



OHIO AUDITOR OF STATE  
**KEITH FABER**





**WASHINGTON COUNTY CAREER CENTER  
WASHINGTON COUNTY  
JUNE 30, 2024**

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**WASHINGTON COUNTY CAREER CENTER  
WASHINGTON COUNTY  
JUNE 30, 2024**

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# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT AUDITOR'S REPORT

Washington County Career Center  
Washington County  
21740 State Route 676  
Marietta, Ohio 45750

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 business-type activities, each major fund, and the aggregate remaining fund information of the Washington County Career Center, Washington County, Ohio (the Career Center), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Career Center's basic financial statements as listed in the Table of Contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Washington County Career Center, Washington County, Ohio, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof 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 Career Center, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Responsibilities of Management for the Financial Statements**

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

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

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### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedules of the Career Center's Proportionate Share of the Net Pension Liabilities and Net OPEB Liabilities (Assets), and Schedules of Career Center's Contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Supplementary information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Career Center's basic financial statements. The Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 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 December 23, 2024, on our consideration of the Career Center's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Career Center's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Career Center's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State  
Columbus, Ohio

December 23, 2024

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## Washington County Career Center, Ohio

### *Management's Discussion and Analysis*

For the Fiscal Year Ended June 30, 2024

*Unaudited*

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The discussion and analysis of the Washington County Career Center's financial performance provides an overall review of the Career Center's financial activities for the fiscal year ended June 30, 2024. The intent of this discussion and analysis is to look at the Career Center's financial performance as a whole; readers should also review the basic financial statements and notes to the basic financial statements to enhance their understanding of the Career Center's financial performance.

### **Financial Highlights**

Key financial highlights for the fiscal year 2024 are as follows:

- In total, net position increased \$2,441,987. Net position of governmental activities increased \$1,724,161 and the business-type activity increased \$717,826 from 2023.
- General revenues accounted for \$9,187,139 in revenue or 82% of all revenues for governmental activities. Program specific revenues in the form of charges for services and sales, grants, contributions, and interest accounted for \$2,076,962 or 18% of total revenues of \$11,264,101.
- Total program expenses were \$11,988,300; \$9,539,940 in governmental activities and \$2,448,360 in the business-type activity.

### **Using this Annual Financial Report**

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

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

### ***Reporting the Career Center as a Whole***

#### *Statement of Net Position and Statement of Activities*

While this document contains information about the large number of funds used by the Career Center to provide programs and activities for students, the view of the Career Center as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2024?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

## Washington County Career Center, Ohio

### *Management's Discussion and Analysis*

For the Fiscal Year Ended June 30, 2024

*Unaudited*

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

In the Statement of Net Position and the Statement of Activities, the Career Center is divided into two kinds of activities:

**Governmental Activities** - Most of the Career Center's programs and services are reported here including instruction, support services, operation and maintenance of plant, and extracurricular activities.

**Business-Type Activities** - These services are provided on a charge for goods or services basis to recover all of the expenses of the good or services provided. The Career Center's adult education programs are reported as its business-type activity.

### ***Reporting the Career Center's Most Significant Funds***

#### *Fund Financial Statements*

The analysis of the Career Center's major funds begins on page 11. Fund financial reports provide detailed information about the Career Center's major funds. The Career Center uses many funds to account for a multiple of financial transactions. However, these fund financial statements focus on the Career Center's most significant funds. The Career Center's had two major governmental funds: the General Fund and Permanent Improvement Capital Projects Fund.

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

**Proprietary Funds** Proprietary funds use the same basis of accounting as business-type activities (adult education); therefore, these statements will essentially match.

### **The Career Center as a Whole**

Recall that the Statement of Net Position provides the perspective of the Career Center as a whole. Table 1 provides a summary of the Career Center's net position for 2024 compared to 2023.

**Washington County Career Center, Ohio**  
*Management's Discussion and Analysis*  
For the Fiscal Year Ended June 30, 2024  
*Unaudited*

(Table 1)  
Net Position

	Governmental Activities		Business-Type Activity		Total	
	2024	2023	2024	2023	2024	2023
<b>Assets</b>						
Current and Other Assets	\$12,766,725	\$13,572,307	\$1,743,572	\$1,445,294	\$14,510,297	\$15,017,601
Capital Assets, Net	10,543,896	7,754,427	1,076,798	785,303	11,620,694	8,539,730
<i>Total Assets</i>	<u>23,310,621</u>	<u>21,326,734</u>	<u>2,820,370</u>	<u>2,230,597</u>	<u>26,130,991</u>	<u>23,557,331</u>
<b>Deferred Outflows of Resources</b>						
Pension	1,681,056	1,975,347	401,696	536,666	1,954,093	2,312,345
OPEB	332,049	184,956	158,429	141,198	424,519	290,439
<i>Total Deferred Outflows of Resources</i>	<u>2,013,105</u>	<u>2,160,303</u>	<u>560,125</u>	<u>677,864</u>	<u>2,378,612</u>	<u>2,602,784</u>
<b>Liabilities</b>						
Current and Other Liabilities	1,362,298	955,212	122,426	89,132	1,484,724	1,044,344
Long-term Liabilities:						
Due Within One Year	0	21,906	0	0	0	21,906
Due in More Than One Year:						
Net Pension Liability	6,770,439	6,792,450	1,840,888	1,935,707	8,611,327	8,728,157
Net OPEB Liability	455,311	348,336	224,258	213,497	679,569	561,833
Other Amounts	731,474	664,470	50,539	44,922	782,013	709,392
<i>Total Liabilities</i>	<u>9,319,522</u>	<u>8,782,374</u>	<u>2,238,111</u>	<u>2,283,258</u>	<u>11,557,633</u>	<u>11,065,632</u>
<b>Deferred Inflows of Resources</b>						
Property Taxes	3,493,706	3,488,848	0	0	3,493,706	3,488,848
Pension	594,394	826,179	349,890	510,237	815,625	1,136,748
OPEB	801,341	999,034	324,760	365,058	1,060,142	1,328,377
<i>Total Deferred Inflows of Resources</i>	<u>4,889,441</u>	<u>5,314,061</u>	<u>674,650</u>	<u>875,295</u>	<u>5,369,473</u>	<u>5,953,973</u>
<b>Net Position</b>						
Net Investment in Capital Assets	10,070,112	7,622,311	1,076,798	785,303	11,146,910	8,407,614
Restricted	801,132	535,256	96,037	40,771	897,169	576,027
Unrestricted (Deficits)	243,519	1,233,035	(705,101)	(1,076,166)	(461,582)	156,869
<i>Total Net Position (Deficit)</i>	<u>\$11,114,763</u>	<u>\$9,390,602</u>	<u>\$467,734</u>	<u>(\$250,092)</u>	<u>\$11,582,497</u>	<u>\$9,140,510</u>

