assets was due primarily to increases in equity in pooled cash and investments and property taxes receivable. These increases were partially offset by decreases in accounts receivable and intergovernmental receivables primarily due to timing of collections of revenue. Capital assets, net decreased due to capital asset deletions and depreciation exceeding additions in 2023. Deferred outflows of resources decreased due to pension and OPEB activity. The net pension liability increased and the net OPEB liability decreased due to actuarial calculations by the retirement systems' actuaries. Deferred inflows of resources decreased primarily due to pensions.

**Scioto County Career Technical Center**  
*Management's Discussion and Analysis*  
For the Fiscal Year Ended June 30, 2023  
Unaudited

Table 2 shows the changes in net position for the fiscal years ended 2023 and 2022.

Table 2  
Change in Net Position

	Governmental Activities <u>2023</u>	Governmental Activities <u>2022</u>
<b>Revenues</b>		
Program Revenues		
Charges for Services and Sales	\$ 2,342,055	\$ 2,710,421
Operating Grants and Contributions	4,027,333	5,158,281
Total Program Revenues	<u>6,369,388</u>	<u>7,868,702</u>
General Revenues		
Property Taxes	3,708,144	3,299,025
Grants and Entitlements not Restricted to Specific Programs	6,372,908	5,449,940
Investment Earnings	89,890	(59,780)
Miscellaneous	100,475	47,222
Total General Revenues	<u>10,271,417</u>	<u>8,736,407</u>
Total Revenues	<u>16,640,805</u>	<u>16,605,109</u>
<b>Program Expenses</b>		
Instruction:		
Regular	1,215	-
Vocational	6,497,685	5,231,305
Adult/Continuing	1,872,196	1,642,701
Other	252,772	240,540
Support Services:		
Pupils	756,343	669,771
Instructional Staff	449,634	577,229
Board of Education	14,668	13,416
Administration	1,401,322	1,186,230
Fiscal	417,987	409,759
Operation and Maintenance of Plant	1,658,182	1,694,511
Pupil Transportation	11,943	12,897
Central	95,433	172,110
Operation of Non-Instructional Services	2,034,209	2,828,282
Extracurricular Activities	247,479	153,941
Total Expenses	<u>15,711,068</u>	<u>14,832,692</u>
Change in Net Position	929,737	1,772,417
Net Position, Beginning of Year	<u>17,552,336</u>	<u>15,779,919</u>
Net Position, End of Year	<u>\$ 18,482,073</u>	<u>\$ 17,552,336</u>

The decrease in Charges for Services revenue is due mainly to a decrease in tuition and fees from 2022 to 2023. Operating grants and contributions decreased due to a decrease in the number of grants. Expenses increased due partially to pension and OPEB activities.

**Scioto County Career Technical Center**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2023*  
*Unaudited*

**Governmental Activities**

Charges for services and sales comprised 14 percent of revenue for governmental activities, while operating grants and contributions comprised 24 percent of revenue for governmental activities of the School District for fiscal year 2023. Grants and entitlements not restricted for specific programs comprised 38 percent of revenue for governmental activities, while property taxes comprised 22 percent of revenue for governmental activities.

As indicated by governmental program expenses, instruction is emphasized. Vocational instruction comprised 41 percent of governmental program expenses. Adult/Continuing instruction and administration support services also comprise significant portions of total expenses, representing 12 percent and 9 percent, respectively.

The Statement of Activities shows the cost of program services and the charges for services and sales, operating grants, and contributions offsetting those services. Table 3 shows the total cost of services and the net cost of services. That is, it identifies the cost of those services supported by tax revenue and unrestricted state entitlements.

Table 3  
Governmental Activities

	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	2023	2023	2022	2022
Program Expenses				
Instruction:				
Regular	\$ 1,215	\$ 339	\$ -	\$ -
Vocational	6,497,685	5,179,196	5,231,305	4,000,853
Adult/Continuing	1,872,196	(794,731)	1,642,701	(510,047)
Other	252,772	184,177	240,540	159,931
Support Services:				
Pupils	756,343	503,480	669,771	269,858
Instructional Staff	449,634	389,027	577,229	449,184
Board of Education	14,668	13,779	13,416	12,391
Administration	1,401,322	977,070	1,186,230	586,905
Fiscal	417,987	394,100	409,759	379,768
Operation and Maintenance of Plant	1,658,182	1,390,929	1,694,511	1,215,631
Pupil Transportation	11,943	11,706	12,897	12,543
Central	95,433	75,423	172,110	121,776
Operation of Non-Instructional Services	2,034,209	852,819	2,828,282	241,000
Extracurricular Activities	247,479	164,366	153,941	24,197
Total	<u>\$ 15,711,068</u>	<u>\$ 9,341,680</u>	<u>\$ 14,832,692</u>	<u>\$ 6,963,990</u>

**THE SCHOOL DISTRICT FUNDS**

The School District's governmental funds are accounted for using the modified accrual basis of accounting. The General Fund had \$10,838,774 in revenues and \$10,180,155 in expenditures resulting in an increase in fund balance of \$658,619 which is primarily due to revenues exceeding expenditures.

The Permanent Improvement Fund had \$808,020 in revenues and \$254,143 in expenditures and other financing uses resulting in an increase in fund balance of \$553,877. The increase is due to the excess of revenues over expenditures and transfers out. The Adult Education Fund had \$2,943,157 in revenues and \$2,816,484 in expenditures resulting in an increase in fund balance of \$126,673.

**Scioto County Career Technical Center**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2023*  
*Unaudited*

The Classroom Facilities Maintenance Fund had \$149,899 in other financing sources and expenditures of \$95,962 resulting in an increase in fund balance of \$53,937. The increase is due to a transfer in.

***General Fund Budgeting Highlights***

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

During 2023, there were several revisions to the General Fund budget. In part, these revisions increased estimated resources by \$1,785,222 primarily for intergovernmental revenues. The revisions increased appropriations by \$983,924 which was driven mainly due to increases in vocational instruction. The Treasurer has been given the authority by the Board of Education to make line-item adjustments within the budget. The General Fund's ending unobligated cash balance was \$3,670,050.

**CAPITAL ASSETS**

***Capital Assets***

At the end of fiscal year 2023, the School District had \$19,317,841 invested in land, land improvements, buildings and improvements, furniture, fixtures, and equipment, and vehicles. For additional information on capital assets, see Note 8 to the basic financial statements. Table 4 shows fiscal year 2023 balances compared to 2022.

Table 4  
 Capital Assets  
 (Net of Depreciation)

	Governmental Activities	
	2023	2022
Land	\$ 33,852	\$ 33,852
Land Improvements	723,476	730,961
Buildings and Improvements	16,791,311	17,228,020
Furniture, Fixtures and Equipment	1,661,669	1,544,482
Vehicles	107,533	116,938
Totals	\$ 19,317,841	\$ 19,654,253

Changes in capital assets from the prior year primarily resulted from current year depreciation, which was partially offset by additions.

**CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Brett Butler, Treasurer at Scioto County Career Technical Center, 951 Vern Riffe Drive, Lucasville, Ohio 45648.

**Scioto County Career Technical Center**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2023*  
*Unaudited*

---

This page intentionally left blank.

**Scioto County Career Technical Center**  
*Statement of Net Position*  
*June 30, 2023*

	Governmental Activities
<b>Assets</b>	
Equity in Pooled Cash and Investments	\$ 10,520,996
Accounts Receivable	273,501
Accrued Interest Receivable	26,071
Intergovernmental Receivable	61,500
Prepaid Items	6,594
Property Taxes Receivable	4,451,324
Net OPEB Asset	1,051,825
Nondepreciable Capital Assets	33,852
Depreciable Capital Assets, Net	19,283,989
<i>Total Assets</i>	35,709,652
<b>Deferred Outflows of Resources</b>	
Pensions:	
State Teachers Retirement System	2,413,173
School Employees Retirement System	460,928
OPEB:	
State Teachers Retirement System	118,221
School Employees Retirement System	246,187
<i>Total Deferred Outflows of Resources</i>	3,238,509
<b>Liabilities</b>	
Accounts Payable	98,953
Accrued Wages and Benefits Payable	617,013
Matured Compensated Absences Payable	26,178
Intergovernmental Payable	95,043
Non-Current Liabilities:	
Due Within One Year	429,943
Due in More Than One Year	
Net Pension Liability	11,744,801
Net OPEB Liability	697,093
Other Amounts Due in More Than One Year	274,137
<i>Total Liabilities</i>	13,983,161
<b>Deferred Inflows of Resources</b>	
Pensions:	
State Teachers Retirement System	1,076,455
School Employees Retirement System	247,781
OPEB:	
State Teachers Retirement System	923,368
School Employees Retirement System	851,184
Property Taxes not Levied to Finance Current Year Operations	3,384,139
<i>Total Deferred Inflows of Resources</i>	6,482,927
<b>Net Position</b>	
Net Investment in Capital Assets	19,317,841
Restricted for:	
Capital Projects	3,169,258
Other Purposes	3,581,367
Unrestricted	(7,586,393)
<i>Total Net Position</i>	\$ 18,482,073

See accompanying notes to the basic financial statements.

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

	Expenses	Program Revenues		Net (Expense)
		Charges for Services and Sales	Operating Grants and Contributions	Revenue and Changes in Net Position
				Governmental Activities
<b>Governmental Activities</b>				
Instruction:				
Regular	\$ 1,215	\$ 127	\$ 749	\$ (339)
Vocational	6,497,685	358,517	959,972	(5,179,196)
Adult/Continuing	1,872,196	1,413,419	1,253,508	794,731
Other	252,772	18,726	49,869	(184,177)
Support Services:				
Pupils	756,343	59,315	193,548	(503,480)
Instructional Staff	449,634	28,408	32,199	(389,027)
Board of Education	14,668	889	-	(13,779)
Administration	1,401,322	106,850	317,402	(977,070)
Fiscal	417,987	23,887	-	(394,100)
Operation and Maintenance of Plant	1,658,182	114,806	152,447	(1,390,929)
Pupil Transportation	11,943	237	-	(11,706)
Central	95,433	6,655	13,355	(75,423)
Operation of Non-Instructional Services	2,034,209	193,185	988,205	(852,819)
Extracurricular Activities	247,479	17,034	66,079	(164,366)
<b>Totals</b>	<b>\$ 15,711,068</b>	<b>\$ 2,342,055</b>	<b>\$ 4,027,333</b>	<b>(9,341,680)</b>
<b>General Revenues</b>				
Property Taxes Levied for:				
General Purposes				2,991,845
Permanent Improvements				716,299
Grants and Entitlements not Restricted				
to Specific Programs				6,372,908
Investment Earnings				89,890
Miscellaneous				100,475
<b>Total General Revenues</b>				<b>10,271,417</b>
<b>Change in Net Position</b>				<b>929,737</b>
<b>Net Position Beginning of Year</b>				<b>17,552,336</b>
<b>Net Position End of Year</b>				<b>\$ 18,482,073</b>

See accompanying notes to the basic financial statements.

