



OHIO AUDITOR OF STATE
KEITH FABER



**MAHONING COUNTY CAREER AND TECHNICAL CENTER
MAHONING COUNTY
JUNE 30, 2023**

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**MAHONING COUNTY CAREER AND TECHNICAL CENTER
MAHONING COUNTY
JUNE 30, 2023**

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

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

To the Board of Education:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the major fund and the aggregate remaining fund information of the Mahoning County Career and Technical Center, Mahoning County, Ohio (the Center), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Center's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Mahoning County Career and Technical Center, Mahoning County, Ohio as of June 30, 2023, and the respective changes in financial position and the budgetary comparison for the General 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 Center, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Center's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Center's basic financial statements. The Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 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, March 7, 2024, on our consideration of the Centers 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 Center's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Center's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

March 7, 2024

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Mahoning County Career & Technical Center
Mahoning County, Ohio

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
Unaudited

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

Financial Highlights

Key financial highlights for fiscal year 2023 are as follows:

- In total, net position increased \$2,024,152 from fiscal year 2022, due to an increase in cash and cash equivalents. The effects of GASB 68 and 75 distort the comparative analysis to follow in this MD&A due to the significant change in total expenses on a full accrual basis.
- General revenues accounted for \$15,336,873 in revenue or 74 percent of all revenues. Program specific revenues in the form of charges for services and sales and grants and contributions accounted for \$5,372,833, or 26 percent of total revenues of \$20,709,706.
- The District had \$18,685,554 in expenses related to governmental activities; only \$5,372,833 of these expenses were offset by program specific charges for services, grants or contributions. General revenue supporting governmental activities (primarily taxes and unrestricted grants and entitlements) were adequate to provide for these programs this fiscal year.
- The general fund had \$17,607,287 in revenues and \$15,879,450 in expenditures, excluding other financing sources and uses. The general fund balance increased by \$906,583 to \$22,875,804, which represents an increase of four percent.
- The District's total net pension liability increased to \$12,671,025 from \$7,725,211 and the OPEB liability (excluding the OPEB asset) decreased to \$562,317, from \$734,621, a combined net increase of \$4,773,510. For more information on this liability see Notes 12 and 13 to the basic financial statements.

Using this Annual Financial Report

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

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

Mahoning County Career & Technical Center
Mahoning County, Ohio

Management's Discussion and Analysis
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Reporting the District as a Whole

Statement of Net Position and the Statement of Activities

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

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

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

Reporting the District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The District's only fiduciary fund is a private purpose trust fund related to scholarships.

Mahoning County Career & Technical Center
Mahoning County, Ohio

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
Unaudited

The District as a Whole

As stated previously the Statement of Net Position provides the perspective of the District as a whole, excluding fiduciary funds. Table 1 provides a summary of the District's Net Position for fiscal year 2023 compared to 2022.

Net Position (Table 1)			
Governmental Activities			
	2023	(Restated) 2022	Change
Assets			
Current and Other Assets	\$35,384,984	\$32,920,547	\$2,464,437
Net OPEB Asset	1,215,131	1,026,622	188,509
Capital Assets, Net	22,687,674	23,030,149	(342,475)
<i>Total Assets</i>	<u>59,287,789</u>	<u>56,977,318</u>	<u>2,310,471</u>
Deferred Outflows of Resources			
Deferred Charge on Refunding	1,185,761	1,272,967	(87,206)
Pension	3,125,903	3,462,739	(336,836)
OPEB	347,550	400,995	(53,445)
<i>Total Deferred Outflows of Resources</i>	<u>4,659,214</u>	<u>5,136,701</u>	<u>(477,487)</u>
Liabilities			
Current Liabilities	2,083,742	1,550,355	533,387
Long-Term Liabilities			
Due within One Year	1,195,842	1,146,303	49,539
Due in More than One Year - Pension	12,671,025	7,725,211	4,945,814
Due in More than One Year - OPEB	562,317	734,621	(172,304)
Due in More than One Year - Other	20,906,745	21,932,639	(1,025,894)
<i>Total Liabilities</i>	<u>37,419,671</u>	<u>33,089,129</u>	<u>4,330,542</u>
Deferred Inflows of Resources			
Property Taxes	7,885,690	7,531,194	354,496
Pension	1,527,623	6,470,822	(4,943,199)
OPEB	1,635,281	1,568,288	66,993
<i>Total Deferred Inflows of Resources</i>	<u>11,048,594</u>	<u>15,570,304</u>	<u>(4,521,710)</u>
Net Position			
Net Investment in Capital Assets	4,911,089	4,366,933	544,156
Restricted	2,125,260	1,609,665	515,595
Unrestricted	8,442,389	7,477,988	964,401
<i>Total Net Position</i>	<u>\$15,478,738</u>	<u>\$13,454,586</u>	<u>\$2,024,152</u>

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The net pension liability (NPL) is one of the larger liabilities reported by the 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 District previously adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

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

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

Over time, net position can serve as a useful indicator of a government's financial position. At the fiscal year-end, the District's net position was \$15,478,738. Total assets increased \$2,310,471 due to an increase in cash and investments and property taxes receivable offset by a decrease in capital assets from the prior year. Total liabilities increased \$4,330,542 due mostly to the previously mentioned increase in the net pension liabilities.

The greatest effect on net position (unrestricted) is due to the long-term pension and OPEB figures pursuant to GASB 68 and 75, as stated earlier. Other factors affecting net position include changes to wages, capital asset outlay, and debt liabilities that were reduced due to annual requirements.

Mahoning County Career & Technical Center
Mahoning County, Ohio

Management's Discussion and Analysis
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Table 2 shows the change in Net Position for fiscal year ended June 30, 2023 as compared to 2022.

Table 2
Change in Net Position - Governmental Activities

	2023	2022	Change
Revenues			
Program Revenues			
Charges for Services and Sales	\$3,152,154	\$3,206,917	(\$54,763)
Operating Grants and Contributions	2,220,679	1,763,698	456,981
<i>Total Program Revenues</i>	<u>5,372,833</u>	<u>4,970,615</u>	<u>402,218</u>
General Revenues			
Property Taxes	7,696,096	7,583,073	113,023
Grants and Entitlements not Restricted to Specific Programs	7,004,618	6,573,257	431,361
Investment Earnings	380,127	(214,984)	595,111
Miscellaneous	256,032	250,549	5,483
<i>Total General Revenues</i>	<u>15,336,873</u>	<u>14,191,895</u>	<u>1,144,978</u>
<i>Total Revenues</i>	<u>20,709,706</u>	<u>19,162,510</u>	<u>1,547,196</u>
Program Expenses			
Instruction	10,311,880	9,076,274	1,235,606
Support Services	6,708,532	5,873,140	835,392
Operation of Non-Instructional/Food Services	671,580	665,676	5,904
Extracurricular Activities	324,344	268,107	56,237
Interest and Fiscal Charges	669,218	893,341	(224,123)
<i>Total Program Expenses</i>	<u>18,685,554</u>	<u>16,776,538</u>	<u>1,909,016</u>
<i>Change in Net Position</i>	<u>2,024,152</u>	<u>2,385,972</u>	<u>(361,820)</u>
Net Position Beginning of Year - Restated	<u>13,454,586</u>	<u>11,068,614</u>	<u>2,385,972</u>
<i>Net Position End of Year</i>	<u><u>\$15,478,738</u></u>	<u><u>\$13,454,586</u></u>	<u><u>\$2,024,152</u></u>

Governmental Activities

Net Position of the District increased \$2,024,152 during fiscal year 2023. Total governmental expenses of \$18,685,554 were offset by program revenues of \$5,372,833 and general revenues of \$15,336,873. General revenues supported 71 percent of the total governmental expenses this fiscal year. The effects of GASB 68 and 75 distort this comparative analysis due to the significant changes made to cost of living adjustments enacted by the pension board had on the District's share of the total pension/OPEB liability. The primary sources of revenue for governmental activities are derived from property taxes and grants and entitlements. These revenue sources represent 71 percent of all governmental revenue.

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

Mahoning County Career & Technical Center
Mahoning County, Ohio

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
Unaudited

Table 3
Total and Net Cost of Program Services
Governmental Activities

	2023		2022	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Program Expenses				
Instruction	\$10,311,880	\$7,549,434	\$9,076,274	\$6,677,427
Support Services	6,708,532	5,459,441	5,873,140	5,031,078
Operation of Non-Instructional/Food Services	671,580	(541,957)	665,676	(916,421)
Extracurricular Activities	324,344	176,585	268,107	120,498
Interest and Fiscal Charges	669,218	669,218	893,341	893,341
<i>Total Expenditures</i>	<u>\$18,685,554</u>	<u>\$13,312,721</u>	<u>\$16,776,538</u>	<u>\$11,805,923</u>

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

The District's Funds

Information regarding the District's major funds begins on page 15. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues, including other financing sources, of \$21,559,296 to offset expenditures, including other financing uses, of \$19,976,844. One can see from the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds, property taxes and intergovernmental revenues are the largest revenue sources, accounting for 37 percent and 44 percent, respectively, of total governmental revenue, excluding other financing sources.

General Fund The District's general fund balance increased \$906,583 from \$21,969,221 to \$22,875,804. Overall, revenues, excluding other financing sources, increased \$1,025,226 with the majority of this increase relating to intergovernmental and interest revenue. Expenditures, excluding other financing uses, increased by \$874,606.

General Fund Budgeting Highlights

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

During fiscal year 2023, the District approved amendments to its original general fund appropriations. The District budget is adopted on a fund basis and has in place systems that are designed to tightly control expenditures but provide flexibility for program-based decision and management.

For the general fund, actual revenue, excluding other financing sources, was \$632,646 more than original estimates and \$612,890 more than final estimates. Both the original and final budgeted receipts included conservative estimates for property taxes, intergovernmental, interest and services provided to other entities.

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Actual expenditures, excluding other financing uses, were \$861,916 less than original appropriations and \$1,325,502 less than final amended appropriations. The majority of the variance with original appropriations was due to decreases in regular and vocational instruction. The variance with final appropriations was due to lower than expected regular instruction cost and transfers out actually made.

Capital Assets

At the end of fiscal year 2023, the District had \$22,687,674 invested in land, land improvements, buildings and improvements, furniture, fixtures and equipment, vehicles, and intangible assets. Table 4 shows fiscal year 2023 balances compared to 2022.