The net pension liability is the largest single liability reported by the Career Center at June 30, 2024. GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the “employment exchange” – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the Career Center is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor.

**Washington County Career Center, Ohio**

*Management's Discussion and Analysis*

For the Fiscal Year Ended June 30, 2024

*Unaudited*

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Benefit provisions are also determined by State statute. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

Total assets increased \$2,573,660, with governmental assets increasing \$1,983,887 and the business-type assets increasing \$589,773. Entity-wide capital assets also increased \$3,080,964 with the completion of building improvements. For governmental activities, offsets to those increases were in cash and cash equivalents by \$565,125 and property tax receivable by \$38,590. The significant changes in the business-type assets are the depreciable capital assets which increased \$291,495, and the OPEB asset with a decrease of \$34,180.

Total liabilities increased \$492,001. The governmental activities liabilities increased \$537,148, while the business-type activity liabilities decreased \$45,147. For governmental activities, current and other liabilities reported an increase of \$407,086. Governmental net pension liability decreased \$22,011 while the net OPEB liability increased \$106,975. Other long-term liabilities increased \$45,098 due to increases in sick leave benefits payable. For the business-type activity, current and other liabilities increased \$33,294. Business-type net pension liability decreased \$94,819, the OPEB liability increased \$10,761, and the other long-term liabilities increased \$5,617 from increases in sick leave benefits payable.

In order to further understand what makes up the changes in net position for the current year, the following table gives readers further details regarding the results of activities for 2024 and 2023.

**Washington County Career Center, Ohio**  
*Management's Discussion and Analysis*  
For the Fiscal Year Ended June 30, 2024  
*Unaudited*

(Table 2)  
Changes in Net Position

	Governmental Activities		Business-Type Activity		Total	
	2024	2023	2024	2023	2024	2023
<b>Revenues</b>						
Program Revenues:						
Charges for Services and Sales	\$339,228	\$358,658	\$1,742,723	\$1,814,766	\$2,081,951	\$2,173,424
Operating Grants, Contributions and Interest	1,737,734	1,547,093	1,373,545	836,871	3,111,279	2,383,964
Capital Contributions	0	0	11,495	123,783	11,495	123,783
Total Program Revenues	<u>2,076,962</u>	<u>1,905,751</u>	<u>3,127,763</u>	<u>2,775,420</u>	<u>5,204,725</u>	<u>4,681,171</u>
General Revenues:						
Property Taxes	3,251,286	3,109,742	0	0	3,251,286	3,109,742
Grants and Entitlements	5,383,233	4,571,394	0	0	5,383,233	4,571,394
Investment Earnings/Interest	471,630	311,568	0	0	471,630	311,568
Gifts and Donations	1,000	0	0	0	1,000	0
Gain on Sale of Capital Assets	8,500	0	1,275	0	9,775	0
Miscellaneous	71,490	51,058	37,148	17,001	108,638	68,059
Total General Revenues	<u>9,187,139</u>	<u>8,043,762</u>	<u>38,423</u>	<u>17,001</u>	<u>9,225,562</u>	<u>8,060,763</u>
Total Revenues	<u>11,264,101</u>	<u>9,949,513</u>	<u>3,166,186</u>	<u>2,792,421</u>	<u>14,430,287</u>	<u>12,741,934</u>
<b>Program Expenses</b>						
Instruction:						
Regular	1,454,452	1,178,114	0	0	1,454,452	1,178,114
Vocational	3,506,437	3,504,337	0	0	3,506,437	3,504,337
Adult/Continuing	381,193	349,807	0	0	381,193	349,807
Support Services:						
Pupils	562,167	563,755	0	0	562,167	563,755
Instructional Staff	544,597	477,568	0	0	544,597	477,568
Board of Education	26,052	23,974	0	0	26,052	23,974
Administration	778,128	724,677	0	0	778,128	724,677
Fiscal	451,792	396,578	0	0	451,792	396,578
Business	3,336	4,321	0	0	3,336	4,321
Operation and Maintenance of Plant	831,995	769,451	0	0	831,995	769,451
Transportation	1,028	1,503	0	0	1,028	1,503
Central	370,687	340,226	0	0	370,687	340,226
Operation of Non-Instructional Services:						
Community Services	225,642	280,406	0	0	225,642	280,406
Food Service Operations	343,545	235,755	0	0	343,545	235,755
Extracurricular Activities	58,889	72,525	0	0	58,889	72,525
Adult Education	0	0	2,448,360	2,698,406	2,448,360	2,698,406
Total Expenses	<u>9,539,940</u>	<u>8,922,997</u>	<u>2,448,360</u>	<u>2,698,406</u>	<u>11,988,300</u>	<u>11,621,403</u>
Change in Net Position	1,724,161	1,026,516	717,826	94,015	2,441,987	1,120,531
Net Position (Deficit)						
Beginning of Year	9,390,602	8,364,086	(250,092)	(344,107)	9,140,510	8,019,979
Net Position (Deficit) End of Year	<u>\$11,114,763</u>	<u>\$9,390,602</u>	<u>\$467,734</u>	<u>(\$250,092)</u>	<u>\$11,582,497</u>	<u>\$9,140,510</u>

**Washington County Career Center, Ohio**

*Management's Discussion and Analysis*

For the Fiscal Year Ended June 30, 2024

*Unaudited*

***Governmental Activities***

Net position of the Career Center's governmental activities increased \$1,724,161 in fiscal year 2024. Total governmental expenses of \$9,539,940 were under the program revenues of \$2,076,962 and general revenues of \$9,187,139.