**Scioto County Career Technical Center**  
*Balance Sheet*  
*Governmental Funds*  
*June 30, 2023*

	General	Permanent Improvement	Adult Education	Classroom Facilities Maintenance	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Equity in Pooled Cash and Investments	\$ 4,023,906	\$ 2,755,076	\$ 1,808,861	\$ 1,477,000	\$ 456,153	\$ 10,520,996
Receivables:						
Property Taxes	3,582,842	868,482	-	-	-	4,451,324
Accounts	40,682	-	196,926	-	35,893	273,501
Accrued Interest	26,071	-	-	-	-	26,071
Interfund	34,148	-	-	-	-	34,148
Intergovernmental	61,500	-	-	-	-	61,500
Prepaid Items	5,425	-	1,169	-	-	6,594
<i>Total Assets</i>	<u>\$ 7,774,574</u>	<u>\$ 3,623,558</u>	<u>\$ 2,006,956</u>	<u>\$ 1,477,000</u>	<u>\$ 492,046</u>	<u>\$ 15,374,134</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>						
<b>Liabilities</b>						
Accounts Payable	\$ 48,485	\$ -	\$ 43,233	\$ -	\$ 7,235	\$ 98,953
Accrued Wages and Benefits Payable	568,276	-	23,805	-	24,932	617,013
Interfund Payable	-	-	-	-	34,148	34,148
Matured Compensated Absences Payable	26,178	-	-	-	-	26,178
Intergovernmental Payable	73,161	-	18,093	-	3,789	95,043
<i>Total Liabilities</i>	<u>716,100</u>	<u>-</u>	<u>85,131</u>	<u>-</u>	<u>70,104</u>	<u>871,335</u>
<b>Deferred Inflows of Resources</b>						
Property Taxes not Levied to Finance Current Year Operations	2,716,778	667,361	-	-	-	3,384,139
Unavailable Revenue - Delinquent Taxes	621,136	145,072	-	-	-	766,208
Unavailable Revenue - Miscellaneous	-	-	-	-	35,893	35,893
<i>Total Deferred Inflows of Resources</i>	<u>3,337,914</u>	<u>812,433</u>	<u>-</u>	<u>-</u>	<u>35,893</u>	<u>4,186,240</u>
<b>Fund Balances</b>						
Nonspendable	14,065	-	1,169	-	-	15,234
Restricted	-	2,811,125	1,920,656	1,477,000	466,044	6,674,825
Assigned	643,777	-	-	-	-	643,777
Unassigned	3,062,718	-	-	-	(79,995)	2,982,723
<i>Total Fund Balances</i>	<u>3,720,560</u>	<u>2,811,125</u>	<u>1,921,825</u>	<u>1,477,000</u>	<u>386,049</u>	<u>10,316,559</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$ 7,774,574</u>	<u>\$ 3,623,558</u>	<u>\$ 2,006,956</u>	<u>\$ 1,477,000</u>	<u>\$ 492,046</u>	<u>\$ 15,374,134</u>

See accompanying notes to the basic financial statements.

**Scioto County Career Technical Center**  
*Reconciliation of Total Governmental Fund Balances to  
 Net Position of Governmental Activities  
 June 30, 2023*

---

**Total Governmental Fund Balances** \$ 10,316,559

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. 19,317,841

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

Taxes	766,208	
Miscellaneous Revenue	35,893	
Total	802,101	802,101

The net pension and net OPEB liabilities (assets) are not due and payable in the current period; therefore, the liabilities (assets) and related deferred inflows/outflows are not reported in the funds.

Deferred outflows of resources related to pensions	2,874,101	
Deferred outflows of resources related to OPEB	364,408	
Deferred inflows of resources related to pensions	(1,324,236)	
Deferred inflows of resources related to OPEB	(1,774,552)	
Net Pension Liability	(11,744,801)	
Net OPEB Asset	1,051,825	
Net OPEB Liability	(697,093)	(11,250,348)

Long-term liabilities, including the long-term portion of compensated absences are not due and payable in the current period and therefore are not reported in the funds.

Compensated Absences	(704,080)	
Total		(704,080)

**Net Position of Governmental Activities** \$ 18,482,073

See accompanying notes to the basic financial statements.

**Scioto County Career Technical Center**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
*For the Fiscal Year Ended June 30, 2023*

	General	Permanent Improvement	Adult Education	Classroom Facilities Maintenance	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>						
Taxes	\$ 3,010,836	\$ 735,884	\$ -	\$ -	\$ -	\$ 3,746,720
Intergovernmental	7,097,123	69,465	1,153,773	-	2,073,045	10,393,406
Investment Earnings	86,279	-	-	-	3,611	89,890
Charges for Services	489,995	-	-	-	49,958	539,953
Tuition and Fees	-	-	1,781,202	-	-	1,781,202
Rent	102,000	-	46	-	-	102,046
Extracurricular Activities	728	-	-	-	94,217	94,945
Gifts and Donations	-	-	-	-	28,155	28,155
Miscellaneous	51,813	2,671	8,136	-	1,962	64,582
<i>Total Revenues</i>	<u>10,838,774</u>	<u>808,020</u>	<u>2,943,157</u>	<u>-</u>	<u>2,250,948</u>	<u>16,840,899</u>
<b>Expenditures</b>						
Current:						
Instruction:						
Regular	-	-	-	-	1,215	1,215
Vocational	5,507,375	-	-	-	262,655	5,770,030
Adult/Continuing	-	-	2,045,853	-	-	2,045,853
Other	201,780	-	-	-	80,847	282,627
Support Services:						
Pupils	455,591	-	7,377	-	295,642	758,610
Instructional Staff	434,864	-	5,130	-	47,358	487,352
Board of Education	15,211	-	-	-	-	15,211
Administration	911,475	-	494,120	-	-	1,405,595
Fiscal	432,982	17,116	-	-	52	450,150
Operation and Maintenance of Plant	1,569,134	1,380	146,514	49,629	51,000	1,817,657
Pupil Transportation	4,288	-	-	-	-	4,288
Central	89,069	-	21,584	-	1,800	112,453
Food Service Operations	-	-	-	-	6,315	6,315
Operation of Non-Instructional Services	461,578	-	95,906	-	1,499,830	2,057,314
Extracurricular Activities	96,808	-	-	-	84,956	181,764
Capital Outlay	-	85,748	-	46,333	27,731	159,812
<i>Total Expenditures</i>	<u>10,180,155</u>	<u>104,244</u>	<u>2,816,484</u>	<u>95,962</u>	<u>2,359,401</u>	<u>15,556,246</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>658,619</u>	<u>703,776</u>	<u>126,673</u>	<u>(95,962)</u>	<u>(108,453)</u>	<u>1,284,653</u>
<b>Other Financing Sources (Uses)</b>						
Transfers In	-	-	-	149,899	-	149,899
Transfers Out	-	(149,899)	-	-	-	(149,899)
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>(149,899)</u>	<u>-</u>	<u>149,899</u>	<u>-</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	658,619	553,877	126,673	53,937	(108,453)	1,284,653
<i>Fund Balances Beginning of Year</i>	<u>3,061,941</u>	<u>2,257,248</u>	<u>1,795,152</u>	<u>1,423,063</u>	<u>494,502</u>	<u>9,031,906</u>
<i>Fund Balances End of Year</i>	<u>\$ 3,720,560</u>	<u>\$ 2,811,125</u>	<u>\$ 1,921,825</u>	<u>\$ 1,477,000</u>	<u>\$ 386,049</u>	<u>\$ 10,316,559</u>

See accompanying notes to the basic financial statements.

**Scioto County Career Technical 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** \$ 1,284,653

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 asset additions in the current period.

Capital Asset Additions	503,771	
Current Year Depreciation	(805,714)	
Total	(301,943)	(301,943)

Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities a gain or loss is reported for each disposal. This is the amounts of the loss from the disposal of capital assets.

Loss on Disposal of Capital Assets	(34,469)	
Total	(34,469)	(34,469)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Taxes	(38,576)	
Charges for Services	(176,091)	
Intergovernmental	(21,320)	
Miscellaneous	35,893	
Total	(200,094)	(200,094)

Contractually required contributions for pensions are reported as expenditures in governmental funds; however, the statement of activities reports these amounts as deferred outflows. 1,066,364

Contractually required contributions for OPEB are reported as expenditures in governmental funds; however, the statement of activities reports these amounts as deferred outflows. 18,842

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities. (1,146,284)

Except for amounts reported as deferred inflows/outflows, changes in the net OPEB liability (asset) are reported as OPEB expense in the statement of activities. 247,938

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Increase in Compensated Absences	(5,270)	
Total	(5,270)	(5,270)

**Net Change in Net Position of Governmental Activities** \$ 929,737

See accompanying notes to the basic financial statements.

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

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget: Positive (Negative)</b>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Total Revenues and Other Sources	\$ 9,777,294	\$ 11,562,516	\$ 11,562,516	\$ -
Total Expenditures and Other Uses	<u>9,948,690</u>	<u>10,932,614</u>	<u>10,932,614</u>	<u>-</u>
Net Change in Fund Balance	(171,396)	629,902	629,902	-
Fund Balance, July 1, 2022	2,907,005	2,907,005	2,907,005	-
Prior Year Encumbrances Appropriated	<u>133,143</u>	<u>133,143</u>	<u>133,143</u>	<u>-</u>
Fund Balance, June 30, 2023	<u>\$ 2,868,752</u>	<u>\$ 3,670,050</u>	<u>\$ 3,670,050</u>	<u>\$ -</u>

See accompanying notes to the basic financial statements.

**Scioto County Career Technical Center**  
*Statement of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget and Actual*  
*(Budgetary Basis)*  
*Adult Education Fund*  
*For the Fiscal Year Ended June 30, 2023*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget: Positive (Negative)</b>
	<u>Original Budget</u>	<u>Final Budget</u>		
Total Revenues and Other Sources	\$ 3,444,306	\$ 3,213,286	\$ 3,213,286	\$ -
Total Expenditures and Other Uses	<u>3,284,357</u>	<u>3,222,100</u>	<u>3,222,100</u>	<u>-</u>
Net Change in Fund Balance	159,949	(8,814)	(8,814)	-
Fund Balance, July 1, 2022	1,474,659	1,474,659	1,474,659	-
Prior Year Encumbrances Appropriated	<u>232,845</u>	<u>232,845</u>	<u>232,845</u>	<u>-</u>
Fund Balance, June 30, 2023	<u>\$ 1,867,453</u>	<u>\$ 1,698,690</u>	<u>\$ 1,698,690</u>	<u>\$ -</u>

See accompanying notes to the basic financial statements.

**Scioto County Career Technical Center**  
*Statement of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget and Actual*  
*(Budgetary Basis)*  
*Classroom Facilities Maintenance Fund*  
*For the Fiscal Year Ended June 30, 2023*

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget: Positive (Negative)</b>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Total Revenues and Other Sources	\$ 149,899	\$ 149,899	\$ 149,899	\$ -
Total Expenditures and Other Uses	<u>184,826</u>	<u>105,792</u>	<u>105,792</u>	<u>-</u>
Net Change in Fund Balance	(34,927)	44,107	44,107	-
Fund Balance, July 1, 2022	1,423,061	1,423,061	1,423,061	-
Prior Year Encumbrances Appropriated	<u>9,830</u>	<u>9,830</u>	<u>9,830</u>	<u>-</u>
Fund Balance, June 30, 2023	<u>\$ 1,397,964</u>	<u>\$ 1,476,998</u>	<u>\$ 1,476,998</u>	<u>\$ -</u>

See accompanying notes to the basic financial statements.