Table 4
Capital Assets at June 30 (Net)

	2023	(Restated) 2022
Land	\$125,000	\$125,000
Land Improvements	940,237	581,861
Buildings and Improvements	20,124,050	20,821,145
Furniture, Fixtures and Equipment	1,394,271	1,370,673
Vehicles	48,884	61,001
Intangible Right to Use Lease - Equipment	55,232	70,469
<i>Total</i>	\$22,687,674	\$23,030,149

All capital assets, except land, are reported net of depreciation/amortization. The \$342,475 decrease in capital assets was the result of current year additions of \$661,317 being less than depreciation/amortization of \$1,003,792. For more information about the District's capital assets, see Note 10 to the basic financial statements.

Long-Term Obligations

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

In a prior fiscal year, the District issued \$15,300,000 in Certificates of Participation for the purpose of constructing, furnishing, improving, equipping, lease and eventual acquisition, of additions, renovations and other improvements to the Career Center Building and related site improvements. On September 7, 2021, the District issued refunding Certificates of Participation of \$7,115,000 (par value) with an interest rate of 4.00% to currently refund \$8,625,000 of the 11/20/14 Certificates of Participation with rates ranging from 3.375% to 6.25%. The term certificates mature 12/1/2040 and are callable 6/1/2031. The refunding certificates were issued at a premium of \$1,308,059 and, after paying issuance costs of \$216,062, the net proceeds were \$8,778,597. As a result of the current refunding, the District reduced its total debt service requirements by \$2,114,655, and a net present value savings of \$1,548,010.

Mahoning County Career & Technical Center
Mahoning County, Ohio

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

On February 22, 2022, the District entered into a five-year lease in the amount of \$76,183 for copiers throughout the District. The lease was issued at an interest rate of 3.0 percent and will mature on June 1, 2027.

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

Table 5 - Outstanding Long-Term Obligations

	2023	2022
1/18/15 General Obligation Bonds	\$1,475,000	\$1,520,000
Unamortized Original Issue Premium	66,499	69,592
9/7/21 Refunding Certificates of Participation	6,535,000	6,780,000
Unamortized Original Issue Premium	1,187,580	1,256,425
9/15/18 General Obligation School Improvement Bonds	790,000	855,000
9/20/17 Refunding Certificates of Participation	10,100,000	10,705,000
Unamortized Original Issue Premium	462,973	497,267
Lease	62,346	76,183
Compensated Absences	1,423,189	1,319,475
Net Pension Liability	12,671,025	7,725,211
Net OPEB Liability (net of OPEB asset)	(652,814)	(292,001)
Totals	\$34,120,798	\$30,512,152

Pursuant to Section 133.06 of the Ohio Revised Code, the obligations of these certificates of participation will not be construed as net indebtedness of the District. For more information about the District's long-term obligations, see Note 18 to the basic financial statements.

Current Related Financial Activity

Currently the Mahoning County Career and Technical Center (MCCTC) has 766 students enrolled in its 11th and 12th grade high school programs. The Valley Stem + ME2 Academy, which is housed at the Career and Technical Center, has a current enrollment of 372 students, which is at capacity. During the 2023 fiscal year the MCCTC will continue renovations to District facilities and upgrade career and technical lighting within the labs. The District will also complete the Innovative energy building which will be used in classroom instruction.

Contacting the District's Financial Management

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

Mahoning County Career & Technical Center

Mahoning County, Ohio

Statement of Net Position
June 30, 2023

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$14,699,846
Investments	12,090,112
Accrued Interest Receivable	11,670
Accounts Receivable	191,196
Intergovernmental Receivable	21,662
Property Taxes Receivable	8,351,960
Inventory Held for Resale	3,611
Materials and Supplies Inventory	14,927
Net OPEB Asset	1,215,131
Nondepreciable Capital Assets	125,000
Depreciable Capital Assets, Net	22,562,674
<i>Total Assets</i>	<u>59,287,789</u>
Deferred Outflows of Resources	
Deferred Charge on Refunding	1,185,761
Pension	3,125,903
Other Postemployment Benefits	347,550
<i>Total Deferred Outflows of Resources</i>	<u>4,659,214</u>
Liabilities	
Accounts Payable	549,334
Accrued Wages and Benefits Payable	1,249,843
Intergovernmental Payable	171,348
Matured Compensated Absences Payable	54,688
Accrued Interest Payable	58,529
Long-Term Liabilities:	
Due Within One Year	1,195,842
Due In More Than One Year:	
Net Pension Liability	12,671,025
Other Postemployment Benefits Liability	562,317
Other Amounts Due in More than One Year	20,906,745
<i>Total Liabilities</i>	<u>37,419,671</u>
Deferred Inflows of Resources	
Property Taxes	7,885,690
Pension	1,527,623
Other Postemployment Benefits	1,635,281
<i>Total Deferred Inflows of Resources</i>	<u>11,048,594</u>
Net Position	
Net Investment in Capital Assets	4,911,089
Restricted for:	
Capital Projects	867,064
Debt Service	91
Other Purposes	1,258,105
Unrestricted	8,442,389
<i>Total Net Position</i>	<u>\$15,478,738</u>

See accompanying notes to the basic financial statements

Mahoning County Career & Technical Center

Mahoning County, Ohio

*Statement of Activities
For the Fiscal Year Ended June 30, 2023*

	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
Current:				
Instruction:				
Regular	\$2,842,863	\$57,315	\$0	(\$2,785,548)
Vocational	6,984,057	1,616,318	384,702	(4,983,037)
Adult/Continuing	484,960	144,234	559,877	219,151
Support Services:				
Pupils	1,373,662	0	194,779	(1,178,883)
Instructional Staff	797,068	19,365	184,463	(593,240)
Board of Education	87,631	0	0	(87,631)
Administration	1,725,035	303,594	93,882	(1,327,559)
Fiscal	664,539	0	0	(664,539)
Business	10,251	0	0	(10,251)
Operation and Maintenance of Plant	1,784,745	10,888	279,392	(1,494,465)
Pupil Transportation	65,058	0	0	(65,058)
Central	200,543	24,919	137,809	(37,815)
Operation of Non-Instructional Services	671,580	878,316	335,221	541,957
Extracurricular Activities	324,344	97,205	50,554	(176,585)
Interest and Fiscal Charges	669,218	0	0	(669,218)
<i>Total Governmental Activities</i>	<u>\$18,685,554</u>	<u>\$3,152,154</u>	<u>\$2,220,679</u>	<u>(13,312,721)</u>
General Revenues				
Property Taxes Levied for:				
General Purposes				7,696,096
Grants and Entitlements not Restricted to Specific Programs				7,004,618
Investment Earnings				380,127
Miscellaneous				256,032
<i>Total General Revenues</i>				<u>15,336,873</u>
Change in Net Position				2,024,152
<i>Net Position Beginning of Year - Restated (See Note 3)</i>				13,454,586
<i>Net Position End of Year</i>				<u>\$15,478,738</u>

See accompanying notes to the basic financial statements

Mahoning County Career & Technical Center

Mahoning County, Ohio

*Balance Sheet
Governmental Funds
June 30, 2023*

	General	Other Governmental Funds	Total Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$12,229,227	\$2,470,619	\$14,699,846
Investments	12,090,112	0	12,090,112
Accrued Interest Receivable	11,670	0	11,670
Accounts Receivable	167,125	24,071	191,196
Interfund Receivable	16,297	0	16,297
Intergovernmental Receivable	0	21,662	21,662
Property Taxes Receivable	8,351,960	0	8,351,960
Inventory Held for Resale	0	3,611	3,611
Materials and Supplies Inventory	12,833	2,094	14,927
<i>Total Assets</i>	<u>\$32,879,224</u>	<u>\$2,522,057</u>	<u>\$35,401,281</u>
Liabilities			
Accounts Payable	\$302,670	\$246,664	\$549,334
Accrued Wages and Benefits Payable	1,182,792	67,051	1,249,843
Intergovernmental Payable	158,310	13,038	171,348
Matured Compensated Absences Payable	54,688	0	54,688
Interfund Payable	0	16,297	16,297
<i>Total Liabilities</i>	<u>1,698,460</u>	<u>343,050</u>	<u>2,041,510</u>
Deferred Inflows of Resources			
Property Taxes	7,885,690	0	7,885,690
Unavailable Revenue - Property Taxes	419,270	0	419,270
Unavailable Revenue - Tuition & Fees	0	24,071	24,071
<i>Total Deferred Inflows of Resources</i>	<u>8,304,960</u>	<u>24,071</u>	<u>8,329,031</u>
Fund Balances			
Nonspendable	41,784	2,094	43,878
Restricted	0	1,430,104	1,430,104
Committed	0	750,000	750,000
Assigned	19,188,317	0	19,188,317
Unassigned (Deficit)	3,645,703	(27,262)	3,618,441
<i>Total Fund Balances</i>	<u>22,875,804</u>	<u>2,154,936</u>	<u>25,030,740</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$32,879,224</u>	<u>\$2,522,057</u>	<u>\$35,401,281</u>

See accompanying notes to the basic financial statements

Mahoning County Career & Technical Center
Mahoning County, Ohio

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

Total Governmental Fund Balances	\$25,030,740
 <i>Amounts reported for governmental activities in the statement of net position are different because</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	22,687,674
Other long-term assets are not available to pay for current-period expenditures and therefore are reported as unavailable revenue in the funds:	
Delinquent Property Taxes	419,270
Tuition & Fees	24,071
Total	443,341
The net pension and OPEB liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Deferred Outflows - Pension	3,125,903
Deferred Inflows - Pension	(1,527,623)
Net Pension Liability	(12,671,025)
Deferred Outflows - OPEB	347,550
Deferred Inflows - OPEB	(1,635,281)
Net OPEB Asset	1,215,131
Net OPEB Liability	(562,317)
Total	(11,707,662)
In the statement of activities, interest is accrued on outstanding debt, whereas in governmental funds, an interest expenditure is reported when due.	(58,529)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
General Obligation Bonds	(2,265,000)
Unamortized Premium on Bonds	(1,717,052)
Certificates of Participation Payable	(16,635,000)
Deferred Outflow of Resources from Refunding	1,185,761
Leases	(62,346)
Compensated Absences	(1,423,189)
Total	(20,916,826)
 <i>Net Position of Governmental Activities</i>	 \$15,478,738
 See accompanying notes to the basic financial statements	