The primary sources of revenue for the Career Center are derived from property taxes and grants/entitlements not restricted to specific programs. These two revenue sources represent approximately 77 percent of the total revenue. The remaining 23 percent of revenue is from program revenues, investment earnings/interest, unrestricted gift/donations, gain on sale of capital assets, and miscellaneous sources.

Program revenues did not experience any significant changes during the fiscal year.

***Business-Type Activity***

The business-type activity involves the Career Center's adult education program. This program had revenues of \$3,166,186 and expenses of \$2,448,360 for fiscal year 2024. The expenses of this program decreased by \$250,046 from 2023. The biggest increase in revenues were in operating grants, contributions, and interest by \$536,674 due to an increase in federal and State grants for education.

Table 3 shows the total cost of services and the net cost of services for fiscal year 2024 compared to fiscal year 2023. That is, it identifies the cost of those services supported by tax revenue and unrestricted State entitlements.

(Table 3)

Governmental Activities

	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
	2024	2024	2023	2023
<b>Program Expenses</b>				
Instruction:				
Regular	\$1,454,452	\$1,454,452	\$1,178,114	\$1,178,114
Vocational	3,506,437	2,645,225	3,504,337	2,803,788
Adult/Continuing	381,193	162,790	349,807	75,642
Support Services:				
Pupils	562,167	376,192	563,755	431,156
Instructional Staff	544,597	332,785	477,568	283,745
Board of Education	26,052	26,052	23,974	23,974
Administration	778,128	778,128	724,677	724,677
Fiscal	451,792	451,792	396,578	396,578
Business	3,336	3,336	4,321	4,321
Operation and Maintenance of Plant	831,995	831,995	769,451	769,451
Transportation	1,028	1,028	1,503	1,503
Central	370,687	368,736	340,226	326,694
Operation of Non-Instructional Services:				
Community Services	225,642	0	280,406	127,590
Food Service Operations	343,545	6,042	235,755	(142,685)
Extracurricular Activities	58,889	24,425	72,525	12,698
<b>Total</b>	<u>\$9,539,940</u>	<u>\$7,462,978</u>	<u>\$8,922,997</u>	<u>\$7,017,246</u>

## Washington County Career Center, Ohio

### *Management's Discussion and Analysis*

For the Fiscal Year Ended June 30, 2024

*Unaudited*

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The reliance on local tax revenues, grants, and entitlements not restricted to specific programs for governmental activities is crucial. Over 78 percent of expenses are directly supported by general revenues. As you can see from Table 3, no program is self-supporting program, meaning that general revenues are necessary to supplement all activity.

### **The Career Center Funds**

The Career Center's governmental funds reported a combined fund balance of \$7,411,535, a decrease of \$1,035,228 from fiscal year 2023. All governmental funds had total revenues of \$11,275,330 and expenditures of \$12,319,058. The Career Center's major governmental funds are accounted for using the modified accrual basis of accounting. The fund balance of the General Fund decreased \$257,213. The Permanent Improvement Capital Projects Fund received a transfer \$2,000,000 from the General Fund to help improve facilities. The fund balance decreased \$688,691 from the prior fiscal year.

### ***General Fund Budgeting Highlights***

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

During the course of fiscal 2024, the Career Center amended its General Fund budget. The Career Center uses a modified site-based budgeting technique which is designed to tightly control total site budgets but provide flexibility for site management.

For the General Fund, cash basis revenue was \$9,857,382, \$1,443,806 above final estimates of \$8,413,576. Expenditures of \$8,066,912 were lower than final appropriations of \$8,351,821 in all areas except regular, administration, and transportation. Final appropriations were increased \$165,541 over original appropriations in mainly regular instruction, vocational instruction, pupils, instructional staff, and operation and maintenance of plant.

### **Capital Assets and Long-Term Obligations**

#### ***Capital Assets***

At the end of fiscal year 2024, the Career Center had \$11,620,694 invested in land, construction in progress, buildings and improvements, furniture and equipment, and vehicles. Table 4 shows fiscal year 2024 balances compared to 2023.

**Washington County Career Center, Ohio**  
*Management's Discussion and Analysis*  
For the Fiscal Year Ended June 30, 2024  
*Unaudited*

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

	Governmental Activities		Business-Type Activity		Total	
	2024	2023	2024	2023	2024	2023
Land	\$88,979	\$88,979	\$0	\$0	\$88,979	\$88,979
Construction in Progress	2,738,326	837,510	0	0	2,738,326	837,510
Buildings and Improvements	6,318,237	5,622,486	341,010	376,414	6,659,247	5,998,900
Furniture and Equipment	1,308,702	1,104,484	568,602	352,147	1,877,304	1,456,631
Vehicles	89,652	100,968	167,186	56,742	256,838	157,710
<b>Totals</b>	<b>\$10,543,896</b>	<b>\$7,754,427</b>	<b>\$1,076,798</b>	<b>\$785,303</b>	<b>\$11,620,694</b>	<b>\$8,539,730</b>

See Note 9 to the basic financial statements for more information on capital assets.

***Long-Term Obligations***

The Career Center has no bonds outstanding at fiscal year-end. See Note 14 to the basic financial statements for more information on long-term liabilities. The net pension and OPEB liabilities under GASB 68 and 75 are also reported as long-term obligations that have been previously discussed within this management's discussion and analysis. The business-type activity has no debt.