This Page Intentionally Left Blank.

**Scioto County Career Technical Center**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2023*

---

**NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY**

Scioto County Career Technical Center (the "School District") is organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio. The School District operates under a locally-appointed Board form of government consisting of three members appointed by the South Central Ohio Educational Service Center and two members appointed by the Portsmouth City School District. The five members are appointed for three year terms. The School District provides educational services as authorized by state statute and/or federal guidelines.

The School District was established in 1971 through the consolidation of existing land areas and school districts. The School District serves the entire Scioto County area. It is located in Lucasville, Ohio. It is staffed by 36 non-certificated full-time employees, and 72 certificated full-time teaching personnel who provide services to 668 students and other community members. The School District currently operates 3 instructional buildings and 1 garage.

*Reporting Entity:*

The reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements of the Scioto County Career Technical Center are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the School District. For the Scioto County Career Technical Center, this includes general operations, food service, and student related activities of the School District.

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

The School District is associated with five organizations, of which two are defined as a jointly governed organizations and three as insurance purchasing pools. These organizations are the Metropolitan Educational Technology Association (META), Coalition of Rural and Appalachian Schools, the Ohio School Boards Association Workers' Compensation Group Retrospective Rating Plan, the Ohio School Plan, and the Optimal Health Initiatives Consortium. These organizations are presented in Notes 14 and 15 to the basic financial statements.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Fund Accounting**

The School District's accounts are maintained on the basis of funds, each of which is considered a separate accounting entity. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to specific School District functions or activities. The operation of each fund is accounted for within a separate set of self-balancing accounts.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**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 purpose 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 plus deferred inflows of resources is reported as fund balance. The following are the School District's major governmental funds:

**General Fund**

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

**Adult Education Fund**

The Adult Education Fund is used to account for all revenues and expenditures related to the provision of credit and noncredit classes to the community. The main source of revenue for the Adult Education Fund is tuition and fees.

**Classroom Facilities Maintenance Fund**

The Classroom Facilities Maintenance Fund accounts for financial resources restricted to the maintenance and upkeep of the Career Center facilities.

**Permanent Improvement Fund**

The Permanent Improvement Fund is used to account for all transactions related to the acquiring, constructing, or improving of such permanent improvements. The main source of revenue for the Permanent Improvement Fund is property taxes.

The other governmental funds of the School District account for grants and other resources, and capital projects, whose use is restricted to a particular purpose.

**Basis of Presentation**

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

**Government-wide Financial Statements**

The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The School District did not have any fiduciary funds.

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

**Scioto County Career Technical Center**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2023*

---

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**Fund Financial Statements**

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

**Measurement Focus and Basis of Accounting**

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets, liabilities and deferred inflows/outflows of resources associated with the operation of the School District are included on the statement of net position. The statement of activities presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position.

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

**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. The fund financial statements are prepared using either the modified accrual basis of accounting for governmental funds or the accrual basis of accounting for fiduciary funds. Differences in the accrual and modified accrual bases of accounting arise in the recognition of revenue, the recording of unavailable revenue, the presentation of expenses versus expenditures, the recording of deferred inflows and outflows of resources related to net pension liabilities and net OPEB liabilities (assets), and the recording of net pension liabilities and net OPEB liabilities (assets).

**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. Measurable means that the amount of the transaction can be determined and 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 School District, available means expected to be received within sixty days of fiscal year end.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. Revenue from property taxes is recognized in the fiscal year for which taxes are levied. (See Note 6.) Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year end: property taxes available as an advance, interest, tuition, grants, student fees and rentals.

**Scioto County Career Technical Center**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2023*

---

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**Deferred Outflows and Deferred Inflows of Resources**

Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expenditures/expenses) until then. The School District recorded a deferred outflow of resources for pensions and OPEB as of June 30, 2023. The deferred outflows of resources related to the pension and OPEB are explained in Note 10 and Note 11, respectively. The School District also reports a deferred inflow of resources which represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenues) until that time. For the School District these amounts consist of taxes, charges for services, and intergovernmental receivable which are not collected in the available period and pensions/OPEB. The difference between deferred inflows on the Statement of Net Position and the Balance Sheet is partially due to delinquent property taxes, charges for services, and grants not received during the available period. These were reported as revenues on the Statement of Activities and not recorded as deferred inflows on the Statement of Net Position. Deferred inflows of resources related to pension and OPEB are only reported on the Statement of Net Position.

**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, except for (1) principal and interest on general long-term debt and capital lease obligations, which is recorded when due and (2) the costs of accumulated unpaid vacation, personal leave and sick leave are reported as fund liabilities upon the occurrence of employee resignations and retirements. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

**Budgetary Process**

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 fund level. Any budgetary modifications at this level may only be made by resolution of the Board of Education.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2023.

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

**Cash and Cash Equivalents**

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

**Scioto County Career Technical Center**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2023*

---

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund was \$86,279. Interest revenue for all other non-major governmental funds amounted to \$3,611.

During fiscal year 2023, the School District's investments were limited to STAR Ohio, negotiable Certificates of Deposit and Federal Home Loan Bank Bonds. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The School District measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2023, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, 24 hours advance notice is appreciated for deposits and withdrawals of \$100 million or more. STAR Ohio reserves the right to limit the transaction to \$250 million per day, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

Except for STAR Ohio, investments are reported at fair value which is based on quoted market prices.

Investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the School District are presented as "Equity in Pooled Cash and Investments" on the financial statements. Investments with an initial maturity of more than three months are reported as investments.

**Capital Assets and Depreciation**

All capital assets of the School District are general capital assets that are associated with governmental activities. General capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The School District maintains a capitalization threshold of two thousand dollars. The School District does not have any infrastructure.

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 capitalized. Improvements are capitalized. All reported capital assets, except land and construction in progress, are depreciated. Depreciation is computed using the straight-line method over the following useful lives: Land Improvements - 5 years, Buildings and Improvements - 50 years, furniture, fixtures, and equipment (FF & E) - 8 to 20 years, and vehicles - 10 to 15 years.

**Scioto County Career Technical Center**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2023*

---

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**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 School District will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent it is probable that benefits will result in termination payments. The liability is an estimate based on the School District's past experience of making termination payments.

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

On the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures as 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 from which the employee will be paid.

**Interfund Balances**

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

**Accrued Liabilities and Long-Term Obligations**

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments and special termination benefits 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 in the current year. Loans and lease obligations are recognized as a liability on the government-wide financial statements when due.

**Net Position**

Net position represents the difference between assets, liabilities, and deferred inflows/outflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings and the effect of deferred inflows and outflows related to the acquisition, construction or improvements of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes represents balances in special revenue funds for grants whose use is restricted by grant agreements.

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

Of the School District's \$6,750,625 in restricted net position, none is restricted by enabling legislation.

**Scioto County Career Technical Center**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2023*

---

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**Interfund Activity**

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

**Fund Balance**

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

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

***Assigned*** Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by policies of the School District Board of Education.

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

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

**Scioto County Career Technical Center**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2023*

---

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

**Pensions and Other Post-Employment Benefits (OPEB)**

For purposes of measuring the net pension liability, net OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension 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.

**NOTE 3 – ACCOUNTABILITY**

As of June 30, 2023, the School District had deficit fund balances in the Sallie Mae, Governor’s Emergency Education Relief, and Vocational Education non-major special revenue funds in the amounts of \$6,315, \$16,945, and \$44,219 respectively. The deficit was created by the application of accounting principles generally accepted in the United States of America. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

**NOTE 4 - BUDGETARY BASIS OF ACCOUNTING**

While the School District is reporting financial position, results of operations, and changes in fund balances on the basis of accounting principles generally accepted in the United States of America (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budgetary Basis) presented for the General Fund, Classroom Facilities Maintenance Fund, and Adult Education Fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than as a restriction, commitment or assignment of fund balance (GAAP basis).
4. Some funds are included in the General Fund (GAAP basis), but have separate legally adopted budgets (budget basis).

**Scioto County Career Technical Center**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2023*

---

**NOTE 4 - BUDGETARY BASIS OF ACCOUNTING** (continued)

The following table summarizes the adjustments necessary to reconcile the GAAP and budgetary basis statements for the General Fund, the Adult Education Fund, and the Classroom Facilities Maintenance Fund:

	Net Change in Fund Balance		
	<u>General</u>	<u>Adult Education</u>	<u>Classroom Facilities Maintenance</u>
GAAP Basis	\$ 658,619	\$ 126,673	\$ 53,937
Revenue Accruals	723,742	270,129	-
Expenditure Accruals	(614,733)	(295,436)	(9,830)
Perspective Difference:			
Activity of Funds Reclassified for GAAP Reporting Purposes	(165)	-	-
Encumbrances	<u>(137,561)</u>	<u>(110,180)</u>	<u>-</u>
Budget Basis	<u>\$ 629,902</u>	<u>\$ (8,814)</u>	<u>\$ 44,107</u>

**NOTE 5 - DEPOSITS AND INVESTMENTS**

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

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash, in 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 be either 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 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 monies may 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 bonds and other obligations of political subdivisions of the State of Ohio;

**Scioto County Career Technical Center**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2023*

---

**NOTE 5 - DEPOSITS AND INVESTMENTS** (continued)

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);
8. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met.

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

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

***Deposits*** Custodial credit risk is the risk that in the event of bank failure, the School District will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$2,584,854 of the School District's bank balance of \$2,834,854 was exposed to custodial credit risk because although those deposits collateralized, they were not insured under FDIC insurance as the balances exceeded \$250,000. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the School District to a successful claim by the Federal Deposit Insurance Corporation.

The School District does not have a deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or be protected by:

Eligible securities pledged to the School District and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured;  
or

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.

**Scioto County Career Technical Center**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2023*

**NOTE 5 - DEPOSITS AND INVESTMENTS** (continued)

*Investments* As of 2023, the School District had the following investments:

	Carrying/Fair Value	Investment Maturities (in years)		
		Less than 1	1-3 Years	3-5
Negotiable Certificates of Deposit	\$ 3,662,165	\$ 583,587	\$ 1,412,391	\$ 1,666,187
STAR Ohio	\$ 3,849,466	\$ 3,849,466	-	-
Federal Home Loan Banks	223,705	223,705	-	-
Total Fair Value	<u>\$ 7,735,336</u>	<u>\$ 4,656,758</u>	<u>\$ 1,412,391</u>	<u>\$ 1,666,187</u>

The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The above table identifies the School District's recurring fair value measurements as of June 30, 2023. As discussed further in Note 2, STAR Ohio is reported at its share price. All other investments of the School District are valued using quoted market prices (Level 1 inputs).