Mahoning County Career & Technical Center

Mahoning County, Ohio

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

	General	Other Governmental Funds	Total Governmental Funds
Revenues			
Property Taxes	\$7,707,585	\$0	\$7,707,585
Tuition and Fees	57,315	496,216	553,531
Interest	380,127	0	380,127
Charges for Services	0	246,704	246,704
Extracurricular Activities	0	97,205	97,205
Rentals	631,612	0	631,612
Contributions and Donations	2,432	21,207	23,639
Intergovernmental	7,004,618	2,197,040	9,201,658
Miscellaneous	207,280	48,752	256,032
Services Provided to Other Entities	1,616,318	4,341	1,620,659
<i>Total Revenues</i>	<u>17,607,287</u>	<u>3,111,465</u>	<u>20,718,752</u>
Expenditures			
Current:			
Instruction:			
Regular	2,847,027	4,000	2,851,027
Vocational	5,932,690	203,690	6,136,380
Adult/Continuing	3,290	480,466	483,756
Support Services:			
Pupils	1,074,064	241,803	1,315,867
Instructional Staff	550,507	200,948	751,455
Board of Education	86,291	1,340	87,631
Administration	1,165,805	493,554	1,659,359
Fiscal	611,995	4,350	616,345
Operation and Maintenance of Plant	1,671,710	42,434	1,714,144
Pupil Transportation	56,072	0	56,072
Central	48,155	152,388	200,543
Operation of Non-Instructional Services	643	619,626	620,269
Extracurricular Activities	164,421	152,485	316,906
Capital Outlay	202,185	459,132	661,317
Debt Service:			
Principal Retirement	863,837	110,000	973,837
Interest and Fiscal Charges	600,758	90,634	691,392
<i>Total Expenditures</i>	<u>15,879,450</u>	<u>3,256,850</u>	<u>19,136,300</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,727,837</u>	<u>(145,385)</u>	<u>1,582,452</u>
Other Financing Sources (Uses)			
Transfers In	9,645	830,899	840,544
Transfers Out	(830,899)	(9,645)	(840,544)
<i>Total Other Financing Sources (Uses)</i>	<u>(821,254)</u>	<u>821,254</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	906,583	675,869	1,582,452
<i>Fund Balance Beginning of Year</i>	21,969,221	1,479,067	23,448,288
<i>Fund Balance End of Year</i>	<u>\$22,875,804</u>	<u>\$2,154,936</u>	<u>\$25,030,740</u>

See accompanying notes to the basic financial statements

Mahoning County Career & Technical Center
Mahoning County, Ohio

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

Net Change in Fund Balances - Total Governmental Funds \$1,582,452

***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/amortization exceeded capital outlay in the current period.

Capital Outlay	661,317
Current Year Depreciation/Amortization	(1,003,792)

Total	(342,475)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property Taxes	(11,489)
Tuition & Fees	2,443

Total	(9,046)
-------	---------

Repayment of long-term bond and certificate of participation principal is an expenditure in the governmental funds, but the repayment reduces the long-term liabilities in the statement of net position.

973,837

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

Accrued Interest	3,148
Amortization of Bond Premium	(87,206)
Amortization of Deferred Outflow from Refunding	106,232

Total	22,174
-------	--------

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.

Pension	1,123,349
OPEB	13,462

Total	1,136,811
-------	-----------

Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability are reported as pension/OPEB expense in the statement of activities.

Pension	(1,462,794)
OPEB	226,907

Total	(1,235,887)
-------	-------------

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

(103,714)

Change in Net Position of Governmental Activities

\$2,024,152

See accompanying notes to the basic financial statements

Mahoning County Career & Technical Center
Mahoning County, Ohio

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property Taxes	\$7,617,802	\$7,617,802	\$7,734,685	\$116,883
Tuition and Fees	26,557	26,557	7,805	(18,752)
Interest	118,024	118,024	516,773	398,749
Rentals	862,980	862,980	631,612	(231,368)
Contributions and Donations	3,322	3,322	2,432	(890)
Intergovernmental	6,573,146	6,573,146	7,004,618	431,472
Miscellaneous	359,140	378,896	114,316	(264,580)
Services Provided to Other Entities	1,381,226	1,381,226	1,562,602	181,376
<i>Total Revenues</i>	<u>16,942,197</u>	<u>16,961,953</u>	<u>17,574,843</u>	<u>612,890</u>
Expenditures				
Current:				
Instruction:				
Regular	4,163,201	4,280,781	2,832,889	1,447,892
Vocational	5,563,546	5,717,755	5,760,566	(42,811)
Adult/Continuing	0	0	3,290	(3,290)
Support Services:				
Pupils	1,068,873	1,098,882	1,103,147	(4,265)
Instructional Staff	492,991	506,416	518,003	(11,587)
Board of Education	73,740	75,760	95,823	(20,063)
Administration	1,137,609	1,169,681	1,185,899	(16,218)
Fiscal	482,935	496,401	583,914	(87,513)
Business	959	986	0	986
Operation and Maintenance of Plant	1,714,002	1,761,154	1,899,131	(137,977)
Pupil Transportation	32,171	33,081	56,247	(23,166)
Central	90,022	92,568	48,444	44,124
Operation of Non-Instructional Services	450	463	643	(180)
Extracurricular Activities	134,463	138,265	168,393	(30,128)
Capital Outlay	265,807	312,162	102,464	209,698
Debt Service:				
Principal Retirement	850,000	850,000	850,000	0
Interest and Fiscal Charges	598,035	598,035	598,035	0
<i>Total Expenditures</i>	<u>16,668,804</u>	<u>17,132,390</u>	<u>15,806,888</u>	<u>1,325,502</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>273,393</u>	<u>(170,437)</u>	<u>1,767,955</u>	<u>1,938,392</u>
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	64,038	64,038	68,745	4,707
Refund of Prior Year Expenditure	111	111	0	(111)
Advances In	0	0	154,877	154,877
Advances Out	0	0	(15,950)	(15,950)
Transfers In	0	0	9,645	9,645
Transfers Out	(337,587)	(337,587)	(869,899)	(532,312)
<i>Total Other Financing Sources (Uses)</i>	<u>(273,438)</u>	<u>(273,438)</u>	<u>(652,582)</u>	<u>(379,144)</u>
<i>Net Change in Fund Balance</i>	(45)	(443,875)	1,115,373	1,559,248
<i>Fund Balance Beginning of Year</i>	23,132,384	23,132,384	23,132,384	0
<i>Prior Year Encumbrances Appropriated</i>	168,624	168,624	168,624	0
<i>Fund Balance End of Year</i>	<u>\$23,300,963</u>	<u>\$22,857,133</u>	<u>\$24,416,381</u>	<u>\$1,559,248</u>

See accompanying notes to the basic financial statements

Mahoning County Career & Technical Center

Mahoning County, Ohio

Statement of Net Position

Fiduciary Fund

June 30, 2023

	<u>Private Purpose Trust</u>
	<u>Scholarship</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$5,582
Liabilities	
	<u>0</u>
Net Position	
Held in Trust for Scholarships	<u><u>\$5,582</u></u>

See accompanying notes to the basic financial statements

Mahoning County Career & Technical Center

Mahoning County, Ohio

Statement of Changes in Fiduciary Net Position

Fiduciary Fund

For the Fiscal Year Ended June 30, 2023

	<u>Private Purpose Trust</u>
	<u>Scholarship</u>
Additions	
Contributions and Donations	\$5,750
Deductions	
Scholarships Awarded	<u>3,388</u>
<i>Change in Net Position</i>	2,362
<i>Net Position Beginning of Year</i>	<u>3,220</u>
<i>Net Position End of Year</i>	<u><u>\$5,582</u></u>

See accompanying notes to the basic financial statements

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Mahoning County Career & Technical Center
Mahoning County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

Note 1 - Description of the District and Reporting Entity

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

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

A. Reporting Entity

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

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

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

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

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

Mahoning County Career & Technical Center

Mahoning County, Ohio

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023*

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

The District participates in certain organizations which are defined as jointly governed organizations and as public entity risk pools. The jointly governed organizations are presented in Note 15 to the basic financial statements and the public entity risk pools are presented in Note 17. These organizations are:

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

Note 2 - Summary of Significant Accounting Policies

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

A. Basis of Presentation

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

Government-wide Financial Statements:

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

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

Mahoning County Career & Technical Center

Mahoning County, Ohio

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023*

Fund Financial Statements:

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

B. Fund Accounting

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

Governmental Funds:

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

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

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

Fiduciary Fund Type:

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into the following four classifications: pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that has certain characteristics. The District has one private purpose trust fund for scholarships. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The District has no custodial funds.

C. Measurement Focus

Government-wide Financial Statements:

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

Mahoning County Career & Technical Center

Mahoning County, Ohio

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023*

Fund Financial Statements:

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

Fiduciary funds are reported using the economic resources measurement focus.

D. Basis of Accounting

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

Revenues – Exchange and Non-Exchange Transactions:

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

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

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

Deferred Outflows/Inflows of Resources:

In addition to assets, the statements of net position and balance sheets will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an

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outflow of resources (expense/expenditure) until then. For the District, deferred outflows of resources include a deferred charge on refunding, pension and OPEB reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension and OPEB are explained in Notes 12 and 13.

In addition to liabilities, the statements of net position and balance sheets report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include property taxes, pension, OPEB and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2023, but which were levied to finance fiscal year 2023 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables which will not be collected within the available period. For the District unavailable revenue includes delinquent property taxes and tuition and fees. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension and OPEB are reported on the government-wide statement of net position (see Notes 12 and 13).

Expenses/Expenditures:

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

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

E. Budgetary Data

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

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

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

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F. Cash and Cash Equivalents and Investments

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

During fiscal year 2023, investments were limited to United States Treasury notes, mutual funds, Municipal bonds, Commercial Paper, and securities issued by the Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Federal Farm Credit Bureau, Repurchase Agreements, and the State Treasury Assets Reserve (STAR Ohio). Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices.

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

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

Following Ohio statutes the Board of Education has, by resolution, specified the funds to receive an allocation of interest. Interest revenue credited to the General Fund during fiscal year 2023 amounted to \$380,127, \$30,945 of which was assigned from other District funds. The interest revenue amount reported included a non-cash cost basis to market value adjustment made on the District's investments as of the balance sheet date. Interest credited to the general fund on a cash (budget) basis amounted to \$516,773.

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

G. Inventory

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

H. Capital Assets

The District's capital assets are general capital assets and generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

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

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

Description	Estimated Lives
Land Improvements	10 years
Buildings and Improvements	45 years
Furniture, Fixtures and Equipment	3 - 20 years
Vehicles	5 - 20 years
Intangible Right to Use Lease	5 years

The District is reporting an intangible right to use asset related to leased equipment. This intangible asset is being amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

I. Discount on Certificates of Participation

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

J. Deferred Amount (Loss) on Refunding

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

K. Compensated Absences

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

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

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L. Accrued Liabilities and Long-term Obligations

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

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

M. Net Position

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

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

N. Fund Balance

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

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

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

Committed The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the District Board of Education. Those committed amounts cannot be used for any other purpose unless the District Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts.