**Current Issues**

The Washington County Career Center receives 62.61% of its General Fund funding from State dollars, which is very beneficial to the overall operations for the education of our students.

The Career Center administration is grateful for the changes in the current State budget HB33, as it has reduced the amount that was deducted for programs that were not within the Career Center's control. However, future State budget funding will need to be watched since the full amount of the Fair School Funding Plan was not implemented with the current budget and there is no guarantee for future increases in State budgets for fiscal years 2026 through 2028.

The Career Center's administration will be able to plan for the future needs of their students with the financial stability obtained with the current State budget, but the administration will also need to be mindful that some many risks and uncertainties will need to be considered in future planning,

The Career Center also realizes that there has been record enrollment for the past three years with minimal additional funding for those students, which will cause many decisions to be made for the education of their students and may erode the cash balance of the Career Center. Since HB33 funding is now based on where the student is enrolled, the Career Center should see a slight increase in the number of students that are included in the programs.

The Career Center's systems of budgeting and internal controls are well-regarded. The Career Center's healthy financial reserves will help the Career Center continue to serve its mission despite the continued deterioration of regional, state, national, and international economic health. The Career Center's focus on sustainability has resulted in the Career Center maintaining solid finances while improving facilities and overall academic achievement.



**Washington County Career Center, Ohio**

*Management's Discussion and Analysis*

For the Fiscal Year Ended June 30, 2024

*Unaudited*

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**Contacting the Career Center's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Career Center's finances and to show the Career Center's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Joseph O. Crone, Treasurer at the Washington County Career Center, 21740 SR 676, Marietta, Ohio 45750, or e-mail at [jcrone@thecareercenter.net](mailto:jcrone@thecareercenter.net).

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**Washington County Career Center, Ohio**

*Statement of Net Position*

June 30, 2024

	Governmental Activities	Business-Type Activity	Total*
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$8,479,054	\$1,374,988	\$9,854,042
Inventory Held for Resale	1,836	0	1,836
Materials and Supplies Inventory	33,677	37,434	71,111
Accrued Interest Receivable	8,865	0	8,865
Intergovernmental Receivable	41,333	8,307	49,640
Prepaid Items	34,982	11,959	46,941
Accounts Receivable	12,296	214,847	227,143
Property Taxes Receivable	3,685,789	0	3,685,789
Nondepreciable Capital Assets	2,827,305	0	2,827,305
Depreciable Capital Assets, Net	7,716,591	1,076,798	8,793,389
Net OPEB Asset	468,893	96,037	564,930
<i>Total Assets</i>	<u>23,310,621</u>	<u>2,820,370</u>	<u>26,130,991</u>
<b>Deferred Outflows of Resources</b>			
Pension	1,681,056	401,696	1,954,093
OPEB	332,049	158,429	424,519
<i>Total Deferred Outflows of Resources</i>	<u>2,013,105</u>	<u>560,125</u>	<u>2,378,612</u>
<b>Liabilities</b>			
Accounts Payable	38,328	30,670	68,998
Contracts Payable	327,706	0	327,706
Accrued Wages and Benefits Payable	612,282	42,207	654,489
Vacation Benefits Payable	97,686	35,767	133,453
Retainage Payable	146,078	0	146,078
Intergovernmental Payable	140,218	13,782	154,000
Long-Term Liabilities:			
Due in More Than One Year:			
Net Pension Liability	6,770,439	1,840,888	8,611,327
Net OPEB Liability	455,311	224,258	679,569
Other Amounts	731,474	50,539	782,013
<i>Total Liabilities</i>	<u>9,319,522</u>	<u>2,238,111</u>	<u>11,557,633</u>
<b>Deferred Inflows of Resources</b>			
Property Taxes	3,493,706	0	3,493,706
Pension	594,394	349,890	815,625
OPEB	801,341	324,760	1,060,142
<i>Total Deferred Inflows of Resources</i>	<u>4,889,441</u>	<u>674,650</u>	<u>5,369,473</u>
<b>Net Position</b>			
Net Investment in Capital Assets	10,070,112	1,076,798	11,146,910
Restricted for:			
Unclaimed Monies	5,121	0	5,121
Student Activities	90,993	0	90,993
Food Service Operations	189,217	0	189,217
State Grant Programs	20,137	0	20,137
Local Programs	26,771	0	26,771
OPEB	468,893	96,037	564,930
Unrestricted (Deficit)	243,519	(705,101)	(461,582)
<i>Total Net Position</i>	<u>\$11,114,763</u>	<u>\$467,734</u>	<u>\$11,582,497</u>

\*After deferred inflows and deferred outflows related to the change in internal proportionate share of pension and OPEB related items have been eliminated.