Interest rate risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with the investment policy, the School District manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The School District limits their investments to repurchase agreements, money market accounts, STAR Ohio, and U.S. Government Agency securities/instrumentalities. The Federal Home Loan Banks securities are all rated AA+ by Standard & Poor's and AAA by Moody's. Standard & Poor's has assigned STAR Ohio an AAAM money market rating. The School District's investments in individual marketable certificates of deposit are fully insured by the Federal Deposit Insurance Corporation.

Concentration of credit risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The School District's investment policy allows investments in repurchase agreements, certificates of deposit or within financial institutions within the State of Ohio as designated by the Federal Reserve Board. The School District has invested 47% in Negotiable Certificates of Deposit, 50% in STAR Ohio, and 3% in Federal Home Loan Bank Bonds.

Custodial credit risk - Custodial credit risk is the risk that in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the School District's securities are either insured and registered in the name of the School District or at least registered in the name of the School District.

**NOTE 6 - PROPERTY TAXES**

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

Property taxes include amounts levied against all real and public utility located in the School District. Real property tax revenue received in calendar year 2023 represents collections of calendar year 2021 taxes. Real property taxes received in calendar year 2023 were levied after April 1, 2022, on the assessed value listed as of January 1, 2022, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

**Scioto County Career Technical Center**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2023*

---

**NOTE 6 - PROPERTY TAXES** (continued)

Public utility property tax revenue received in calendar year 2023 represents collections of calendar year 2022 taxes. Public utility real property taxes received in calendar year 2023 became a lien on December 31, 2020, were levied after April 1, 2022 and are collected in 2023 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The School District receives property taxes from Scioto County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2023, are available to finance fiscal year 2023 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents delinquent taxes outstanding and real property and public utility taxes which became measurable as of June 30, 2023. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current fiscal year operations. The receivable is therefore offset by a credit to unavailable revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30, 2023, was \$244,928 in the General Fund and \$56,049 in the Permanent Improvement Fund.

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

	<u>2022 Second- Half Collections</u>		<u>2023 First- Half Collections</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/Residential and Other Real Estate	\$ 1,020,707,330	85.54%	\$ 1,191,112,400	85.53%
Public Utility	<u>172,535,080</u>	<u>14.46%</u>	<u>201,482,190</u>	<u>14.47%</u>
Total Assessed Value	<u>\$ 1,193,242,410</u>	<u>100.00%</u>	<u>\$ 1,392,594,590</u>	<u>100.00%</u>
 Tax rate per \$1,000 of assessed valuation	 \$ 5.37		 \$ 5.37	

**NOTE 7 - RECEIVABLES**

Receivables at June 30, 2023, consisted of property taxes, accrued interest, interfund, accounts (rent, billings for user charged services, and student fees), and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds. A summary of the principal items of intergovernmental receivables follows:

<b><i>Major Fund:</i></b>	
General	\$ 61,500

**Scioto County Career Technical Center**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2023*

**NOTE 8 – CAPITAL ASSETS**

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

	<b>6/30/2022</b>			<b>6/30/2023</b>
	<b>Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance</b>
<b>Governmental Activities</b>				
Capital Assets, Not Being Depreciated				
Land	\$ 33,852	\$ -	\$ -	\$ 33,852
Total Capital Assets, Not Being Depreciated	33,852	-	-	33,852
Capital Assets Being Depreciated				
Land Improvements	1,455,034	69,159	-	1,524,193
Buildings & Improvements	26,314,802	75,565	(18,560)	26,371,807
Furniture, Fixtures and Equipment	4,045,109	352,963	(137,927)	4,260,145
Vehicles	264,693	6,084	(11,899)	258,878
Total Capital Assets Being Depreciated	32,079,638	503,771	(168,386)	32,415,023
Less: Accumulated Depreciation				
Land Improvements	(724,073)	(76,644)	-	(800,717)
Buildings & Improvements	(9,086,782)	(501,175)	7,461	(9,580,496)
Furniture, Fixtures and Equipment	(2,500,627)	(212,813)	114,964	(2,598,476)
Vehicles	(147,755)	(15,082)	11,492	(151,345)
Total Accumulated Depreciation	(12,459,237)	(805,714)	133,917	(13,131,034)
Total Capital Assets Being Depreciated, Net	19,620,401	(301,943)	(34,469)	19,283,989
Governmental Capital Assets, Net	\$ 19,654,253	\$ (301,943)	\$ (34,469)	\$ 19,317,841

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Vocational	\$ 724,351
Adult/Continuing	12,030
Support Services:	
Pupils	4,472
Instructional Staff	12,524
Administration	2,000
Fiscal	135
Operation and Maintenance of Plant	32,551
Pupil Transportation	8,263
Operation of Non-Instructional Services	9,388
Total Depreciation Expense	<u>\$ 805,714</u>

**Scioto County Career Technical Center**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2023*

---

**NOTE 9 - RISK MANAGEMENT**

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2023, the School District joined together with other school districts and educational service centers in Ohio to participate in the Ohio School Plan (OSP), a public entity insurance purchasing pool. Each individual school district or educational service center enters into an agreement with the OSP and its premium is based on types of coverage, limits of coverage, and deductibles that it selects. The School District pays this annual premium to the OSP (See Note 14).

Insurance coverage provided includes the following:

Property - including inland marine, miscellaneous equipment, and automobile physical damage catastrophic coverage	\$45,351,257
Automobile liability	3,000,000
Uninsured Motorists	1,000,000
General Liability:	
Per occurrence	3,000,000
Annual Aggregate	5,000,000

Settled claims have not exceeded this commercial coverage in any of the past three years. There has been no significant reduction of coverage from the prior year.

For fiscal year 2023, the School District participated in the Ohio School Boards Association Workers' Compensation Group Retrospective Rating Plan (the Plan), an insurance purchasing pool (Note 14). The Plan is intended to reduce premiums for the participants. 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 Plan. Each participant pays its rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings of the Plan.

A participant will then either receive money from or be required to contribute to the "equity pooling fund." This "equity pooling fund" arrangement ensures that each participant shares equally in the overall performance of the Plan. Participation in the Plan is limited to school districts that can meet the Plan's selection criteria. The school districts apply for participation each year. The firm of CompManagement, Inc. provides administrative, cost control, and actuarial services to the Plan. Each year, the School District pays an enrollment fee to the Plan to cover the costs of administering the program.

The School District participates in the Optimal Health Initiatives Consortium (the "Consortium"), a public entity shared risk pool (Note 14), consisting of school districts whose self-insurance programs for health care benefits were administered previously under the Scioto County Schools Council of Governments, the Northern Buckeye Education Council, and the Butler Health Plan. Premiums are paid to the fiscal agent who in turn pays the claims on the School District's behalf.

**NOTE 10 - DEFINED BENEFIT PENSION PLANS**

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

**Net Pension Liability/Net OPEB Liability (Asset)**

Pensions and OPEB are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions and 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 and OPEB are 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 School District’s proportionate share of each pension plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension and 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 this estimate annually.

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

GASB Statements No. 68/75 assume the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for the 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 pension plans to amortize unfunded 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 long-term net pension/OPEB liability (asset) 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 11 for the required OPEB disclosures.

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

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

**Scioto County Career Technical Center**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2023*

---

**NOTE 10 - DEFINED BENEFIT PENSION PLANS** (continued)

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

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 year 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. In 2022, the Retirement Board approved a 2.5 percent COLA for eligible retirees and beneficiaries in 2023.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2023, 14.0% was designated to pension, death benefits, and Medicare B. There was no amount allocated to the Health Care Fund for fiscal year 2023.

The School District's contractually required contribution to SERS was \$269,470 for fiscal year 2023. Of this amount \$4,011 is reported as an intergovernmental payable.

**Plan Description - State Teachers Retirement System (STRS)**

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

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

**Scioto County Career Technical Center**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2023*

---

**NOTE 10 - DEFINED BENEFIT PENSION PLANS** (continued)

**Plan Description - State Teachers Retirement System (STRS)** (continued)

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 Aug. 1, 2015, the calculation is 2.2% 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 Aug. 1, 2023, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit at any age.

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

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

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

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. Eligible survivors of members who die before service retirement may qualify for monthly benefits. New members on or after July 1, 2013, must have at least 10 years of qualifying service credit to apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy – Employer and member contribution rates are established by the Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The statutory employer rate is 14% and the statutory member rate is 14% of covered payroll. The School District was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2023 contribution rates were equal to the statutory maximum rates.

The School District's contractually required contribution to STRS Ohio was \$796,894 for fiscal year 2023. Of this amount \$32,307 is reported as an intergovernmental payable.

**Scioto County Career Technical Center**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2023*

**NOTE 10 - DEFINED BENEFIT PENSION PLANS** (continued)

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

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability - Current Year	0.0501888%	0.040621450%	
Proportionate Share of the Net Pension Liability - Prior Year	<u>0.0535638%</u>	<u>0.041433486%</u>	
Change in Proportionate Share Proportion of the Net Pension Liability	<u>-0.0033750%</u>	<u>-0.000812036%</u>	
Pension Expense (Gain)	\$2,714,601	\$9,030,200	\$11,744,801
	\$122,573	\$1,023,711	\$1,146,284

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

<b>Deferred Outflows of Resources</b>	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Differences between expected and actual economic experience	\$109,944	\$115,599	\$225,543
Difference from a change in proportion and differences between School District contributions and proportionate share of contributions	54,729	105,804	160,533
Changes of assumptions	26,785	1,080,644	1,107,429
Differences between projected and actual investment earnings	-	314,232	314,232
School District contributions subsequent to the measurement date	<u>269,470</u>	<u>796,894</u>	<u>1,066,364</u>
Total	<u>\$460,928</u>	<u>\$2,413,173</u>	<u>\$2,874,101</u>

<b>Deferred Inflows of Resources</b>	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Differences between expected and actual economic experience	\$17,821	\$34,543	\$52,364
Differences between projected and actual investment earnings	94,728	-	94,728
Changes of assumptions	-	813,414	813,414
Difference from a change in proportion and differences between School District contributions and proportionate share of contributions	<u>135,232</u>	<u>228,498</u>	<u>363,730</u>
Total	<u>\$247,781</u>	<u>\$1,076,455</u>	<u>\$1,324,236</u>

\$1,066,364 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024.

**Scioto County Career Technical Center**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2023*

---

**NOTE 10 - DEFINED BENEFIT PENSION PLANS** (continued)

**Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** (continued)

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

Fiscal Year Ending June 30:	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
2024	(\$2,693)	(\$50,517)	(\$53,210)
2025	(75,731)	(27,752)	(103,483)
2026	(135,320)	(297,716)	(433,036)
2027	157,421	915,809	1,073,230
Total	<u>(\$56,323)</u>	<u>\$539,824</u>	<u>\$483,501</u>

**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, compared with June 30, 2021, are presented below:

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Inflation	2.4 percent	2.4 percent
Future Salary Increases, including inflation	3.25 percent to 13.58 percent	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	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	7.00 percent net of system expenses
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)	Entry Age Normal (Level Percent of Payroll)

**Scioto County Career Technical Center**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ended June 30, 2023

---

**NOTE 10 - DEFINED BENEFIT PENSION PLANS** (continued)

**Actuarial Assumptions - SERS** (continued)

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 the 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.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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
<b>Total</b>	<b><u>100.00 %</u></b>	

**Discount Rate** The total pension liability for 2022 was calculated using the discount rate of 7.00 percent. The discount rate for 2021 was 7.0 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 School District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.00 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.