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Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

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

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

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

O. Internal Activity

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

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

P. Interfund Balances

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

Q. Pensions/Other Postemployment Benefits (OPEB)

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

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R. Bond Premium

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

S. Estimates

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

T. Fair Value

The 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.

Note 3 – Change in Accounting Principles & Restatement of Prior Year Net Position

A. Change in Accounting Principles

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

GASB Statement No. 91 aims to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by users, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The implementation of GASB Statement No. 91 did not have an effect on the financial statements of the District.

GASB Statement No. 94 aims to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The implementation of GASB Statement No. 94 did not have an effect on the financial statements of the 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). The implementation of GASB Statement No. 96 did not have an effect on the financial statements of the District.

GASB Statement No. 99 focuses on enhancing 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 District.

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B. Restatement of Prior Year Net Position

	Governmental Activities
Net Position at June 30, 2022	\$13,598,115
Adjustment to Capital Assets	(143,529)
<i>Restated Net Position</i> <i>at June 30, 2022</i>	\$13,454,586

During the fiscal year the District performed a detailed review of its capital assets reports which resulted in a restatement downward of beginning net position in the amount of \$143,529.

Note 4 – Fund Deficits

Fund balances at June 30, 2023 included the following individual fund deficits:

Nonmajor Governmental Funds:	Deficit
District Agency Fund	\$347
Vocational Education - Carl Perkins Grant Fund	25,790
Basic PELL Education Grant Program	1,125

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

Note 5 - Budgetary Basis of Accounting

While the District is reporting its financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual presented for the General Fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

The major differences between the budget basis and GAAP (modified accrual) basis are as follows:

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

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5. Budgetary revenues and expenditures of the uniform school supplies fund and public school support fund are reclassified to the general fund for GAAP reporting.

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

Net Change in Fund Balance	
	General
GAAP Basis	\$906,583
Net Adjustment for Revenue Accruals	965,566
Advances In	154,877
Advances Out	(15,950)
Beginning Fair Value Adjustment	(396,747)
Ending Fair Value Adjustment	(513,926)
Net Adjustment for Expenditure Accruals	449,897
Net Adjustment for Funds Budgeted as Special Revenue	(18,592)
Adjustment for Encumbrances	(416,335)
Budget Basis	\$1,115,373

Note 6 - Deposits and Investments

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

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

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

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

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

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

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

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2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio);
8. Certain bankers' acceptances for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met.

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

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

Deposits At fiscal year end, the carrying amount of the District's deposits was \$9,314,451, plus cash on hand of \$1,240, and the bank balance of all District deposits was \$9,103,532. Of the bank balance, \$6,563,230 was covered by the FDIC and \$2,540,302 was covered by the Ohio Pooled Collateral System.

Custodial credit risk is the risk that, in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in possession of an outside party. The District has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by (1) eligible securities pledged to the District and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the

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deposits being secured or a rate set by the Treasurer of State. For 2023, the District's financial institutions were approved for a reduced collateral rate of 50 percent through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the School District to a successful claim by the FDIC.

Investments at June 30, 2023, the District had the following investments and maturities:

	Fair Value	Maturity
STAROhio	\$2,741,522	Less than One Year
Money Market Mutual Funds	871,740	Less than One Year
Municipal Bonds	301,881	Less than One Year
Commercial Paper	2,298,887	Less than One Year
United States Treasury Notes	2,017,664	Less than One Year
Federal Home Loan Mortgage Corporation Bonds	1,969,370	Less than One Year
Federal Home Loan Bank Bonds	722,273	Less than One Year
United States Treasury Notes	240,184	One to Three Years
Federal Home Loan Mortgage Corporation Bonds	1,926,360	One to Three Years
Federal Home Loan Bank Bonds	3,617,460	One to Three Years
Federal Farm Credit Bureau Bonds	545,946	One to Three Years
Federal National Mortgage Association Bonds	226,562	One to Three Years
Total Portfolio	\$17,479,849	

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

Credit Risk. As of June 30, 2023, the District's investments in Mutual Funds were not rated, STAROhio was rated AAAm, Federal Home Loan Bank Bonds, Federal Home Loan Mortgage Corporation Bonds, Federal National Mortgage Association Bonds, Federal Farm Credit Bureau Bonds, Commercial Paper and Municipal Bonds were rated AA+ by Standard and Poors and Aaa by Moody's.

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

Concentration of Credit Risk. The District places no limit on the amount it may invest in any one issuer. The following is the District's allocation as of June 30, 2023:

Investment	Percent of Total
Federal Home Loan Bank	24.83%
Federal Home Loan Mortgage Corporation	22.29%
STAR Ohio	15.68%
Commercial Paper	13.15%
U. S. Treasury Notes	12.92%
Money Market Mutual Funds	4.98%
Federal Farm Credit Bureau	3.12%
Municipal Bonds	1.73%
Federal National Mortgage Association	1.30%
Total	100.00%

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Note 7 – Property Taxes

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

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

Public utility property tax revenue received in calendar 2023 represents collections of calendar year 2022 taxes. Public utility real and tangible personal property taxes received in calendar year 2022 became a lien December 31, 2021, 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 District receives property taxes from Mahoning, Trumbull, Portage, and Columbiana Counties. The Mahoning County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the Counties by June 30, 2023, are available to finance fiscal year 2023 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property and public utility property taxes which are measurable as of June 30, 2023 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows of resources – property taxes.

The amount available as an advance at June 30, 2023, was \$47,000 in the General Fund. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

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

	2022 Second Half Collections		2023 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$3,979,686,480	93.47 %	\$4,045,890,790	93.29 %
Public Utility Personal	278,174,630	6.53	291,130,920	6.71
Total	\$4,257,861,110	100.00 %	\$4,337,021,710	100.00 %
Tax rate per \$1,000 of assessed valuation	\$2.10		\$2.10	

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Notes to the Basic Financial Statements
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Note 8 – Fund Balances

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

Fund Balances	General	Nonmajor Governmental	Total
<i>Nonspendable</i>			
Inventory	\$12,833	\$2,094	\$14,927
Unclaimed Funds	28,951	0	28,951
<i>Total Nonspendable</i>	41,784	2,094	43,878
<i>Restricted for</i>			
Food Service Operations	0	202,277	202,277
Adult Education	0	385,553	385,553
Student Managed Activity	0	98,101	98,101
Miscellaneous Federal Programs	0	559,352	559,352
Debt Service Payments	0	91	91
Capital Improvements	0	117,064	117,064
Other Purposes	0	67,666	67,666
<i>Total Restricted</i>	0	1,430,104	1,430,104
<i>Committed to</i>			
Permanent Improvements	0	750,000	750,000
<i>Assigned to</i>			
Other Purposes	11,746	0	11,746
Encumbrances	113,665	0	113,665
Subsequent Year Appropriation	777,353	0	777,353
Certificates of Participation	18,285,553	0	18,285,553
<i>Total Assigned</i>	19,188,317	0	19,188,317
<i>Unassigned (Deficit)</i>	3,645,703	(27,262)	3,618,441
<i>Total Fund Balances</i>	\$22,875,804	\$2,154,936	\$25,030,740

Note 9 - Receivables

Receivables at June 30, 2023, consisted of accrued interest, accounts, interfund, intergovernmental grants and property taxes. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of Federal funds. All receivables are expected to be collected within one year. For fiscal year 2023, the District's intergovernmental receivable of \$21,662 was for a Vocational Education Enhancement grant.

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Notes to the Basic Financial Statements
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Note 10 – Capital Assets

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

	(Restated) Balance 6/30/22	Additions	Reductions	Balance 6/30/23
Governmental Activities:				
Capital assets not being depreciated				
Land	\$125,000	\$0	\$0	\$125,000
Capital assets being depreciated/amortized				
Land improvements	995,871	420,541	0	1,416,412
Buildings and improvements	32,578,887	0	0	32,578,887
Furniture, fixtures and equipment	4,139,446	240,776	0	4,380,222
Vehicles	196,238	0	0	196,238
Intangible Right to Use Lease**	76,183	0	0	76,183
<i>Total capital assets being depreciated/amortized</i>	<u>37,986,625</u>	<u>661,317</u>	<u>0</u>	<u>38,647,942</u>
Accumulated depreciation/amortization				
Land improvements	(414,010)	(62,165)	0	(476,175)
Buildings and improvements	(11,757,742)	(697,095)	0	(12,454,837)
Furniture, fixtures and equipment	(2,768,773)	(217,178)	0	(2,985,951)
Vehicles	(135,237)	(12,117)	0	(147,354)
Intangible Right to Use Lease**	(5,714)	(15,237)	0	(20,951)
Total accumulated depreciation/amortization	<u>(15,081,476)</u>	<u>(1,003,792) *</u>	<u>0</u>	<u>(16,085,268)</u>
<i>Capital assets being depreciated/amortized, net</i>	<u>22,905,149</u>	<u>(342,475)</u>	<u>0</u>	<u>22,562,674</u>
Governmental activities capital assets, net	<u>\$23,030,149</u>	<u>(\$342,475)</u>	<u>\$0</u>	<u>\$22,687,674</u>

* Depreciation/amortization expense was charged to governmental functions as follows:

Instruction:	
Regular	\$18,250
Vocational	874,970
Support Services:	
Pupil	16,439
Instructional Staff	32,097
Administration	812
Business	10,251
Operation and Maintenance of Plant	28,472
Pupil Transportation	8,986
Operation of Non-Instructional Services	<u>13,515</u>
Total Depreciation Expense	<u>\$1,003,792</u>

**Of the current year depreciation total of \$1,003,792, \$15,237 is presented as a regular instruction expense on the Statement of Activities related to the District's intangible asset of copiers, which are included in the table above as an Intangible Right to Use Lease. With the implementation of GASB Statement No. 87, *Leases*, a lease meeting the criteria of this statement requires the lessee to recognize the lease liability and an intangible right to use asset.

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Note 11 – Risk Management

A. Property and Liability

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Settled claims have not exceeded insurance coverage in the last three years. During fiscal year 2023, the District contracted for the following insurance coverage:

Type of Coverage	Coverage
Coverage provided by Ohio School Plan:	
Property/Boiler and Machinery (\$1,000 deductible)	\$102,838,206
Extra Expense (\$1,000 deductible)	1,000,000
Aircraft (\$1,000 deductible)	243,426
Crime (\$1,000 deductible)	50,000
Fleet Insurance, single limit (\$250 deductible - comprehensive)	2,000,000
(\$1,000 deductible - busses)	
(\$500 deductible - collision)	
Coverage provided by The Ohio School Plan:	
General Liability	
in aggregate	\$4,000,000
Per occurrence	2,000,000

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

B. Workers' Compensation

For 2023, the District participated in the Ohio Association of School Business Officials Ohio Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 17).