See accompanying notes to the basic financial statements

**Washington County Career Center, Ohio**  
*Statement of Activities*  
For the Fiscal Year Ended June 30, 2024

	Program Revenues			Net (Expense)Revenue and Changes in Net Position			
	Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Contributions	Governmental Activities	Business-Type Activity	Total
<b>Governmental Activities</b>							
Instruction:							
Regular	\$1,454,452	\$0	\$0	\$0	(\$1,454,452)	\$0	(\$1,454,452)
Vocational	3,506,437	157,624	703,588	0	(2,645,225)	0	(2,645,225)
Adult/Continuing	381,193	0	218,403	0	(162,790)	0	(162,790)
Support Services:							
Pupils	562,167	0	185,975	0	(376,192)	0	(376,192)
Instructional Staff	544,597	0	211,812	0	(332,785)	0	(332,785)
Board of Education	26,052	0	0	0	(26,052)	0	(26,052)
Administration	778,128	0	0	0	(778,128)	0	(778,128)
Fiscal	451,792	0	0	0	(451,792)	0	(451,792)
Business	3,336	0	0	0	(3,336)	0	(3,336)
Operation and							
Maintenance of Plant	831,995	0	0	0	(831,995)	0	(831,995)
Transportation	1,028	0	0	0	(1,028)	0	(1,028)
Central	370,687	0	1,951	0	(368,736)	0	(368,736)
Operation of Non-Instructional Services:							
Community Services	225,642	0	225,642	0	0	0	0
Food Service Operations	343,545	150,263	187,240	0	(6,042)	0	(6,042)
Extracurricular Activities	58,889	31,341	3,123	0	(24,425)	0	(24,425)
<i>Total Governmental Activities</i>	<u>9,539,940</u>	<u>339,228</u>	<u>1,737,734</u>	<u>0</u>	<u>(7,462,978)</u>	<u>0</u>	<u>(7,462,978)</u>
<b>Business-Type Activity</b>							
Adult Education	2,448,360	1,742,723	1,373,545	11,495	0	679,403	679,403
<i>Totals</i>	<u>\$11,988,300</u>	<u>\$2,081,951</u>	<u>\$3,111,279</u>	<u>\$11,495</u>	<u>(7,462,978)</u>	<u>679,403</u>	<u>(6,783,575)</u>
<b>General Revenues</b>							
Property Taxes Levied for General Purposes					3,251,286	0	3,251,286
Grants and Entitlements not Restricted to Specific Programs					5,383,233	0	5,383,233
Investment Earnings/Interest					471,630	0	471,630
Gifts and Donations not Restricted					1,000	0	1,000
Gain on Sale of Capital Assets					8,500	1,275	9,775
Miscellaneous					71,490	37,148	108,638
<i>Total General Revenues</i>					<u>9,187,139</u>	<u>38,423</u>	<u>9,225,562</u>
<i>Change in Net Position</i>					<u>1,724,161</u>	<u>717,826</u>	<u>2,441,987</u>
<i>Net Position (Deficit) Beginning of Year</i>					<u>9,390,602</u>	<u>(250,092)</u>	<u>9,140,510</u>
<i>Net Position End of Year</i>					<u>\$11,114,763</u>	<u>\$467,734</u>	<u>\$11,582,497</u>

See accompanying notes to the basic financial statements

**Washington County Career Center, Ohio**

*Balance Sheet  
Governmental Funds  
June 30, 2024*

	General Fund	Permanent Improvement Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$6,725,703	\$1,091,846	\$656,384	\$8,473,933
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	5,121	0	0	5,121
Receivables:				
Property Taxes	3,685,789	0	0	3,685,789
Interfund	31,323	0	0	31,323
Accounts	12,028	0	268	12,296
Intergovernmental	1,761	0	39,572	41,333
Interest	8,865	0	0	8,865
Prepaid Items	34,964	0	18	34,982
Inventory Held for Resale	0	0	1,836	1,836
Materials and Supplies Inventory	32,310	0	1,367	33,677
<i>Total Assets</i>	<u>\$10,537,864</u>	<u>\$1,091,846</u>	<u>\$699,445</u>	<u>\$12,329,155</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$10,352	\$0	\$27,976	\$38,328
Contracts Payable	43,795	283,911	0	327,706
Accrued Wages and Benefits Payable	604,263	0	8,019	612,282
Interfund Payable	0	0	31,323	31,323
Retainage Payable	0	146,078	0	146,078
Intergovernmental Payable	134,399	0	5,819	140,218
<i>Total Liabilities</i>	<u>792,809</u>	<u>429,989</u>	<u>73,137</u>	<u>1,295,935</u>
<b>Deferred Inflows of Resources</b>				
Property Taxes	3,493,706	0	0	3,493,706
Unavailable Revenue	127,979	0	0	127,979
<i>Total Deferred Inflows of Resources</i>	<u>3,621,685</u>	<u>0</u>	<u>0</u>	<u>3,621,685</u>
<b>Fund Balances</b>				
Nonspendable	72,395	0	1,385	73,780
Restricted	0	0	325,751	325,751
Committed	18,989	601,145	300,376	920,510
Assigned	936,077	60,712	0	996,789
Unassigned (Deficit)	5,095,909	0	(1,204)	5,094,705
<i>Total Fund Balances</i>	<u>6,123,370</u>	<u>661,857</u>	<u>626,308</u>	<u>7,411,535</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$10,537,864</u>	<u>\$1,091,846</u>	<u>\$699,445</u>	<u>\$12,329,155</u>

See accompanying notes to the basic financial statements

**Washington County Career Center, Ohio**  
*Reconciliation of Total Governmental Fund Balances to  
 Net Position of Governmental Activities  
 June 30, 2024*

<b>Total Governmental Fund Balances</b>	<b>\$7,411,535</b>
 <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.	10,543,896
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:	
Delinquent Property Taxes	127,979
Vacation Benefits Payable is recognized for earned vacation benefits that are to be used within one year but is not recognized on the Balance Sheet until due.	(97,686)
The net pension liability, net OPEB asset, and net OPEB liability are not due and payable in the current period; therefore, the assets, liability, and related deferred inflows/outflows are not reported in the funds:	
Net OPEB Asset	468,893
Deferred Outflows - Pension	1,681,056
Deferred Inflows - Pension	(594,394)
Net Pension Liability	(6,770,439)
Deferred Outflows - OPEB	332,049
Deferred Inflows - OPEB	(801,341)
Net OPEB Liability	<u>(455,311)</u>
	(6,139,487)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Sick Leave Benefits Payable	<u>(731,474)</u>
Net Position of Governmental Activities	<u><u>\$11,114,763</u></u>

See accompanying notes to the basic financial statements

**Washington County Career Center, Ohio**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
*For the Fiscal Year Ended June 30, 2024*