**Scioto County Career Technical Center**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2023*

---

**NOTE 10 - DEFINED BENEFIT PENSION PLANS** (continued)

**Actuarial Assumptions – SERS** (continued)

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	\$3,995,763	\$2,714,601	\$1,635,239

**Assumptions and Benefit Changes Since the Prior Measurement Date** – There were no changes in assumptions or benefits since the prior measurement date.

**Actuarial Assumptions - STRS**

Key methods and assumptions used in the June 30, 2022, actuarial valuation compared to those used in the June 30, 2021, actuarial valuation are presented below:

	June 30, 2022	June 30, 2021
Inflation	2.50 %	2.50 %
Projected Salary Increases	Varies by service from 2.5 % to 8.50 %	12.50 % at age 20 to 2.50% at age 65
Payroll increases	3.00 %	3.00 %
COLA or Ad Hoc COLA	0.00 %	0.00 %
Discount rate of return	7.00 %	7.00 %
Investment Rate of Return	7.00 percent net of investment expenses, including inflation	7.00 percent net of investment expenses, including inflation
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)	Entry Age Normal (Level Percent of Payroll)

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

For the June 30, 2021 actuarial valuations, post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. 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% of rates for males and 100% of rates for females, projected forward generationally using mortality improvement scale MP-2016.

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

Actuarial assumptions used in the June 30, 2021 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

STRS Ohio’s investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board.

**Scioto County Career Technical Center**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2023*

---

**NOTE 10 - DEFINED BENEFIT PENSION PLANS** (continued)

**Actuarial Assumptions – STRS** (continued)

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	<u>100.00 %</u>	

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

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

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

**Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** The following table presents the School District'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 School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.00 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%)
School District's proportionate share of the net pension liability	\$13,641,344	\$9,030,200	\$5,130,599

**Assumptions and Benefit Changes Since the Prior Measurement Date** - Demographic assumptions were changed based on an the actuarial experience study for the period July 1, 2015 through June 30, 2021.

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

**Scioto County Career Technical Center**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2023*

---

**NOTE 11 – DEFINED BENEFIT OPEB PLANS**

See Note 10 for a description of the net OPEB liability (asset).

**School Employees Retirement System**

Health Care Plan Description - The School District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. 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](http://www.ohsers.org) under Employers/Audit Resources.

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2023, no allocation of covered payroll was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2023, this amount was \$25,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2023, the School District's surcharge obligation was \$18,842.

The surcharge added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. No portion of covered payroll was allocated to the Health Care Fund in 2023. The School District's contractually required contribution to SERS was \$18,842 for fiscal year 2023. Of this amount, \$18,842 is reported as an intergovernmental payable.

**State Teachers Retirement System of Ohio**

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

**Scioto County Career Technical Center**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2023*

**NOTE 11 – DEFINED BENEFIT OPEB PLANS** (continued)

**State Teachers Retirement System of Ohio** (continued)

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. All health care plan enrollees 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.

**Net Other Post Employment Benefit (OPEB) Liability (Asset), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB Liability (Asset)**

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

	SERS	STRS	Total
Proportionate Share of the Net OPEB (Asset) Liability - Current Year	0.0496501%	0.040621450%	
Proportionate Share of the Net OPEB (Asset) Liability - Prior Year	0.0525958%	0.041433490%	
Change in Proportionate Share	-0.0029457%	-0.000812040%	
Proportion of the Net OPEB Liability	\$697,093	\$0	\$697,093
Proportion of the Net OPEB (Asset)	\$0	(\$1,051,825)	(\$1,051,825)
OPEB Expense (Gain)	(\$75,241)	(\$172,697)	(\$247,938)

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

<b>Deferred Outflows of Resources</b>	<b>SERS</b>	<b>STRS</b>	<b>Total</b>
Differences between expected and actual economic experience	\$5,860	\$15,248	\$21,108
Difference from a change in proportion and differences between School District contributions and proportionate share of contributions	106,981	39,860	146,841
Changes of assumptions	110,881	44,804	155,685
Differences between projected and actual investment earnings	3,623	18,309	21,932
School District contributions subsequent to the measurement date	18,842	-	18,842
Total	\$246,187	\$118,221	\$364,408
<b>Deferred Inflows of Resources</b>	<b>SERS</b>	<b>STRS</b>	<b>Total</b>
Differences between expected and actual economic experience	\$445,911	\$157,964	\$603,875
Changes of assumptions	286,161	745,844	1,032,005
Difference from a change in proportion and differences between School District contributions and proportionate share of contributions	119,112	19,560	138,672
Total	\$851,184	\$923,368	\$1,774,552

**Scioto County Career Technical Center**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2023*

---

**NOTE 11 – DEFINED BENEFIT OPEB PLANS** (continued)

**Net Other Post Employment Benefit (OPEB) Liability (Asset), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB Liability (Asset)** (continued)

\$18,842 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (adjustment to net OPEB asset) in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2024	(\$131,563)	(\$224,401)	(\$355,964)
2025	(137,090)	(229,476)	(366,566)
2026	(127,508)	(118,962)	(246,470)
2027	(77,804)	(46,593)	(124,397)
2028	(51,158)	(61,402)	(112,560)
Thereafter	(98,716)	(124,313)	(223,029)
Total	(\$623,839)	(\$805,147)	(\$1,428,986)

**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.

**Scioto County Career Technical Center**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2023*

---

**NOTE 11 – DEFINED BENEFIT OPEB PLANS** (continued)

**Actuarial Assumptions – SERS** (continued)

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation are presented below:

	June 30, 2022	June 30, 2021
Inflation	2.4 percent	2.4 percent
Future Salary Increases, including inflation	3.25 percent to 13.58 percent	3.25 percent to 13.58 percent
Investment Rate of Return	7.00 percent net of system expenses	7.00 percent net of system expenses
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)	Entry Age Normal (Level Percent of Payroll)
Municipal Bond Index Rate:	3.69 %	1.92 %
Single Equivalent Interest Rate, Net of Plan Investment Expense, Including		
Price Inflation	4.08 %	2.27 %
Medical Trend Assumption	7.00 to 4.40 %	
Medicare	5.125 to 4.400 %	5.125 to 4.400 %
Pre-Medicare	6.750 to 4.400 %	6.750 to 4.400 %

For 2022 and 2021, 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 log-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.00 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.

**Scioto County Career Technical Center**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2023*

**NOTE 11 – DEFINED BENEFIT OPEB PLANS** (continued)

**Actuarial Assumptions – SERS** (continued)

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class, as used in the June 30, 2020 five-year experience study, are summarized as follows:

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

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

**Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates** The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.08%) and higher (5.08%) than the current discount rate (4.08%).

	1% Decrease (3.08%)	Current Discount Rate (4.08%)	1% Increase (5.08%)
School District's proportionate share of the net OPEB liability	\$865,799	\$697,093	\$560,900

The following table presents the OPEB liability of SERS, 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 (7.00% decreasing to 4.40%).

	1% Decrease in Trend Rates	Current Trend Rate	1% Increase in Trend Rates
School District's proportionate share of the net OPEB liability	\$537,583	\$697,093	\$905,473

**Scioto County Career Technical Center**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2023*

**NOTE 11 – DEFINED BENEFIT OPEB PLANS** (continued)

**Actuarial Assumptions – STRS**

Key methods and assumptions used in the June 30, 2022, actuarial valuation and the June 30, 2021 actuarial valuation are presented below:

	June 30, 2022		June 30, 2021	
	Initial	Ultimate	Initial	Ultimate
Inflation	2.50 %		2.50 %	
Projected Salary Increases	Varies by service from 2.5 % to 8.50 %		12.50 % at age 20 to 2.50% at age 65	
Payroll increases	3.00 %		3.00 %	
Cost-of-living adjustments (COLA)	0.00 %		0.00 %	
Discount rate of return	7.00 %		7.00 %	
Investment Rate of Return	7.00 percent net of investment expenses, including inflation		7.00 percent net of investment expenses, including inflation	
Health care cost trends				
	Initial	Ultimate	Initial	Ultimate
Medical				
Pre-Medicare	7.50%	3.94%	5.00%	4.00%
Medicare	-68.78%	3.94%	-16.18%	4.00%
Prescription Drug				
Pre-Medicare	9.00%	3.94%	6.50%	4.00%
Medicare	-5.47%	3.94%	29.98%	4.00%

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

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

For the June 30, 2021 actuarial valuations, post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. 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% of rates for males and 100% of rates for females, projected forward generationally using mortality improvement scale MP-2016.

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

Actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the period July 1, 2011, through June 30, 2016.

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

**Scioto County Career Technical Center**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2023*

**NOTE 11 – DEFINED BENEFIT OPEB PLANS** (continued)

**Actuarial Assumptions – STRS** (continued)

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 as of July 1, 2022. Target weights were phased in over a 3-month period concluding on October 1, 2022.

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

**Discount Rate** The discount rate used to measure the total OPEB liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed STRS Ohio continues to allocate no employer contributions to the health care fund. Based on 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 fund investments of 7.00% was applied to all periods of projected health care costs to determine the total OPEB liability as of June 30, 2022.

**Sensitivity of the School District's Proportionate Share of the Net OPEB (Asset) Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates** The following table represents the net OPEB liability as of June 30, 2022, calculated using the current period discount rate assumption of 7.00%, as well as what the net OPEB (asset) liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current assumption. Also shown is the net OPEB (asset) liability 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 in Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
School District's proportionate share of the net OPEB (asset) liability	(\$972,384)	(\$1,051,825)	(\$1,119,872)
	1% Decrease in Trend Rates	Current Trend Rate	1% Increase in Trend Rates
School District's proportionate share of the net OPEB (asset) liability	(\$1,090,998)	(\$1,051,825)	(\$1,002,378)

**Scioto County Career Technical Center**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2023*

**NOTE 11 – DEFINED BENEFIT OPEB PLANS** (continued)

**Actuarial Assumptions – STRS** (continued)

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

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

**NOTE 12 - EMPLOYEE BENEFITS**

**A. Compensated Absences**

The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment.

Teachers do not earn vacation time. Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 275 days for all personnel. Upon retirement, payment is made for 25 percent of accrued, but unused sick leave credit to a maximum of 60 days for classified employees and 60 days for certified employees.

**B. Life Insurance**

The School District provides life insurance and accidental death and dismemberment insurance to most employees through the Metropolitan Education Council.