C. Employee Medical Benefits

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

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

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

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Note 12 – Defined Benefit Pension Plans

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

A. Net Pension Liability/Net OPEB Liability/(Asset)

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

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

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

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

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

The remainder of this note includes the required pension disclosures. See Note 13 for the required OPEB disclosures.

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Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

B. School Employees Retirement System

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

Age and service requirements for retirement are as follows:

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

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

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

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost-of-living adjustment (COLA) on the first anniversary date of the benefit. New benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. The COLA, is indexed to the percentage increase in the CPI-W, not to exceed 2.5 percent and with a floor of 0 percent. A three-year COLA suspension was in effect for all benefit recipients for calendar years 2018, 219 and 2020. SERS approved a 2.5 percent COLA for eligible retirees and beneficiaries for calendar year 2023.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2023, the allocation to pension, death benefits, and Medicare B was 14.0 percent. For fiscal year 2023, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The District's contractually required contribution to SERS was \$229,551 for fiscal year 2023. Of this amount \$12,936 is reported as an intergovernmental payable.

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*Notes to the Basic Financial Statements
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C. State Teachers Retirement System

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

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

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

Eligibility changes for DB Plan members who retire with actuarially reduced benefits will be phased in until August 1, 2026, when retirement eligibility will be five years of qualifying service credit and age 60, or 30 years of service credit at any age.

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

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

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

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

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The fiscal year 2023 employer and employee contribution rate of 14 percent was equal to the statutory maximum rates. For fiscal year 2023, the full employer contribution was allocated to pension.

The District's contractually required contribution to STRS was \$893,798 for fiscal year 2023. Of this amount \$126,923 is reported as an intergovernmental payable.

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

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

	SERS	STRS	Total
Proportion of the Net Pension Liability Prior Measurement Date	0.04064160%	0.04869156%	
Proportion of the Net Pension Liability Current Measurement Date	<u>0.04139190%</u>	<u>0.04692834%</u>	
Change in Proportionate Share	<u>0.00075030%</u>	<u>-0.00176322%</u>	
Proportionate Share of the Net Pension Liability	\$2,238,796	\$10,432,229	\$12,671,025
Pension Expense	\$178,636	\$1,284,158	\$1,462,794

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

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	\$90,673	\$133,547	\$224,220
Net difference between projected and actual earnings on pension plan investments	0	363,018	363,018
Change of Assumptions	22,090	1,248,425	1,270,515
Change in Proportionate Share	50,813	93,988	144,801
District contributions subsequent to the measurement date	229,551	893,798	1,123,349
Total Deferred Outflows of Resources	<u>\$393,127</u>	<u>\$2,732,776</u>	<u>\$3,125,903</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$14,698	\$39,907	\$54,605
Net difference between projected and actual earnings on pension plan investments	78,128	0	78,128
Change of Assumptions	0	939,705	939,705
Change in Proportionate Share	0	455,185	455,185
Total Deferred Inflows of Resources	<u>\$92,826</u>	<u>\$1,434,797</u>	<u>\$1,527,623</u>

\$1,123,949 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2024	\$46,373	(\$63,089)	(\$16,716)
2025	6,152	(153,784)	(147,632)
2026	(111,603)	(436,945)	(548,548)
2027	129,828	1,057,999	1,187,827
Total	<u>\$70,750</u>	<u>\$404,181</u>	<u>\$474,931</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.

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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. Future benefits for all current plan members were projected through 2132.

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

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

Actuarial Cost Method	Entry Age Normal (Level Percentage of Payroll, Closed)
Inflation	2.40 Percent
Future Salary Increases, Including Inflation	3.25 Percent to 13.58 Percent
Investment Rate of Return	7.0 Percent, Net of Investment Expense, Including Inflation
COLA or Ad hoc COLA	2.0 Percent, on and after April 1, 2018, COLA's for future retirees will be delayed for 3 years following commencement

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

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

The long-term return expectation for the Pension Plan Investments has been determined by using a building-block approach and assumes a time horizon, as defined in SERS' *Statement of Investment Policy*. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating an arithmetic weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes.

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

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Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00 %	(0.33) %
U.S. Equity	24.75	5.72
Non-U.S. Equity Developed	13.50	6.55
Non-U.S. Equity Emerging	6.75	8.54
Fixed Income/Global Bond	19.00	1.14
Private Equity	11.00	10.03
Real Estate/Real Assets	16.00	5.41
Multi-Asset Strategies	4.00	3.47
Private Debt/Private Credit	3.00	5.28
Total	100.00 %	

Discount Rate The total pension liability was calculated using the discount rate of 7.0 percent. The discount rate determination does not use a mechanical bond rate. The projection of cash flows used to determine the discount rate assumed that employers would contribute the actuarially determined contribution rate of projected compensation over the remaining 22-year amortization period of the unfunded actuarial accrued liability. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.0 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. The annual money-weighted rate of return, calculated as the internal rate of return on pension plan investments was 28.18 percent.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.0 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 (6.0 percent), or one percentage point higher (8.0 percent) than the current rate.

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
District's Proportionate Share of the Net Pension Liability	\$3,295,401	\$2,238,796	\$1,348,621

Actuarial Assumptions - STRS

The total pension liability in the June 30, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 Percent
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Projected Salary Increases	Varies by Service from 2.5% to 8.5%
Investment Rate of Return	7.0 Percent, Net of Investment Expenses, Including Inflation
Payroll Increases	3.00 Percent
Cost of Living Adjustments (COLA)	0 Percent

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

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

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

Asset Class	Target Allocation*	Long-Term Expected Rate of Return**
Domestic Equity	26.00 %	6.60 %
International Equity	22.00	6.80
Fixed Income	22.00	1.75
Alternatives	19.00	7.38
Real Estate	10.00	5.75
Liquidity Reserves	1.00	1.00
Total	100.00 %	7.00 %

*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 percent 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 7.0 percent as of June 30, 2022. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2022. Therefore, the long-term expected rate of return on pension plan investments of 7.0 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2022.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.0 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.0 percent) or one-percentage-point higher (8.0 percent) than the current rate:

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Notes to the Basic Financial Statements
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	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
District's Proportionate Share of the Net Pension Liability	\$15,759,300	\$10,432,229	\$5,927,176

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.

E. Social Security System

Effective, July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System of Ohio have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System of Ohio. As of June 30, 2023, certain members of the Board of Education have elected Social Security. The District's liability is 6.2 percent of wages paid.

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

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

Plan Description - School Employees Retirement System (SERS)

Health Care Plan Description - The District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Annual Comprehensive Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. 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.

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Funding Policy - State statute permits SERS to fund health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2023, no allocation was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2023, this amount was \$25,000. Statutes provide that no employer shall pay a health care surcharge greater than 2.0 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 District's surcharge obligation was \$13,462.

The surcharge added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was \$13,462 for fiscal year 2023, all of which was reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

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

Funding Policy - Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2023, STRS did not allocate any employer contributions to post-employment health care.

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

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

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	SERS	STRS	Total
Proportion of the Net OPEB Liability (Asset)			
Prior Measurement Date	0.03881580%	0.04869156%	
Proportion of the Net OPEB Liability (Asset)			
Current Measurement Date	0.04005080%	0.04692834%	
Change in Proportionate Share	0.00123500%	-0.00176322%	
Proportionate Share of the Net OPEB Liability (Asset)	\$562,317	(\$1,215,131)	(\$652,814)
OPEB Expense	(\$41,987)	(\$184,920)	(\$226,907)

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

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	\$4,725	\$17,615	\$22,340
Net difference between projected and actual earnings on OPEB plan investments	2,922	21,152	24,074
Change of Assumptions	89,446	51,760	141,206
Change in Proportionate Share	75,120	71,348	146,468
District contributions subsequent to the measurement date	13,462	0	13,462
Total Deferred Outflows of Resources	\$185,675	\$161,875	\$347,550
Deferred Inflows of Resources			
Differences between expected and actual experience	\$359,700	\$182,488	\$542,188
Change of Assumptions	230,838	861,643	1,092,481
Change in Proportionate Share	0	612	612
Total Deferred Inflows of Resources	\$590,538	\$1,044,743	\$1,635,281

\$13,462 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2023. 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	(\$95,846)	(\$244,644)	(\$340,490)
2025	(95,440)	(240,401)	(335,841)
2026	(84,088)	(129,453)	(213,541)
2027	(51,567)	(53,998)	(105,565)
2028	(34,439)	(70,933)	(105,372)
Thereafter	(56,945)	(143,439)	(200,384)
Total	(\$418,325)	(\$882,868)	(\$1,301,193)

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Actuarial Assumptions - SERS

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

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

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

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

Wage Inflation	2.40 percent
Future Salary Increases, including inflation	3.25 percent to 13.58 percent
Investment Rate of Return	7.0 percent net of investment expense, including inflation
Municipal Bond Index Rate:	
Measurement Date	3.69 percent
Prior Measurement Date	1.92 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation	
Measurement Date	4.08 percent
Prior Measurement Date	2.27 percent
Medical Trend Assumption	
Medicare	7.00 to 4.40 percent

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 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 on April 15, 2021. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a long-

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normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.0 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

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

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 state statute contribution rate of 1.50 percent of projected covered employee payroll each year, which includes a 1.50 percent payroll surcharge and no contributions from the basic pension benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make all projected future benefit payments of current System members by SERS actuaries. The Municipal Bond Index Rate is used in determination of the SEIR for both the June 30, 2021 and the June 30, 2022 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 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%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.0% decreasing to 3.40%) and higher (8.0% decreasing to 5.40%) than the current rate (7.0 percent decreasing to 4.40 percent).

	1% Decrease (3.08%)	Current Discount Rate (4.08%)	1% Increase (5.08%)
District's proportionate share of the net OPEB liability (asset)	\$698,407	\$562,317	\$452,456
	1% Decrease (6.0 % decreasing to 3.40 %)	Current Trend Rate (7.0% decreasing to 4.40 %)	1% Increase (8.0 % decreasing to 5.40 %)
District's proportionate share of the net OPEB liability (asset)	\$433,644	\$562,317	\$730,381

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Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2022, actuarial valuation are presented below:

Projected salary increases	Varies by Service from 2.5 percent to 8.5 percent
Investment Rate of Return	7.0 percent, net of investment expenses, including inflation
Payroll Increases	3.0 percent
Discount Rate of Return	7.0 percent
Health Care Cost Trends:	
<i>Medical</i>	
Pre-Medicare	7.50 percent initial, 3.94 percent ultimate
Medicare	(68.78) percent initial, 3.94 percent ultimate
<i>Prescription Drug</i>	
Pre-Medicare	9.0 percent initial, 3.94 percent ultimate
Medicare	(5.47) percent initial, 3.94 percent ultimate

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

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

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

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.