	General Fund	Permanent Improvement Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Taxes	\$3,271,015	\$0	\$0	\$3,271,015
Intergovernmental	5,899,098	0	1,033,857	6,932,955
Investment Earnings/Interest	471,630	0	300	471,930
Tuition and Fees	60,320	0	3,739	64,059
Customer Services	97,304	0	150,263	247,567
Extracurricular Activities	0	0	27,602	27,602
Gifts and Donations	1,000	0	187,712	188,712
Miscellaneous	57,671	0	13,819	71,490
<i>Total Revenues</i>	<u>9,858,038</u>	<u>0</u>	<u>1,417,292</u>	<u>11,275,330</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	1,417,449	0	0	1,417,449
Vocational	3,472,089	0	199,252	3,671,341
Adult/Continuing	0	0	293,779	293,779
Support Services:				
Pupils	359,096	0	171,090	530,186
Instructional Staff	323,916	0	222,944	546,860
Board of Education	26,052	0	0	26,052
Administration	764,695	0	0	764,695
Fiscal	436,551	0	0	436,551
Business	3,336	0	0	3,336
Operation and Maintenance of Plant	946,883	0	0	946,883
Transportation	1,028	0	0	1,028
Central	357,434	0	1,997	359,431
Operation of Non-Instructional Services:				
Food Service Operations	0	0	348,245	348,245
Community Services	0	0	225,642	225,642
Extracurricular Activities	5,222	0	53,667	58,889
Capital Outlay	0	2,688,691	0	2,688,691
<i>Total Expenditures</i>	<u>8,113,751</u>	<u>2,688,691</u>	<u>1,516,616</u>	<u>12,319,058</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,744,287</u>	<u>(2,688,691)</u>	<u>(99,324)</u>	<u>(1,043,728)</u>
<b>Other Financing Sources (Use)</b>				
Proceeds from Sale of Capital Assets	8,500	0	0	8,500
Transfers In	0	2,000,000	10,000	2,010,000
Transfers Out	(2,010,000)	0	0	(2,010,000)
<i>Total Other Financing Sources (Use)</i>	<u>(2,001,500)</u>	<u>2,000,000</u>	<u>10,000</u>	<u>8,500</u>
<i>Net Change in Fund Balances</i>	(257,213)	(688,691)	(89,324)	(1,035,228)
<i>Fund Balances Beginning of Year</i>	<u>6,380,583</u>	<u>1,350,548</u>	<u>715,632</u>	<u>8,446,763</u>
<i>Fund Balances End of Year</i>	<u>\$6,123,370</u>	<u>\$661,857</u>	<u>\$626,308</u>	<u>\$7,411,535</u>

See accompanying notes to the basic financial statements

**Washington County Career Center, 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, 2024*

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**Net Change in Fund Balances - Total Governmental Funds** (\$1,035,228)

*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 capital outlays exceeded depreciation:

Capital Asset Additions	3,183,593	
Depreciation Expense	<u>(394,124)</u>	2,789,469

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

Proceeds from Sale of Capital Assets	(8,500)	
Gain on Disposal of Capital Assets	<u>8,500</u>	0

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

Delinquent Property Taxes		(19,729)
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Contractually required contributions are reported as expenditures in the governmental funds; however, the statement of net position reports these amounts as deferred outflows:

Pension	652,425	
OPEB	<u>13,817</u>	666,242

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

Pension	(692,920)	
OPEB	<u>57,123</u>	(635,797)

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.

Vacation Benefits Payable	4,302	
Sick Leave Benefits Payable	<u>(45,098)</u>	<u>(40,796)</u>

<i>Change in Net Position of Governmental Activities</i>		<u><u>\$1,724,161</u></u>
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See accompanying notes to the basic financial statements



**Washington County Career Center, Ohio**  
*Statement of Revenues, Expenditures and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
General Fund  
For the Fiscal Year Ended June 30, 2024*

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Taxes	\$3,234,038	\$3,234,038	\$3,294,734	\$60,696
Intergovernmental	4,826,715	4,826,715	5,900,418	1,073,703
Interest	169,182	169,182	482,259	313,077
Tuition and Fees	62,773	62,773	60,043	(2,730)
Customer Services	97,450	97,450	109,122	11,672
Rent	200	200	0	(200)
Gifts and Donations	535	535	1,000	465
Miscellaneous	22,683	22,683	9,806	(12,877)
<i>Total Revenues</i>	<u>8,413,576</u>	<u>8,413,576</u>	<u>9,857,382</u>	<u>1,443,806</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	1,303,046	1,373,741	1,399,283	(25,542)
Vocational	3,494,836	3,517,036	3,463,064	53,972
Support Services:				
Pupils	307,492	354,458	347,915	6,543
Instructional Staff	301,539	307,539	290,524	17,015
Board of Education	27,610	28,355	26,165	2,190
Administration	742,665	748,565	754,277	(5,712)
Fiscal	458,238	458,733	434,695	24,038
Business	4,600	4,600	3,653	947
Operation and Maintenance of Plant	1,108,792	1,121,332	989,662	131,670
Transportation	750	750	1,028	(278)
Central	381,470	381,470	351,421	30,049
Extracurricular Activities	5,242	5,242	5,225	17
Capital Outlay	50,000	50,000	0	50,000
<i>Total Expenditures</i>	<u>8,186,280</u>	<u>8,351,821</u>	<u>8,066,912</u>	<u>284,909</u>
<i>Excess of Revenues Over Expenditures</i>	<u>227,296</u>	<u>61,755</u>	<u>1,790,470</u>	<u>1,728,715</u>
<b>Other Financing Source (Use)</b>				
Refund of Prior Year Expenditures	40,000	40,000	55,437	15,437
Transfers Out	(230,000)	(2,010,000)	(2,010,000)	0
<i>Total Other Financing Source (Use)</i>	<u>(190,000)</u>	<u>(1,970,000)</u>	<u>(1,954,563)</u>	<u>15,437</u>
<i>Net Change in Fund Balance</i>	37,296	(1,908,245)	(164,093)	1,744,152
<i>Fund Balance Beginning of Year</i>	6,579,239	6,579,239	6,579,239	0
Prior Year Encumbrances Appropriated	221,535	221,535	221,535	0
<i>Fund Balance End of Year</i>	<u>\$6,838,070</u>	<u>\$4,892,529</u>	<u>\$6,636,681</u>	<u>\$1,744,152</u>