**NOTE 13 - LONG-TERM OBLIGATIONS**

The changes in the School District’s long-term obligations during fiscal year 2023 were as follows:

	Principal Outstanding 06/30/2022	Additions	Deductions	Principal Outstanding 06/30/2023	Due in One Year
Net Pension Liability:					
STRS	5,297,644	3,732,556	-	9,030,200	-
SERS	1,976,349	738,252	-	2,714,601	-
Total Net Pension Liability	<u>7,273,993</u>	<u>4,470,808</u>	-	<u>11,744,801</u>	-
Net OPEB Liability:					
STRS	-	-	-	-	*
SERS	995,419	-	298,326	697,093	-
Total Net OPEB Liability	<u>995,419</u>	<u>-</u>	<u>298,326</u>	<u>697,093</u>	<u>-</u>
Compensated Absences	<u>698,810</u>	<u>910,694</u>	<u>905,424</u>	<u>\$ 704,080</u>	<u>429,943</u>
Total General Long-Term Obligations	<u>\$ 8,968,222</u>	<u>\$ 5,381,502</u>	<u>\$ 1,203,750</u>	<u>\$ 13,145,974</u>	<u>\$ 429,943</u>

\* OPEB for STRS has a Net OPEB asset in the amount of \$1,051,825 as of June 30, 2023.

**Scioto County Career Technical Center**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2023*

---

**NOTE 13 - LONG-TERM OBLIGATIONS** (continued)

The School District's voted legal debt margin was \$125,333,513 with an unvoted debt margin of \$1,392,595 at June 30, 2023.

Compensated absences are being paid from the fund from which the employees' salaries are paid, with the General Fund and Adult Education Fund being the most significant funds. The School District pays obligations related to employee compensation from the fund benefiting from their service.

**NOTE 14 - INSURANCE PURCHASING POOLS**

*Ohio School Boards Association Workers' Compensation Group Retrospective Rating Plan* - The School District participates in a group rating plan for workers' compensation as established under section 4123.29 of the Ohio Revised Code. The Ohio School Boards Association Workers' Compensation Group Rating Plan (WCGRP) was established through the Ohio School Boards Association (OSBA) as a group purchasing pool.

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

*Ohio School Plan* -The School District participates in the Ohio School Plan (OSP), an insurance purchasing 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 fifteen member Board of Directors consisting of school district superintendents and treasurers, as well as the president of Harcum-Hyre Insurance Agency, Inc. and a partner of the Hylant Group, Inc. Hylant Group, Inc. is the Administrator of the OSP and is responsible for processing claims. Harcum-Hyre Insurance Agency, Inc. is the sales and marketing representative, which establishes agreements between OSP and member schools.

*Optimal Health Initiatives Consortium* – The School District is a member of the Optimal Health Initiatives Consortium (the "Consortium"), a public entity shared risk pool, consisting of school districts whose self-insurance programs for health care benefits were administered previously under the Scioto County Schools Council of Governments, the Northern Buckeye Education Council, and the Butler Health Plan. The overall objective of the Consortium is to enable its members to purchase employee benefits and related products and services using the Consortium's economics of scale to create cost-savings. The Consortium's business and affairs are managed by an Executive Board of Trustees, consisting of the chairperson of each division's board of trustees and the chairperson of the Butler Health Plan. The participants pay an administrative fee to the fiscal agent to cover the costs of administering the Consortium. To obtain financial information, write to the fiscal agent, Jennifer Jostworth, CoWorth Financial Services at 10999 Reed Hartman Highway, Suite 304-E, Cincinnati, Ohio 45242.

**NOTE 15 - JOINTLY GOVERNED ORGANIZATIONS**

*Metropolitan Educational Technology Association* - META is an educational solutions partner providing services across Ohio. META provides cost-effective fiscal, network, technology and student services, a purchasing cooperative, and other individual services based on each client's needs.

The governing board of META consists of a president, vice president and six board members who represent the members of META. The board works with META's Chief Executive Officer, Chief Operating Officer, and Chief Financial Officer to manage operations and ensure the continued progress of the organization's mission, vision, and values. The Board exercises total control over the operations of the Council including budgeting, appropriating, contracting and designating management. Each member's degree of control is limited to its representation on the Board. The School District paid META \$59,634 for services provided during the fiscal year. Financial information can be obtained from Ashley Widby, who serves as Chief Financial Officer, at 100 Executive Drive, Marion, Ohio 43302.

**Scioto County Career Technical Center**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2023*

---

**NOTE 15 - JOINTLY GOVERNED ORGANIZATIONS** (continued)

*Coalition of Rural and Appalachian Schools* – The Coalition of Rural and Appalachian Schools is a jointly organization of over one hundred school districts in southeastern Ohio. The Coalition is operated by a board which is composed of fourteen members. The board members are composed of one superintendent from each county elected by the school districts within that county. the Coalition provides various services for school district administrative personnel; gathers data regarding conditions of education in the region; cooperates with other professional groups to assess and develop programs designed to meet the needs of member districts; and provides staff development programs for school district personnel. The Coalition is not dependent upon the continued participation of the School District and the School District does not maintain an equity interest in or a financial responsibility for the Coalition.

**NOTE 16 - CONTINGENCIES**

A. Grants

The School District 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, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2023.

B. Litigation

The School District is not party to legal proceedings as of June 30, 2023.

C. Foundation

School District Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The funding formula the Ohio Department of Education (ODE) is legislatively required to follow will continue to adjust as enrollment information is updated by the school districts, which can extend past the fiscal year end. ODE has finalized the impact of enrollment adjustments to the June 30, 2023 Foundation funding for the School District and does not anticipate any further FTE adjustments for FY2023.

**NOTE 17 - STATUTORY RESERVES**

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

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

	Capital Maintenance Reserve
Cash Balance July 1, 2022	\$0
Current Year Set-Aside Requirement	124,142
Current Year Qualifying Expenditures	(124,142)
Total	\$0
Set Aside Reserve Cash Balance as of June 30, 2023	\$0

**Scioto County Career Technical Center**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2023*

---

**NOTE 17 - STATUTORY RESERVES** (continued)

The School District had offsets and qualifying disbursements during the year that reduced the set-aside amount below zero in the Capital Acquisition Reserve. These amounts may be used to reduce the set-aside requirements of future fiscal years and therefore are not presented as being carried forward to the next fiscal year.

**NOTE 18 - INTERFUND ACTIVITY**

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

<b>Interfund Transfers</b>	<b>Transfer From:</b>	<b>Transfer To:</b>
Major Funds:		
Classroom Facilities Maintenance	\$ -	\$ 149,899
Permanent Improvement	149,899	-
	<b>\$ 149,899</b>	<b>\$ 149,899</b>
Total	<b>\$ 149,899</b>	<b>\$ 149,899</b>

The Permanent Improvement Fund transferred funds to the Classroom Facilities Maintenance in order to meet operation expenditures.

<b>Funds</b>	<b>Interfund Receivable</b>	<b>Interfund Payable</b>
Major Fund:		
General	\$ 34,148	\$ -
Non-major Funds:		
Student Manage Activities		1,710
GEER	-	88
Vocational Education	-	32,350
Total Non-major Funds	-	34,148
Total	<b>\$ 34,148</b>	<b>\$ 34,148</b>

The amounts due to the General Fund are the result of the School District moving unrestricted monies to support grant funds. The General Fund will be reimbursed when funds become available in the non-major special revenue funds.

**Scioto County Career Technical Center**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2023*

**NOTE 19 – FUND BALANCES**

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

Fund Balances	General	Permanent Improvement	Adult Education	Classroom Facilities Maintenance	Nonmajor Governmental Funds	Total Governmental Funds
<b>Nonspendable</b>						
Prepaid Items	\$ 5,425	\$ -	\$ 1,169	\$ -	\$ -	\$ 6,594
Unclaimed Funds	8,640	-	-	-	-	8,640
Total Nonspendable	<u>14,065</u>	<u>-</u>	<u>1,169</u>	<u>-</u>	<u>-</u>	<u>15,234</u>
<b>Restricted for</b>						
Other Purposes	-	-	-	-	252,983	252,983
Adult Education	-	-	1,920,656	-	-	1,920,656
Classroom Facilities Maintenance	-	-	-	1,477,000	-	1,477,000
Capital Improvements	-	2,811,125	-	-	213,061	3,024,186
Total Restricted	<u>-</u>	<u>2,811,125</u>	<u>1,920,656</u>	<u>1,477,000</u>	<u>466,044</u>	<u>6,674,825</u>
<b>Assigned to</b>						
Other Purposes	<u>643,777</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>643,777</u>
Total Assigned	<u>643,777</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>643,777</u>
<b>Unassigned (Deficit)</b>	<u>3,062,718</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(79,995)</u>	<u>2,982,723</u>
Total Fund Balances	<u>\$ 3,720,560</u>	<u>\$ 2,811,125</u>	<u>\$ 1,921,825</u>	<u>\$ 1,477,000</u>	<u>\$ 386,049</u>	<u>\$ 10,316,559</u>

**NOTE 20 – NEW ACCOUNTING PRINCIPLES**

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

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

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

GASB Statement No. 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including

**Scioto County Career Technical Center**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2023*

---

**NOTE 20 – NEW ACCOUNTING PRINCIPLES** (continued)

implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The implementation of GASB Statement No. 96 did not have an effect on the financial statements of the School District.

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

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

This page intentionally left blank.

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
School District's proportion of the net pension liability	0.0501888%	0.0535638%	0.0496172%	0.0536771%	0.0524413%	0.0486874%	0.0494022%	0.0452885%	0.0421690%	0.0421690%
School District's proportionate share of the net pension liability	\$ 2,714,601	\$ 1,976,349	\$ 3,281,786	\$ 3,211,595	\$ 3,003,410	\$ 2,908,965	\$ 3,615,785	\$ 2,584,206	\$ 2,134,149	\$ 2,507,655
School District's covered payroll	\$ 1,874,836	\$ 1,848,886	\$ 1,739,471	\$ 1,841,459	\$ 1,688,948	\$ 1,630,221	\$ 1,534,250	\$ 1,363,376	\$ 1,225,339	\$ 1,025,036
School District's proportionate share of the net pension liability as a percentage of its covered payroll	144.79%	106.89%	188.67%	174.40%	177.83%	178.44%	235.67%	189.54%	174.17%	244.64%
Plan fiduciary net position as a percentage of the total pension liability	75.82%	82.86%	68.55%	70.85%	71.36%	69.50%	62.98%	69.16%	71.70%	65.52%

See accompanying notes to the required supplementary information

**Scioto County Career Technical Center**  
*Required Supplementary Information*  
*Schedule of the School District's Proportionate Share of the Net Pension Liability*  
*State Teachers Retirement System of Ohio*  
*Last Ten Years*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
School District's proportion of the net pension liability	0.04062145%	0.04143349%	0.04167051%	0.04038106%	0.04237490%	0.03991075%	0.03876523%	0.03829453%	0.03712252%	0.03712252%
School District's proportionate share of the net pension liability	\$ 9,030,200	\$ 5,297,644	\$ 10,082,781	\$ 8,930,029	\$ 9,317,289	\$ 9,480,884	\$ 12,975,891	\$ 10,583,488	\$ 9,029,482	\$ 10,755,859
School District's covered payroll	\$ 5,280,986	\$ 5,112,621	\$ 5,028,979	\$ 4,740,893	\$ 4,817,314	\$ 4,387,700	\$ 4,078,850	\$ 3,995,393	\$ 3,793,008	\$ 3,970,123
School District's proportionate share of the net pension liability as a percentage of its covered payroll	170.99%	103.62%	200.49%	188.36%	193.41%	216.08%	318.13%	264.89%	238.06%	270.92%
Plan fiduciary net position as a percentage of the total pension liability	78.88%	87.78%	75.48%	77.40%	77.31%	75.29%	66.78%	72.09%	74.71%	69.30%