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

Discount Rate The discount rate used to measure the total OPEB liability was 7.0 percent as of June 30, 2022. The projection of cash flows used to determine the discount rate assumes STRS continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2022. Therefore, the long-term expected rate of return on health care plan investments of 7.0 percent 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 to Changes in the Discount and Health Care Cost Trend Rate The following table represents the net OPEB asset as of June 30, 2022, calculated using the current period discount rate assumption of 7.0 percent, as well as what the

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net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.0 percent) or one percentage point higher (8.0 percent) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)								
District's proportionate share of the net OPEB asset	(\$1,123,357)	(\$1,215,131)	(\$1,293,743)								
<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 35%;"></th> <th style="width: 20%; text-align: center; border-bottom: 1px solid black;">1% Decrease</th> <th style="width: 20%; text-align: center; border-bottom: 1px solid black;">Current Trend Rate</th> <th style="width: 25%; text-align: center; border-bottom: 1px solid black;">1% Increase</th> </tr> </thead> <tbody> <tr> <td style="vertical-align: top;">District's proportionate share of the net OPEB asset</td> <td style="text-align: center;">(\$1,260,386)</td> <td style="text-align: center;">(\$1,215,131)</td> <td style="text-align: center;">(\$1,158,007)</td> </tr> </tbody> </table>					1% Decrease	Current Trend Rate	1% Increase	District's proportionate share of the net OPEB asset	(\$1,260,386)	(\$1,215,131)	(\$1,158,007)
	1% Decrease	Current Trend Rate	1% Increase								
District's proportionate share of the net OPEB asset	(\$1,260,386)	(\$1,215,131)	(\$1,158,007)								

Note 14 – Other Employee Benefits

A. Compensated Absences

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

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

B. Life Insurance

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

Note 15 – Jointly Governed Organizations

A. Area Cooperative Computerized Educational Service System/ACCESS Assembly

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

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

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network services and student services.

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

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

All ACCESS revenues are generated from charges for services and State funding. Each of the members supports the ACCESS Assembly based upon a per pupil charge. The District paid a monthly fee to ACCESS during fiscal year 2023. Financial information can be obtained by contacting the Treasurer, Brian Stidham, at 493 Bev Road, Unit 1, Boardman, Ohio, 44512.

B. Mahoning Area Consortium (MAC) Tech Prep

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

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

C. Ohio Schools Council

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

In fiscal year 2023, the District participated in the Council's electric energy program. This program allows school districts to purchase electricity at reduced rates. The participants make monthly payments based on estimated usage. At the end of the fiscal year, these estimated monthly payments are compared to their actual usage and any necessary adjustments are made.

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

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Note 16 - Contingencies

A. Grants:

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

B. Litigation:

The District is not party to any legal proceedings seeking damages or injunctive relief generally incidental to its operations and pending at June 30, 2023.

C. District Foundation:

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

Note 17 – Public Entity Risk Pools

A. Insurance Purchasing Pool

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

B. Ohio School Plan

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

C. Shared Risk Pool

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

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Note 18 – Long-Term Obligations

The changes in the District's long-term obligations during the fiscal year ended June 30, 2023, were as follows:

	Principal Outstanding 6/30/22	Additions	Deductions/ Refunded	Principal Outstanding 6/30/23	Amounts due in One Year
General Obligation Bonds:					
2015 Current Interest Term & Serial	\$1,520,000	\$0	(\$45,000)	\$1,475,000	\$45,000
Unamortized Issuance Premium	69,592	0	(3,093)	66,499	0
2018 School Improvement	855,000	0	(65,000)	790,000	65,000
<i>Total General Obligation Bonds</i>	<u>2,444,592</u>	<u>0</u>	<u>(113,093)</u>	<u>2,331,499</u>	<u>110,000</u>
Certificates of Participation:					
9/7/21 Certificates of Participation	6,780,000	0	(245,000)	6,535,000	255,000
Unamortized Issuance Premium	1,256,425	0	(68,845)	1,187,580	0
<i>Subtotal</i>	<u>8,036,425</u>	<u>0</u>	<u>(313,845)</u>	<u>7,722,580</u>	<u>255,000</u>
9/20/17 Certificates of Participation	10,705,000	0	(605,000)	10,100,000	615,000
Unamortized Issuance Premium	497,267	0	(34,294)	462,973	0
<i>Subtotal</i>	<u>11,202,267</u>	<u>0</u>	<u>(639,294)</u>	<u>10,562,973</u>	<u>615,000</u>
<i>Total Certificates of Participation</i>	<u>19,238,692</u>	<u>0</u>	<u>(953,139)</u>	<u>18,285,553</u>	<u>870,000</u>
Other Long-Term Obligations:					
Lease	76,183	0	(13,837)	62,346	14,893
Compensated Absences	1,319,475	276,629	(172,915)	1,423,189	200,949
<i>Total Other Long-Term Liabilities</i>	<u>1,395,658</u>	<u>276,629</u>	<u>(186,752)</u>	<u>1,485,535</u>	<u>215,842</u>
<i>Total Before Net Pension/OPEB Liability</i>	<u>23,078,942</u>	<u>276,629</u>	<u>(1,252,984)</u>	<u>22,102,587</u>	<u>1,195,842</u>
Net Pension Liability:					
STRS	6,225,654	4,206,575	0	10,432,229	0
SERS	1,499,557	739,239	0	2,238,796	0
<i>Total Net Pension Liability</i>	<u>7,725,211</u>	<u>4,945,814</u>	<u>0</u>	<u>12,671,025</u>	<u>0</u>
Net OPEB Liability:					
SERS	734,621	0	(172,304)	562,317	0
<i>Total Long-Term Obligations</i>	<u>\$31,538,774</u>	<u>\$5,222,443</u>	<u>(\$1,425,288)</u>	<u>\$35,335,929</u>	<u>\$1,195,842</u>

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

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

On September 20, 2017, the District issued Certificates of Participation of \$13,005,000 (par value) with interest rates ranging from 3.00% to 4.00% to currently refund \$13,160,000 of the 10/15/09 Certificates of Participation with rates ranging from 2.00% to 4.75%. The term certificates mature

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For the Fiscal Year Ended June 30, 2023*

12/1/2036 and are callable 12/1/2025. The refunding certificates were issued at a premium of \$651,590 and, after paying issuance costs of \$233,855, the net proceeds were \$13,422,735. The net proceeds from the issuance of the certificates of participation were used to purchase U.S. government securities and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the certificates are called. The advance refunding met the requirements of an in-substance debt defeasance and the Certificates of Participation were removed from the District's government-wide financial statements.

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

On November 11, 2014, the District issued Certificates of Participation with a par value of \$9,595,000, interest rates ranging from 3.375% to 6.25%, and were issued at a discount of \$101,271. On September 7, 2021, the District issued Certificates of Participation of \$7,115,000 (par value) with an interest rate of 4.00% to currently refund \$8,625,000 of the 11/20/14 Certificates of Participation with rates ranging from 3.375% to 6.25%. The term certificates mature 12/1/2040 and are callable 6/1/2031. The refunding certificates were issued at a premium of \$1,308,059 and, after paying issuance costs of \$216,062, the net proceeds were \$8,778,597. The current refunding met the requirements of an in-substance debt defeasance and the Certificates of Participation were removed from the District's government-wide financial statements.

As a result of the current refunding, the District reduced its total debt service requirements by \$2,114,655, and a net present value savings of \$1,548,010.

Pursuant to Section 133.06 of the Ohio Revised Code, the obligations of these certificates of participation will not be construed as net indebtedness of the District.

The lease is being repaid from the general fund.

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

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

The District's overall legal debt margin was \$388,067,045 with an unvoted debt margin of \$4,337,022 at June 30, 2023. Principal and interest requirements to retire the General Obligation Bonds, Certificates of Participation and Lease outstanding at June 30, 2023, are as follows:

Mahoning County Career & Technical Center
Mahoning County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

Fiscal Year Ending June 30,	General Obligation Bonds					
	Current Interest Term & Serial Bonds			2018 School Improvement		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$45,000	\$56,903	\$101,903	\$65,000	\$31,600	\$96,600
2025	45,000	55,722	100,722	70,000	29,000	99,000
2026	45,000	54,541	99,541	70,000	26,200	96,200
2027	50,000	52,950	102,950	75,000	23,400	98,400
2028	50,000	50,950	100,950	75,000	20,400	95,400
2029 - 2033	280,000	222,750	502,750	435,000	53,600	488,600
2034 - 2038	345,000	160,250	505,250	0	0	0
2039 - 2043	420,000	83,750	503,750	0	0	0
2044 - 2045	195,000	8,425	203,425	0	0	0
Total	\$1,475,000	\$746,241	\$2,221,241	\$790,000	\$184,200	\$974,200

Fiscal year Ending June 30,	9/20/17 Refunding Certificate of Participation		9/7/2021 Refunding Certificate of Participation	
	Principal	Interest	Principal	Interest
	2024	\$615,000	\$339,550	\$255,000
2025	580,000	315,650	265,000	245,900
2026	605,000	291,950	275,000	235,100
2027	630,000	267,250	285,000	223,900
2028	650,000	241,650	300,000	212,200
2029-2033	3,640,000	823,900	1,680,000	868,200
2034-2038	3,380,000	219,706	2,040,000	498,000
2039-2042	0	0	1,435,000	87,500
Total	\$10,100,000	\$2,499,656	\$6,535,000	\$2,627,100

Lease Payable – The District entered into a lease agreement for copiers in 2022. Due to the implementation of GASB Statement No. 87, this lease has met the criteria of a lease thus requiring it to be recorded by the District. The lease will be amortized over the lease term since it is shorter than the useful life due to the District not taking ownership of the copiers. A summary of the principal and interest amounts remaining for the lease are as follows:

Fiscal Year Ending June 30,	Lease		
	2022 Copiers		
	Principal	Interest	Total
2024	\$14,893	\$1,667	\$16,560
2025	15,346	1,214	16,560
2026	15,813	747	16,560
2027	16,294	266	16,560
Total	\$62,346	\$3,894	\$66,240

Mahoning County Career & Technical Center
Mahoning County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

Note 19 – Interfund Activity

Interfund Transfers

Interfund transfers for the year ended June 30, 2023, consisted of the following, as reported on the fund financial statements:

	Transfers In	Transfers Out
Major Governmental Fund:		
General	\$9,645	\$830,899
Non-major Governmental Funds:		
Vocational Education Enhancement	446	0
Governor's Emergency Relief Fund	0	995
Vocational Education Fund	5,453	8,650
Bond Retirement	205,000	0
Permanent Improvement Fund	250,000	0
Capital Project Fund - Fire Tower	370,000	0
	\$840,544	\$840,544

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Transfers between governmental funds are eliminated on the government-wide financials. All transfers were made in compliance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

Interfund Advances

The District interfund receivables/payables at June 30, 2023 consisted of the following:

	Interfund Receivable	Interfund Payable
Major Governmental Fund:		
General	\$16,297	\$0
Non-major Governmental Funds:		
District Agency	0	347
Basic PELL Education Grant Fund	0	1,125
Drug Free Schools Fund	0	14,825
	\$16,297	\$16,297

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

Mahoning County Career & Technical Center
Mahoning County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

Note 20 – Set Asides

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

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

	Capital Improvements
Set-Aside Reserve Balance as of June 30, 2022	\$0
Current Year Set-Aside Requirement	165,399
Qualifying Disbursements	(331,772)
Total	(\$166,373)
Set-Aside Balance Carried Forward to Future Fiscal Years	\$0
Cash balance as of June 30, 2023	\$0

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

Note 21 – Encumbrances

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

	Outstanding at June 30, 2023
General Fund	\$416,335
Non-major special revenue funds	231,006
Non-major capital projects funds	254,998
Total	\$902,339

Note 22 – COVID-19

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

Mahoning County Career & Technical Center
Mahoning County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

Note 23 - Subsequent Event

On November 3, 2023 the Center was awarded an \$11,417,404 grant through the State of Ohio as part of the Career Technical Construction Program to expand education and training facilities to serve more students.