See accompanying notes to the basic financial statements

**Washington County Career Center, Ohio**  
*Statement of Fund Net Position*  
*Enterprise Fund*  
*June 30, 2024*

	Business-Type Activity
	Adult Education Fund
<b>Assets</b>	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	\$1,374,988
Materials and Supplies Inventory	37,434
Intergovernmental Receivable	8,307
Prepaid Items	11,959
Accounts Receivable	214,847
<i>Total Current Assets</i>	<i>1,647,535</i>
Noncurrent Assets:	
Depreciable Capital Assets, Net	1,076,798
Restricted Assets - Net OPEB Asset	96,037
<i>Total Noncurrent Assets</i>	<i>1,172,835</i>
<i>Total Assets</i>	<i>2,820,370</i>
<b>Deferred Outflows of Resources</b>	
Pension	401,696
OPEB	158,429
Total Deferred Outflows of Resources	560,125
<b>Liabilities</b>	
Current Liabilities:	
Accounts Payable	30,670
Accrued Wages and Benefits Payable	42,207
Vacation Benefits Payable	35,767
Intergovernmental Payable	13,782
<i>Total Current Liabilities</i>	<i>122,426</i>
Long-term Liabilities:	
Sick Leave Benefits Payable	50,539
Net Pension Liability	1,840,888
Net OPEB Liability	224,258
<i>Total Long-term Liabilities</i>	<i>2,115,685</i>
<i>Total Liabilities</i>	<i>2,238,111</i>
<b>Deferred Inflows of Resources</b>	
Pension	349,890
OPEB	324,760
Total Deferred Inflows of Resources	674,650
<b>Net Position</b>	
Investment in Capital Assets	1,076,798
Restricted for OPEB	96,037
Unrestricted (Deficit)	(705,101)
Total Net Position	<i>\$467,734</i>

See accompanying notes to the basic financial statements

**Washington County Career Center, Ohio**  
*Statement of Revenues,  
Expenses and Changes in Fund Net Position  
Enterprise Fund  
For the Fiscal Year Ended June 30, 2024*

	Business-Type Activity
	Adult Education Fund
<b>Operating Revenues</b>	
Tuition	\$1,430,399
Sales	312,324
Other	37,148
<i>Total Operating Revenues</i>	<i>1,779,871</i>
<b>Operating Expenses</b>	
Salaries	1,353,480
Fringe Benefits:	
Pension Expense	63,840
OPEB Expense	(5,783)
Other Fringe Benefits	198,396
Purchased Services	237,605
Materials and Supplies	370,010
Depreciation	84,908
Other	145,904
<i>Total Operating Expenses</i>	<i>2,448,360</i>
<i>Operating Loss</i>	<i>(668,489)</i>
<b>Non-Operating Revenues</b>	
Federal and State Subsidies	1,373,545
Gain on Sale of Capital Assets	1,275
<i>Total Non-Operating Revenues</i>	<i>1,374,820</i>
Income before Contributions	706,331
Capital Contributions	11,495
<i>Net Change in Net Position</i>	<i>717,826</i>
<i>Net Position (Deficit) Beginning of Year</i>	<i>(250,092)</i>
<i>Net Position End of Year</i>	<i>\$467,734</i>

See accompanying notes to the basic financial statements

**Washington County Career Center, Ohio**

*Statement of Cash Flows*

*Enterprise Fund*

*For the Fiscal Year Ended June 30, 2024*

	Business-Type Activity
	Adult Education Fund
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	
<b>Cash Flows from Operating Activities</b>	
Cash Received from Customers	\$1,751,395
Cash Received from Other Operating Revenues	37,148
Cash Payments for Other Operating Expenses	(145,235)
Cash Payments to Suppliers for Goods and Services	(592,264)
Cash Payments for Employee Services	(1,324,475)
Cash Payments for Employee Benefits	(389,881)
Net Cash Used for Operating Activities	<u>(663,312)</u>
<b>Cash Flows from Noncapital Financing Activities</b>	
Operating Grants Received	<u>1,365,238</u>
<b>Cash Flows from Capital and Related Financing Activities</b>	
Payments for Capital Acquisitions	(388,633)
Proceeds from Sale of Capital Assets	25,000
Net Cash Used for Capital and Related Financing Activities	<u>(363,633)</u>
<i>Net Increase in Cash and Cash Equivalents</i>	338,293
<i>Cash and Cash Equivalents at Beginning of Year</i>	<u>1,036,695</u>
<i>Cash and Cash Equivalents at End of Year</i>	<u><u>\$1,374,988</u></u>
<b>Reconciliation of Operating Loss to Net Cash Used for Operating Activities</b>	
Operating Loss	(\$668,489)
Depreciation	84,908
Changes in Assets and Liabilities:	
Decrease in Materials and Supplies Inventory	7,137
Increase in Accounts Receivable	(2,295)
Decrease in Intergovernmental Receivable	10,967
Increase in Prepaids Items	(1,667)
Decrease in Deferred Outflows - Pension	190,259
Decrease in Deferred Outflows - OPEB	54,177
Increase in Accounts Payable	8,797
Increase in Accrued Wages and Benefits Payable	8,230
Increase in Intergovernmental Payable	907
Increase in Vacation Benefits Payable	15,360
Increase in Sick Leave Benefits Payable	5,617
Decrease in Deferred Inflows - Pension	(475,773)
Decrease in Deferred Inflows - OPEB	(111,810)
Increase in Net Pension Liability	165,318
Increase in Net OPEB Liability	45,045
Net Cash Used for Operating Activities	<u><u>(\$663,312)</u></u>

See accompanying notes to the basic financial statements

## Washington County Career Center, Ohio

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2024*

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### **Note 1 - Description of the Career Center and Reporting Entity**

The Washington County Career Center is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of seven members, one from each of the following elected Boards of Education: Belpre City Board of Education, Marietta City Board of Education, Ohio Valley Educational Service Center, Fort Frye Local Board of Education, Frontier Local Board of Education, Warren Local Board of Education, and Wolf Creek Local Board of Education. The Career Center exposes students to job training leading to employment upon graduation from high school.