See accompanying notes to the required supplementary information

**Scioto County Career Technical Center**  
*Required Supplementary Information*  
*Schedule of School District Pension Contributions*  
*School Employees Retirement System of Ohio*  
*Last Ten Years*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 269,470	\$ 262,477	\$ 258,844	\$ 243,526	\$ 248,597	\$ 228,008	\$ 228,231	\$ 214,795	\$ 179,693	\$ 169,832
Contributions in relation to the contractually required contribution	<u>(269,470)</u>	<u>(262,477)</u>	<u>(258,844)</u>	<u>(243,526)</u>	<u>(248,597)</u>	<u>(228,008)</u>	<u>(228,231)</u>	<u>(214,795)</u>	<u>(179,693)</u>	<u>(169,832)</u>
Contribution deficiency (excess)	<u>\$ -</u>									
School District's covered payroll	\$ 1,924,786	\$ 1,874,836	\$ 1,848,886	\$ 1,739,471	\$ 1,841,459	\$ 1,688,948	\$ 1,630,221	\$ 1,534,250	\$ 1,363,376	\$ 1,225,339
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%	13.50%	13.50%	14.00%	14.00%	13.18%	13.86%

See accompanying notes to the required supplementary information

**Scioto County Career Technical Center**  
*Required Supplementary Information*  
*Schedule of School District Pension Contributions*  
*State Teachers Retirement System of Ohio*  
*Last Ten Years*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 796,894	\$ 739,338	\$ 715,767	\$ 704,057	\$ 663,725	\$ 674,424	\$ 614,278	\$ 571,039	\$ 559,355	\$ 493,091
Contributions in relation to the contractually required contribution	<u>(796,894)</u>	<u>(739,338)</u>	<u>(715,767)</u>	<u>(704,057)</u>	<u>(663,725)</u>	<u>(674,424)</u>	<u>(614,278)</u>	<u>(571,039)</u>	<u>(559,355)</u>	<u>(493,091)</u>
Contribution deficiency (excess)	<u>\$ -</u>									
School District covered payroll	\$ 5,692,100	\$ 5,280,986	\$ 5,112,621	\$ 5,028,979	\$ 4,740,893	\$ 4,817,314	\$ 4,387,700	\$ 4,078,850	\$ 3,995,393	\$ 3,793,008
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	13.00%

See accompanying notes to the required supplementary information

**Scioto County Career Technical Center**  
*Required Supplementary Information*  
*Schedule of the School District's Proportionate Share of the Net OPEB Liability*  
*School Employees Retirement System of Ohio*  
*Last Seven Years (1)*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
School District's proportion of the net OPEB liability	0.0496501%	0.0525958%	0.0481489%	0.0521243%	0.0510931%	0.0486240%	0.0497155%
School District's proportionate share of the net OPEB liability	\$ 697,093	\$ 995,419	\$ 1,046,433	\$ 1,310,817	\$ 1,417,461	\$ 1,304,940	\$ 1,417,076
School District's covered payroll	\$ 1,874,836	\$ 1,848,886	\$ 1,739,471	\$ 1,841,459	\$ 1,688,948	\$ 1,630,221	\$ 1,534,250
School District's proportionate share of the net OPEB liability as a percentage of its covered payroll	37.18%	53.84%	60.16%	71.18%	83.93%	80.05%	92.36%
Plan fiduciary net position as a percentage of the total OPEB liability	30.34%	24.08%	18.17%	15.57%	13.57%	12.46%	11.49%

(1) Information prior to 2017 is not available.  
Amounts presented as of the School District's measurement date which is the prior fiscal year.

See notes to the required supplementary information

**Scioto County Career Technical Center**  
*Required Supplementary Information*  
*Schedule of the School District's Proportionate Share of the Net OPEB Liability (Assets)*  
*State Teachers Retirement System of Ohio*  
*Last Seven Years (1)*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
School District's proportion of the net OPEB liability (asset)	0.04062145%	0.04143349%	0.04167051%	0.04038106%	0.04237490%	0.03991075%	0.03876523%
School District's proportionate share of the net OPEB liability (asset)	\$ (1,051,825)	\$ (873,591)	\$ (732,358)	\$ (668,807)	\$ (680,921)	\$ 1,557,170	\$ 2,073,175
School District's covered payroll	\$ 5,280,986	\$ 5,112,621	\$ 5,028,979	\$ 4,740,893	\$ 4,817,314	\$ 4,387,700	\$ 4,078,850
School District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	-19.92%	-17.09%	-14.56%	-14.11%	-14.13%	35.49%	50.83%
Plan fiduciary net position as a percentage of the total OPEB liability	230.73%	174.73%	182.13%	174.74%	176.00%	47.11%	37.33%

(1) Information prior to 2017 is not available.  
Amounts presented as of the School District's measurement date which is the prior fiscal year.

See notes to the required supplementary information.

**Scioto County Career Technical Center**  
*Required Supplementary Information*  
*Schedule of School District OPEB Contributions*  
*School Employees Retirement System of Ohio*  
*Last Eight Years (1)*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 18,842	\$ 24,902	\$ 14,659	\$ 12,458	\$ 26,272	\$ 29,497	\$ 22,882	\$ 23,662
Contributions in relation to the contractually required contribution	<u>(18,842)</u>	<u>(24,902)</u>	<u>(14,659)</u>	<u>(12,458)</u>	<u>(26,272)</u>	<u>(29,497)</u>	<u>(22,882)</u>	<u>(23,662)</u>
Contribution deficiency (excess)	<u>\$ -</u>							
School District's covered payroll	\$ 1,924,786	\$ 1,874,836	\$ 1,848,886	\$ 1,739,471	\$ 1,841,459	\$ 1,688,948	\$ 1,630,221	\$ 1,534,250
Contributions as a percentage of covered payroll	0.98%	1.33%	0.79%	0.72%	1.43%	1.75%	1.40%	1.54%

(1) Information prior to 2016 is not available.

See notes to the required supplementary information.

**Scioto County Career Technical Center**  
*Required Supplementary Information*  
*Schedule of School District OPEB Contributions*  
*State Teachers Retirement System of Ohio*  
*Last Eight Years (1)*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>							
School District covered payroll	\$ 5,692,100	\$ 5,280,986	\$ 5,112,621	\$ 5,028,979	\$ 4,740,893	\$ 4,817,314	\$ 4,387,700	\$ 4,078,850
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

(1) Information prior to 2016 is not available.

See notes to the required supplementary information.

**Scioto County Career Technical Center**  
*Notes to the Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2023*

---

**Pension**

**School Employees Retirement System (SERS)**

Changes in benefit terms

2023: For fiscal year 2023, SERS changed from a Cost of Living Adjustment (COLA) of 2.0% to 2.5%.

2022: For fiscal year 2022, SERS changed from a Cost of Living Adjustment (COLA) of 2.5% to 2.0%.

2020-2021: There were no changes in benefit terms from the amounts reported for this fiscal year.

2019: With the authority granted the Board under Senate Bill 8, the Board has enacted a three-year COLA delay for future benefit recipients commencing benefits on or after April 1, 2018.

2018: SERS changed from a fixed 3% annual increase to a Cost of Living Adjustment (COLA) based on the change in the Consumer Price Index (CPI-W), with a cap of 2.5% and a floor of 0%.

2014-2017: There were no changes in benefit terms from the amounts reported for these fiscal years.

Changes in assumptions

2023: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for this fiscal year.

2022: The assumed rate of inflation was reduced from 3.00% to 2.40%, the assumed real wage growth was increased from 0.50% to 0.85%, the cost-of-living adjustments were reduced from 2.50% to 2.00%, the discount rate was reduced from 7.50% to 7.00%, the rates of withdrawal, compensation, participation, spouse coverage assumption, retirement, and disability were updated to reflect recent experience, and mortality among active members, service retirees and beneficiaries and disabled members were updated.

2018-2021: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for these fiscal years.

2017: The following changes of assumptions affected the total pension liability since the prior measurement date:

- (1) The assumed rate of inflation was reduced from 3.25% to 3.00%,
- (2) Payroll growth assumption was reduced from 4.00% to 3.50%,
- (3) Assumed real wage growth was reduced from 0.75% to 0.50%,
- (4) Rates of withdrawal, retirement and disability were updated to reflect recent experience,
- (5) Mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females,
- (6) Mortality among service retired members, and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates,
- (7) Mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement, and
- (8) The discount rate was reduced from 7.75% to 7.50%.

2014-2016: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for these fiscal years.

**Scioto County Career Technical Center**  
*Notes to the Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2023*

---

**Pension** (continued)

**State Teachers Retirement System (STRS)**

Changes in benefit terms

2019-2023: There were no changes in benefit terms from the amounts reported for these fiscal years.

2018: STRS decreased the Cost of Living Adjustment (COLA) to zero.

2014-2017: There were no changes in benefit terms from the amounts reported for these fiscal years.

Changes in assumptions

2023: The following change of assumptions affected the total pension liability since the prior measurement date:

- (1) The projected salary increases went from 12.50% at age 20 to 2.50% at age 65 to varies by service from 2.50% to 8.50%.
- (2) Updated the health and disability mortality assumption to the PUB-2010 mortality tables with generational improvement scale MP-2020.
- (3) Demographic assumptions were changed based on the actuarial experience study for the period of July 1, 2015 through June 30, 2021.

2022: The following changes of assumptions affected the total pension liability since the prior measurement date:

- (1) The long term expected rate of return was reduced from 7.45% to 7.00%,
- (2) The discount rate of return was reduced from 7.45% to 7.00%,

2019-2021: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for these fiscal years.

2018: The following changes of assumptions affected the total pension liability since the prior measurement date:

- (1) The long term expected rate of return was reduced from 7.75% to 7.45%,
- (2) The inflation assumption was lowered from 2.75% to 2.50%,
- (3) The payroll growth assumption was lowered to 3.00%,
- (4) Total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation,
- (5) The healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016, and
- (6) Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

2014-2017: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for these fiscal years.

**OPEB**

**School Employees Retirement System (SERS)**

Changes in benefit terms

2017-2023: There were no changes in benefit terms from the amounts reported for these fiscal years.