Mahoning County Career & Technical Center

Mahoning County, Ohio

Required Supplementary Information

Schedule of the School District's Proportionate Share of the Net Pension Liability

School Employees Retirement System of Ohio (SERS)

Last Ten Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
School District's Proportion of the Net Pension Liability	0.04139190%	0.04064160%	0.03900840%	0.03816680%
School District's Proportionate Share of the Net Pension Liability	\$2,238,796	\$1,499,557	\$2,580,098	\$2,283,587
School District's Employee Payroll	\$1,545,221	\$1,402,843	\$1,367,550	\$1,345,037
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Employee Payroll	144.89%	106.89%	188.67%	169.78%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.82%	82.86%	68.55%	70.85%

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

See accompanying notes to the required supplementary information.

2019	2018	2017	2016	2015	2014
0.03749620%	0.03708240%	0.03947230%	0.04123090%	0.04050300%	0.04050300%
\$2,147,477	\$2,215,591	\$2,889,008	\$2,352,676	\$2,049,834	\$2,408,583
\$1,368,052	\$1,232,843	\$1,273,229	\$1,287,350	\$1,228,521	\$1,178,446
156.97%	179.71%	226.90%	182.75%	166.85%	204.39%
71.36%	69.50%	62.98%	69.16%	71.70%	65.52%

Mahoning County Career & Technical Center
Mahoning County, Ohio

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
School District's Proportion of the Net Pension Liability	0.046928340%	0.048691560%	0.050153860%	0.049364070%
School District's Proportionate Share of the Net Pension Liability	\$10,432,229	\$6,225,654	\$12,135,450	\$10,916,567
School District's Employee Payroll	\$6,100,907	\$6,008,221	\$6,052,786	\$5,907,357
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Employee Payroll	170.99%	103.62%	200.49%	184.80%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.90%	87.80%	75.48%	77.40%

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

See accompanying notes to the required supplementary information.

2019	2018	2017	2016	2015	2014
0.048680670%	0.043018040%	0.043071530%	0.044946110%	0.046949170%	0.046949170%
\$10,703,786	\$10,219,028	\$14,417,339	\$12,421,790	\$11,419,663	\$13,603,028
\$5,583,421	\$4,836,937	\$4,661,703	\$4,796,286	\$4,954,837	\$4,799,072
191.71%	211.27%	309.27%	258.99%	230.48%	283.45%
77.30%	75.30%	66.80%	72.10%	74.70%	69.30%

Mahoning County Career & Technical Center
Mahoning County, Ohio

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	\$229,551	\$216,331	\$196,398	\$191,457	\$181,580	\$184,687	\$172,598	\$178,252	\$169,158	\$170,273
Contributions in Relation to the Contractually Required Contribution	(\$229,551)	(\$216,331)	(\$196,398)	(\$191,457)	(\$181,580)	(\$184,687)	(\$172,598)	(\$178,252)	(\$169,158)	(\$170,273)
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered-Employee Payroll	\$1,639,650	\$1,545,221	\$1,402,843	\$1,367,550	\$1,345,037	\$1,368,052	\$1,232,843	\$1,273,229	\$1,287,350	\$1,228,521
Contributions as a Percentage of Covered-Employee 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.

Mahoning County Career & Technical Center
Mahoning County, Ohio

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	\$893,798	\$854,127	\$841,151	\$847,390	\$827,030	\$781,679	\$677,171	\$652,638	\$671,480	\$644,129
Contributions in Relation to the Contractually Required Contribution	(\$893,798)	(\$854,127)	(\$841,151)	(\$847,390)	(\$827,030)	(\$781,679)	(\$677,171)	(\$652,638)	(\$671,480)	(\$644,129)
Contribution Deficiency (Excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
School District Covered-Employee Payroll	\$6,384,271	\$6,100,907	\$6,008,221	\$6,052,786	\$5,907,357	\$5,583,421	\$4,836,937	\$4,661,703	\$4,796,286	\$4,954,837
Contributions as a Percentage of Covered-Employee 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.

Mahoning County Career & Technical Center
Mahoning County, Ohio

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

	2023	2022	2021	2020	2019	2018	2017
School District's Proportion of the Net OPEB Liability	0.04005080%	0.03881580%	0.03729580%	0.03698890%	0.03629500%	0.03589460%	0.03589460%
School District's Proportionate Share of the Net OPEB Liability	\$562,317	\$734,621	\$810,560	\$930,193	\$1,006,921	\$963,317	\$1,023,129
School District's Employee Payroll	\$1,545,221	\$1,402,843	\$1,367,550	\$1,345,037	\$1,368,052	\$1,232,843	\$1,273,229
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Employee Payroll	36.39%	52.37%	59.27%	69.16%	73.60%	78.14%	80.36%
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 District's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information.

Mahoning County Career & Technical Center
Mahoning County, Ohio

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

	2023	2022	2021	2020	2019	2018	2017
School District's Proportion of the Net OPEB Liability (Asset)	0.046928340%	0.048691562%	0.050153860%	0.049364070%	0.048680670%	0.043018040%	0.043071530%
School District's Proportionate Share of the Net OPEB Liability (Asset)	(\$1,215,131)	(\$1,026,622)	(\$881,453)	(\$817,587)	(\$782,249)	\$1,678,405	\$2,300,616
School District's Employee Payroll	\$6,100,907	\$6,008,221	\$6,052,786	\$5,907,357	\$5,583,421	\$4,836,937	\$4,661,703
School District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Employee Payroll	-19.92%	-17.09%	-14.56%	-13.84%	-14.01%	34.70%	49.35%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	230.73%	174.73%	182.13%	174.74%	176.00%	47.10%	37.30%

(1) Information prior to 2017 is not available.

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

See accompanying notes to the required supplementary information.

Mahoning County Career & Technical Center
Mahoning County, Ohio

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	\$13,462	\$14,531	\$10,664	\$8,904	\$18,940	\$11,859	\$11,536	\$8,727	\$24,185	\$18,604
Contributions in Relation to the Contractually Required Contribution	(\$13,462)	(\$14,531)	(\$10,664)	(\$8,904)	(\$18,940)	(\$11,859)	(\$11,536)	(\$8,727)	(\$24,185)	(\$18,604)
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered-Employee Payroll	\$1,639,650	\$1,545,221	\$1,402,843	\$1,367,550	\$1,345,037	\$1,368,052	\$1,232,843	\$1,273,229	\$1,287,350	\$1,228,521
Contributions as a Percentage of Covered-Employee Payroll	0.82%	0.94%	0.76%	0.65%	1.41%	0.87%	0.94%	0.73%	1.88%	1.51%

See accompanying notes to the required supplementary information.

Mahoning County Career & Technical Center
Mahoning County, Ohio

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$49,548
Contributions in Relation to the Contractually Required Contribution	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$49,548)
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered-Employee Payroll	\$6,384,271	\$6,100,907	\$6,008,221	\$6,052,786	\$5,907,357	\$5,583,421	\$4,836,937	\$4,661,703	\$4,796,286	\$4,954,837
Contributions as a Percentage of Covered-Employee Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.00%

See accompanying notes to the required supplementary information.

Mahoning County Career & Technical Center
Mahoning County, Ohio

*Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2023*

Net Pension Liability

Changes in Assumptions – SERS

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

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

	Fiscal Year 2022	Fiscal Year 2017	Fiscal Year 2016 & Prior
Wage inflation	2.40 Percent	3.00 Percent	3.25 Percent
Future Salary Increases, Including Inflation	3.25 to 13.58 Percent	3.50 to 18.20 Percent	4.00 to 22.00 Percent
Investment Rate of Return	7.00 Percent Net of Investment Expense, Including Inflation	7.50 Percent Net of Investment Expense, Including Inflation	7.75 Percent Net of Investment Expense, Including Inflation

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

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

Fiscal Year 2022

- *Assumed rate of inflation was reduced from 3.00% to 2.40%
- *Payroll growth assumption was reduced from 3.50% to 1.75%
- *Assumed real wage growth was increased from 0.50% to 0.85%
- *Cost-of-Living-Adjustments was reduced from 2.50% to 2.00%
- *The discount rate was reduced from 7.50% to 7.00%
- *Rates of withdrawal, compensation, participation, spouse coverage assumption, retirement and disability were updated to reflect recent experience.
- *Mortality among active members was updated to the following:
PUB-2010 General Amount Weighted Below Median Employee mortality table. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.
- *Mortality among service retired members was updated to the following:
PUB-2010 General Employee Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

Mahoning County Career & Technical Center
Mahoning County, Ohio

*Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2023*

Net Pension Liability

Changes in Assumptions – SERS (continued)

*Mortality among contingent survivors was updated to the following:
PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5% for males and adjusted 122.5% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

*Mortality among disabled members was updated to the following:
PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

Fiscal Year 2023

*Cost-of-Living-Adjustments was increased from 2.00% to 2.50%

Changes of Benefit and Funding Terms – SERS

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

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

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

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

Fiscal Year 2022-2023

None

Mahoning County Career & Technical Center
Mahoning County, Ohio

*Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2023*

Net Pension Liability

Changes in Assumptions - STRS

Beginning with fiscal year 2022, amounts reported incorporate changes in assumptions and changes in benefit terms used by STRS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in fiscal years 2018-2021 and fiscal year 2017 and prior are presented below:

	Fiscal Year 2022
Inflation	2.50 Percent
Projected Salary Increases	Varies by Service from 2.50 to 8.50 Percent
Investment Rate of Return	7.00 Percent, Net of Expenses, Including Inflation
Payroll Increases	3.00 Percent
Cost of Living Adjustments (COLA)	0 Percent, Effective July 1, 2017

	Fiscal Year 2018
Inflation	2.50 Percent
Projected Salary Increases	12.50 Percent at Age 20 to 2.50 Percent at Age 65
Investment Rate of Return	7.45 Percent, Net of Expenses, Including Inflation
Payroll Increases	3.00 Percent
Cost of Living Adjustments (COLA)	0 Percent, Effective July 1, 2017

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

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

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

Mahoning County Career & Technical Center
Mahoning County, Ohio

Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2023

Net Pension Liability

Changes in Assumptions – STRS (continued)

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

Fiscal Year 2022

The investment and discount rate of return changed from 7.45 percent to 7.0 percent.