**Scioto County Career Technical Center**  
*Notes to the Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2023*

---

**OPEB (continued)**

**School Employees Retirement System (SERS) (continued)**

Changes in assumptions

2023 Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

- (1) The municipal bond index rate went from 1.92% to 3.69%
- (2) The single equivalent interest rate when from 2.27% to 4.08% medical trend assumptions went from 5.125% to 4.40% Medicare and 6.75% to 4.40% Pre-Medicare to 7.00% to 4.40%

2022 Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

- (1) Wage inflation decreased from 3.00% to 2.40%
- (2) Future salary increases changed from 3.50%-18.20% to 3.25%-13.58%
- (3) Investment rate of return decreased from 7.50% to 7.00%
- (4) The discount rate decreased from 2.63% to 2.27%
- (5) Municipal Bond Index Rate:
  - Prior Measurement Date 2.45%
  - Measurement Date 1.92%
- (6) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:
  - Prior Measurement Date 2.63%
  - Measurement Date 2.27%
- (7) Mortality tables changes from the RP=2014 Blue Collar mortality table to the PUB-2010 General Employee Amount Weighted Below median Health Retiree mortality table.

2021: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

- (1) The discount rate was changed from 3.22% to 2.63%
- (2) Municipal Bond Index Rate:
  - Prior Measurement Date 3.13%
  - Measurement Date 2.45%
- (3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation
  - Prior Measurement Date 3.22%
  - Measurement Date 2.63%

2020:

- (1) The discount rate was changed from 3.70% to 3.22%
- (2) Municipal Bond Index Rate:
  - Prior Measurement Date 3.62%
  - Measurement Date 3.13%
- (3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation
  - Prior Measurement Date 3.70%
  - Measurement Date 3.22%

2019: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

- (1) The discount rate was changed from 3.63% to 3.70%
- (2) Municipal Bond Index Rate:
  - Prior Measurement Date 3.56%
  - Measurement Date 3.62%
- (3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:
  - Prior Measurement Date 3.63%
  - Measurement Date 3.70%

**Scioto County Career Technical Center**  
*Notes to the Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2023*

---

**OPEB (continued)**

**School Employees Retirement System (SERS) (continued)**

**Changes in assumptions (continued)**

2018: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

- (1) Discount Rate:
  - Fiscal Year 2018 3.63%
  - Fiscal Year 2017 2.98%
- (2) Municipal Bond Index Rate:
  - Fiscal Year 2018 3.56%
  - Fiscal Year 2017 2.92%
- (3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:
  - Fiscal Year 2018 3.63%
  - Fiscal Year 2017 2.98%

2017: The following changes of assumptions affected the total OPEB liability since the prior measurement date:

- (1) The assumed rate of inflation was reduced from 3.25% to 3.00%,
- (2) Payroll growth assumption was reduced from 4.00% to 3.50%,
- (3) Assumed real wage growth was reduced from 0.75% to 0.50%,
- (4) Rates of withdrawal, retirement and disability were updated to reflect recent experience,
- (5) Mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females,
- (6) Mortality among service retired members, and beneficiaries was updated to the following RP- 2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, and
- (7) Mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

**State Teachers Retirement System (STRS)**

**Changes in benefit terms**

2023: There were no changes in benefit terms from the amounts reported for this fiscal year.

2022: There was no change to the claims costs process. 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.

2021: There was no change to the claims costs process. Claim curves were updated to reflect the projected FYE 2021 premium based on June 30, 2020 enrollment distribution. The non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984% to 2.055% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

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% to 1.984% 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% for

**Scioto County Career Technical Center**  
*Notes to the Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2023*

---

**OPEB (continued)**

**State Teachers Retirement System (STRS) (Continued)**

Changes in benefit terms (continued)

the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.

2019: The subsidy multiplier for non-Medicare benefit recipients was increased from 1.900% to 1.944% 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. The Board is extending the current Medicare Part B partial reimbursement program for one year. Under this program, benefit recipients currently enrolled in the STRS Ohio Health Care Program and Medicare Part B receive \$29.90 per month to reimburse a portion of the Medicare Part B premium. The reimbursement was set to be reduced to \$0 beginning January 1, 2020. This impacts about 85,000 benefit recipients.

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 1, 2019.

2017: There were no changes in benefit terms from the amounts reported for this fiscal year.

Changes in assumptions

2023:

The projected salary increase went from 12.50% at age 20 to 2.50% at age 65 to varies by services from 2.50% to 8.50%. The health care cost trend rates were changed to the following: Pre-Medicare from 5.00% initial - 4.00% ultimate to 7.50% initial - 3.94% ultimate; medical Medicare from -16.18% initial - 4.00% ultimate to -68.78% initial - 3.94% ultimate; prescription drug Pre-Medicare from 6.50% initial - 4.00% ultimate to 9.00% initial - 3.94% ultimate; Medicare from 29.98% initial - 4.00% ultimate to -5.47% initial - 3.94% ultimate.

Updated the health and disability mortality assumption to the PUB-2010 mortality tables with generational improvement scale MP-2020.

Demographic assumptions were changed based on the actuarial experience study for the period of July 1, 2015 through June 30, 2021.

2022: The long-term expected rate of return was reduced from 7.45% to 7.00%. The discount rate was reduced from 7.45% in the prior year to 7.00% in the current year. The health care cost trend rates were changed to the following: medical Medicare from -6.69% initial - 4.00% ultimate down to -16.18% initial - 4.00% ultimate; prescription drug Medicare from 11.87% initial - 4.00% ultimate up to 29.98% initial - 4.00% ultimate.

2021: The health care cost trend rates were changed to the following: medical pre-Medicare from 5.87% initial - 4.00% ultimate down to 5.00% initial - 4.00% ultimate; medical Medicare from 4.93% initial - 4.00% ultimate down to -6.69% initial - 4.00% ultimate; prescription drug pre-Medicare from 7.73% initial - 4.00% ultimate down to 6.50% initial - 4.00% ultimate; prescription drug Medicare from 9.62% initial - 4.00% ultimate up to 11.87% initial - 4.00% ultimate.

2020: The health care cost trend rates were changed to the following: medical pre-Medicare from 6.00% initial - 4.00% ultimate down to 5.87% initial - 4.00% ultimate; medical Medicare from 5.00% initial - 4.00% ultimate down to 4.93% initial - 4.00% ultimate; prescription drug pre-Medicare from 8.00% initial - 4.00% ultimate down to 7.73% initial - 4.00% ultimate and (5.23%) initial - 4.00% ultimate up to 9.62% initial - 4.00% ultimate.

**Scioto County Career Technical Center**  
*Notes to the Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2023*

---

**OPEB** (continued)

**State Teachers Retirement System (STRS)** (Continued)

Changes in assumptions (continued)

2019: The discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB). Valuation year per capita health care costs were updated.

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.

2017: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for this fiscal year.

**SCIOTO COUNTY CAREER TECHNICAL CENTER  
SCIOTO COUNTY**

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

<b>FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title</b>	<b>Federal AL Number</b>	<b>Pass Through Entity Identifying Number / Grant Year</b>	<b>Provided to Subrecipients</b>	<b>Total Federal Expenditures</b>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>				
<i>Passed Through Ohio Department of Education</i>				
Child Nutrition Cluster:				
Non-Cash Assistance (Food Distribution):				
National School Lunch Program	10.555	2022-2023	\$	23,644
Cash Assistance:				
National School Lunch Program	10.555	2022-2023		234,078
COVID-19 National School Lunch Program		2022-2023		4,327
COVID-19 School Supply Chain		2022-2023		5,775
				<hr/>
Total National School Lunch Program				267,824
School Breakfast Program	10.553	2022-2023		54,524
				<hr/>
Total Child Nutrition Cluster				322,348
COVID-19 Pandemic EBT Administrative Costs	10.649	2022-2023		628
				<hr/>
Total U.S. Department of Agriculture				322,976
<b>U.S. DEPARTMENT OF EDUCATION</b>				
<i>Direct from Federal Government:</i>				
Student Financial Assistance Cluster:				
Federal Pell Grant Program	84.063	2022		122,298
Federal Pell Grant Program		2023		567,263
Federal Direct Student Loans	84.268	2022		116,039
Federal Direct Student Loans		2023		325,818
				<hr/>
Total Student Financial Assistance Cluster				1,131,418
<i>Direct from Federal Government:</i>				
Rural Education	84.358A	2022		6,876
<i>Direct from Federal Government:</i>				
Education Stabilization Fund:				
COVID-19 Higher Education Emergency Relief Fund- Institutional Portion	84.425F	2022		183,266
<i>Passed Through Ohio Department of Education</i>				
COVID-19 Governor's Emergency Education Relief Fund	84.425C	2022		1,000
COVID-19 Governor's Emergency Education Relief Fund		2023		111,312
				<hr/>
Total Education Stabilization Fund				295,578
<i>Passed Through Ohio Department of Education</i>				
Career and Technical Education - Basic Grants to States	84.048A	2022		16,393
		2023		26,646
				<hr/>
Total Career and Technical Education - Basic Grants to States			26,646	526,860
				<hr/>
Total U.S. Department of Education			26,646	1,960,732
<b>U.S. DEPARTMENT OF TREASURY</b>				
<i>Passed Through Ohio Office of Budget and Management</i>				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds				
K-12 School Safety Grant Program	21.027	2023		50,000
				<hr/>
Total U.S. Department of Treasury				50,000
				<hr/>
<b>Total Expenditures of Federal Awards</b>			<b>\$ 26,646</b>	<b>\$ 2,333,708</b>

The accompanying notes are an integral part of this schedule.

**SCIOTO COUNTY CAREER TECHNICAL CENTER  
SCIOTO COUNTY**

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

**NOTE A – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Scioto County Career Technical Center (the School District) 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 School District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the School District.

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

**NOTE D - SUBRECIPIENTS**

The School District passes certain federal awards received from the Ohio Department of Education to other governments or not-for-profit agencies (subrecipients). As Note B describes, the School District reports expenditures of Federal awards to subrecipients when paid in cash.

As a subrecipient, the School District has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that subrecipients achieve the award's performance goals.

**NOTE E – CHILD NUTRITION CLUSTER**

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

**NOTE F – FOOD DONATION PROGRAM**

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

# OHIO AUDITOR OF STATE KEITH FABER



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

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

Scioto County Career Technical Center  
Scioto County  
951 Vern Riffe Drive  
Lucasville, Ohio 45648

To the Board of Education:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Scioto County Career Technical Center, Scioto County, Ohio (the School District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements and have issued our report thereon dated February 14, 2024.

### ***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District'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 School District'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 School District'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 School District'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 School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Keith Faber  
Auditor of State  
Columbus, Ohio  
February 14, 2024

# OHIO AUDITOR OF STATE KEITH FABER



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

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

Scioto County Career Technical Center  
Scioto County  
951 Vern Riffe Drive  
Lucasville, Ohio 45648

To the Board of Education:

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

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

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

In our opinion, Scioto County Career Technical 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 School District 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 School District's compliance with the compliance requirements referred to above.

#### ***Responsibilities of Management for Compliance***

The School District'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 School District'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 School District'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 School District '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 School District'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 School District '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 School District '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.

Scioto County Career Technical Center  
Scioto County  
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  
Page 3

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  
February 14, 2024

**This page intentionally left blank.**

**SCIOTO COUNTY CAREER TECHNICAL CENTER  
SCIOTO COUNTY**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
JUNE 30, 2023**

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

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

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

None.

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

None.



# OHIO AUDITOR OF STATE KEITH FABER



**SCIOTO COUNTY CAREER TECHNICAL CENTER**

**SCIOTO COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 2/27/2024**

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

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