Fiscal Year 2023

*The investment and discount rate remained at 7.0 percent.

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

Changes in Benefit Terms - STRS

There were no changes in benefit terms from the amounts reported for fiscal years 2014 - 2017. For fiscal year 2018, STRS decreased the Cost of Living Adjustment (COLA) to zero. There were no changes in benefit terms from amounts previously reported for fiscal years 2019 - 2022.

Fiscal Year 2023

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

Mahoning County Career & Technical Center
Mahoning County, Ohio

Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2023

Net OPEB Liability

Changes in Assumptions – SERS

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

Municipal Bond Index Rate:	
Fiscal year 2023	3.69 percent
Fiscal year 2022	1.92 percent
Fiscal year 2021	2.45 percent
Fiscal year 2020	3.13 percent
Fiscal year 2019	3.62 percent
Fiscal year 2018	3.56 percent
Fiscal year 2017	2.92 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation	
Fiscal year 2023	4.08 percent
Fiscal year 2022	2.27 percent
Fiscal year 2021	2.63 percent
Fiscal year 2020	3.22 percent
Fiscal year 2019	3.70 percent
Fiscal year 2018	3.63 percent
Fiscal year 2017	2.98 percent

Fiscal Year 2022

- *The discount rate was changed from 2.63% to 2.27%.
- *The investment rate of return was reduced from 7.50% to 7.00%.
- *Assumed rate of inflation was reduced from 3.00% to 2.40%
- *Payroll Growth Assumption was reduced from 3.50% to 1.75%
- *Assumed real wage growth was increased from 0.50% to 0.85%
- *Rates of withdrawal, retirement and disability were updated to reflect recent experience.
- *Rate of health care participation for future retirees and spouses was updated to reflect recent experience.

- *Mortality among active members was updated to the following:
 PUB-2010 General Amount Weighted Below Median Employee mortality table.

- *Mortality among service retired members was updated to the following:
 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% for males and set forward 2 years and adjusted 81.35% for females.

- *Mortality among beneficiaries was updated to the following:
 PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5% for males and adjusted 122.5% for females.

- *Mortality among disabled member was updated to the following:
 PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females.

- *Mortality rates are projected using a fully generational projection with Scale MP-2020.

Mahoning County Career & Technical Center
Mahoning County, Ohio

Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2023

Net OPEB Liability

Changes in Assumptions – SERS (continued)

Fiscal Year 2023

*The discount rate was changed from 2.27% to 4.08%.

*The health care trend rates were updated.

Changes of Benefit and Funding Terms – SERS

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

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

Fiscal Year 2022

SERS changed the Cost of Living Adjustment (COLA) of 2.5% to 2.0%.

Fiscal Year 2023

None

Mahoning County Career & Technical Center
Mahoning County, Ohio

Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2023

Net OPEB Liability

Changes in Assumptions – STRS OPEB

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

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

Fiscal Year 2022

In 2021 the investment and discount rate of return changed from 7.45 percent to 7.0 percent.

Fiscal Year 2023

Demographic assumptions were reviewed and adopted by the Board on February 17, 2022 as part of an experience study performed (report dated and accepted March 11, 2022) covering the period from July 1, 2015 to June 30, 2021, with changes going into effect June 30, 2022.

From Plan Year Ending June 30, 2022 to Plan Year Ending June 30, 2023, Medicare projected medical cost decreased 42%, the Medicare projected net pharmacy cost increased 6% and the premium charged to Medicare Eligible Retirees dropped 15%. The Non Medicare projected medical, pharmacy and premium charged to retirees increased 3%, slightly less than expected.

Changes in Benefit Terms – STRS OPEB

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

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

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

Mahoning County Career & Technical Center
Mahoning County, Ohio

Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2023

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

Fiscal Year 2022

The non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055 percent to 2.100 percent. The non-Medicare frozen subsidy base was increased effective January 1, 2022. The Medicare Part D subsidy was updated to reflect it is expected to be negative in current year 2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

Fiscal Year 2023

The change in the 2023 subsidy percentage and the base amount for all participants, went from 2.1% per year to 2.2% per year, max 30 years, as well as the changes in Primary Care Physician office visit copays, the PBM network changes for Medicare, and the increase of the Part B premium reimbursement to \$30 per month for all retirees and surviving spouses.

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

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

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through Ohio Department of Education and Workforce			
Child Nutrition Cluster:			
National School Lunch Program	10.555	006	\$259,415
National School Breakfast Program	10.553	006	46,867
COVID-19 National School Lunch Program	10.555	006	26,634
National School Lunch Program - Commodities	10.555	006	34,407
Total Child Nutrition Cluster			<u>367,323</u>
COVID-19 Pandemic Electronic Benefits Transfer (P-EBT)	10.649	006	628
Total COVID-19 Pandemic Electronic Benefits Transfer (P-EBT)			<u>628</u>
Total U.S. Department of Agriculture			<u>367,951</u>
U.S. DEPARTMENT OF EDUCATION			
Direct Program			
Student Financial Assistance Cluster:			
Federal Pell Grant Program	84.063	535-9023	50,111
Federal Direct Student Loans	84.268	022-9123	29,347
Total Student Financial Assistance Cluster			<u>79,458</u>
Passed Through Ohio Department of Education and Workforce			
Career and Technical Education - Basic Grants to States:			
Career and Technical Education - Basic Grants to States	84.048	524-922Q	26,987
Career and Technical Education - Basic Grants to States	84.048	524-923Q	360,718
Career and Technical Education - Basic Grants to States	84.048	524-923P	24,706
Total Career and Technical Education - Basic Grants to States			<u>412,411</u>
Governor's Emergency Education Relief Funds:			
COVID-19 Governor's Emergency Education Relief (GEER I and II) Fund	84.425C	508-9022	17,283
COVID-19 Governor's Emergency Education Relief (GEER I and II) Fund	84.425C	508-9122	5,759
COVID-19 Governor's Emergency Education Relief (GEER I and II) Fund	84.425C	508-9023	136,050
COVID-19 Governor's Emergency Higher Education Relief Fund	84.425C	599-9223	67,696
Total Governor's Emergency Education Relief Funds			<u>226,788</u>
American Rescue Plan Act Funds:			
COVID-19 American Rescue Plan Homeless Targeted Support Grant	84.425W	507-9023	1,677
Total American Rescue Plan Act Funds			<u>1,677</u>
Total U.S. Department of Education			<u>720,334</u>
U.S. DEPARTMENT OF TREASURY			
Passed Through Ohio Department of Education and Workforce			
Coronavirus State and Local Fiscal Recovery Funds:			
COVID-19 Coronavirus Relief Funds	21.019	599-9321	36,252
Total Coronavirus Relief Funds			<u>36,252</u>
Passed Through Board of Commissioners of Mahoning County			
Coronavirus State and Local Fiscal Recovery Funds:			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	599-9123	41,632
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	599-9323	11,493
Total American Rescue Plan Act Funds			<u>53,125</u>
Total U.S. Department of Treasury			<u>89,377</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed Through Ohio Department of Health			
Epidemiology and Laboratory Capacity for Infectious Disease Funds:			
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	599-9523	7,500
Total Epidemiology and Laboratory Capacity for Infectious Disease Funds			<u>7,500</u>
Total U.S. Department of Health and Human Services			<u>7,500</u>
U.S. DEPARTMENT OF VETERANS AFFAIRS			
Passed Through Ohio Department of Veterans Services			
Education Assistance Funds:			
Post 9/11 Veteran Educational Assistance	64.027	599-9623	64
Total Education Assistance Funds			<u>64</u>
Total U.S. Department of Veterans Affairs			<u>64</u>
Total Expenditures of Federal Awards			<u>\$1,185,226</u>

The accompanying notes are an integral part of this schedule.

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

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

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Mahoning County Career & Technical Center (the Center) under programs of the federal government for the year ended June 30, 2023. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Center, it is not intended to and does not present the financial position or changes in net position of the Center.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

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

NOTE D - CHILD NUTRITION CLUSTER

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

NOTE E – FOOD DONATION PROGRAM

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

OHIO AUDITOR OF STATE KEITH FABER



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

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

To the Board of Education:

We have audited, in accordance with 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, the major fund, and the aggregate remaining fund information of the Mahoning County Career and Technical Center, Mahoning County, (the Center) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Center's basic financial statements and have issued our report thereon dated March 7, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Center'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 Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Center's internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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



Keith Faber
Auditor of State
Columbus, Ohio

March 7, 2024



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

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

To the Board of Education:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Mahoning County Career and Technical Center, Mahoning County, (the Center) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on Mahoning County Career and Technical Center's major federal programs for the year ended June 30, 2023. Mahoning County Career and Technical Center's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, Mahoning County Career and 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 programs for the year ended June 30, 2023.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Center's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Center's compliance with the requirements of each 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 Center's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Center's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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



Keith Faber
Auditor of State
Columbus, Ohio

March 7, 2024

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

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

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs (list):	Career and Technical Education – Basic Grants to States (Perkins V) - AL #84.048 Child Nutrition Cluster - AL #10.553 and 10.555
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	No

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR 200.511(b)
JUNE 30, 2023

Finding Number	Finding Summary	Status	Additional Information
2022-001	Financial Reporting	Partially Corrected	See Management Letter Recommendation "Financial Reporting"



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OHIO AUDITOR OF STATE KEITH FABER



MAHONING COUNTY CAREER AND TECHNICAL CENTER

MAHONING COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 3/26/2024

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This report is a matter of public record and is available online at
www.ohioauditor.gov