The Career Center was formed in 1967. Its buildings are located on a 173.32-acre site and opened for instruction in 1972. It is staffed by 28 classified employees and 32 certificated employees who provide services to 514 Washington County juniors and seniors, as well as to adult students through the adult education department's evening classes and customized training for business and industry.

#### ***Reporting Entity***

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

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

The Career Center participates in the Metropolitan Educational Technology Association, the Coalition of Rural and Appalachian Schools, and the Ohio Coalition of Equity and Adequacy of School Funding, defined as jointly governed organizations. These organizations are presented in Note 17. They are also associated with the Ohio School Plan, the Ohio School Boards Association Workers' Compensation Group Rating Program, and the Ohio School Benefits Cooperative, defined as insurance purchasing pools. These organizations are presented in Note 18.

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

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

## Washington County Career Center, Ohio

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2024*

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### ***Basis of Presentation***

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

***Government-wide Financial Statements*** The statement of net position and the statement of activities display information about the Career Center as a whole. These statements include the financial activities of the stand-alone government, except for fiduciary funds. The statements distinguish between those activities of the Career Center that are governmental in nature and those that are considered business-type activities. Governmental activities generally are financed through taxes, intergovernmental receipts, or other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

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

***Fund Financial Statements*** During the fiscal year, the Career Center segregates transactions related to certain Career Center functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Career Center at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type. The Career Center has no fiduciary funds.

### ***Fund Accounting***

The Career Center uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Career Center are divided into two categories: governmental and proprietary.

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

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

## Washington County Career Center, Ohio

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2024*

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***Permanent Improvement Fund*** This fund accounts for the acquisition, construction, or improvement of capital facilities other than those financed by the proprietary fund.

The other governmental funds of the Career Center account for grants and other resources whose use is restricted to a particular purpose.

***Proprietary Fund Types*** Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. Proprietary funds are classified as enterprise or internal service funds. The Career Center has no internal service funds.

***Enterprise Fund*** Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The Career Center's only enterprise fund accounts for the operation of the Career Center's adult education program.

### ***Measurement Focus***

***Government-wide Financial Statements*** The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the Career Center are included on the statement of net position. The statement of activities presents increases (i.e. revenues) and decreases (i.e. expenses) in total net position.

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

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of fund net position.

For proprietary funds, the statement of revenues, expenses and changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the Career Center finances and meets the cash flow needs of its proprietary activities.

### ***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 presented for the proprietary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, in the recording of deferred outflows/inflows of resources, and in the presentation of expenses versus expenditures.

## Washington County Career Center, Ohio

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2024*

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

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

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

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

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized until that time. For the Career Center, 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, 2024, but which were levied to finance fiscal year 2025 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and governmental fund financial statements. Unavailable revenue is reported only on the governmental fund's balance sheet and represents receivables that will not be collected within the available period. For the Career Center, unavailable revenue includes delinquent property taxes. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities found on page 18. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 12 and 13)

**Expenses/Expenditures** On the accrual basis, 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.



## Washington County Career Center, Ohio

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2024*

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### ***Cash and Cash Equivalents***

To improve cash management, cash received by the Career Center is pooled. Monies for all funds, except for the cash with fiscal agents, are maintained in this pool. Individual fund integrity is maintained through the Career Center's records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the financial statements.

During fiscal year 2024, the Career Center's investments were limited to the State Treasury Asset Reserve of Ohio (STAR Ohio), negotiable certificates of deposit, and commercial paper.

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

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

STAR Ohio reserves the right to limit participant transactions to \$250 million per day. Transactions in all of a participant's accounts will be combined for this purpose. Twenty-four hours advance notice to STAR Ohio is appreciated for purchases or redemptions of \$100 million or more. For fiscal year 2024, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates.

Under existing Ohio statutes all investment earnings are assigned to the General Fund unless statutorily required to be credited to a specific fund. Investment Earnings/Interest revenue credited to the General Fund during 2024 amounted to \$471,630, which includes \$149,649 assigned from other Career Center funds.

Investments in the cash management pool and investments with original maturities of three months or less at the time they are purchased by the Career Center are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months not purchased from the pool are reported as investments.

### ***Prepaid Items***

Payments made to vendors for services that will benefit periods beyond June 30, 2024, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the fiscal year in which services are consumed.

### ***Inventory***

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

## Washington County Career Center, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

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### **Capital Assets**

General capital assets are those assets not specifically related to activities reported in the proprietary fund. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported on the fund financial statements.

Capital assets utilized by the Adult Education Enterprise Fund are reported both in the business-type activity column of the government-wide statement of net position and in the fund.

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

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

Description	Estimated Lives
Buildings and Improvements	75 - 100 years
Furniture and Equipment	5 - 48 years
Vehicles	5 - 23 years

### **Interfund Balances**

On fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as "interfund receivables/payables". Interfund balance amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

Deferred inflows of resources and deferred outflows of resources from the change in internal proportionate share related to pension and OPEB items are eliminated in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts between governmental and business-type activities. These residual amounts are eliminated in the total column of the entity-wide statement of net position.

## Washington County Career Center, Ohio

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2024*

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### ***Restricted Assets***

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions. Restricted assets in the General Fund represent money set aside for unclaimed monies. Restricted assets in the enterprise fund represent amounts held in trust by the OPEB plan for future benefits.

### ***Compensated Absences***

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the Career Center will compensate the employees for the benefits through paid time off or some other means. The liability for vacation benefits is recorded as "vacation benefits payable", rather than long-term liabilities, as the balances are to be used by employees in the fiscal year following the fiscal year in which the benefit was earned.

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

### ***Accrued Liabilities and Long-term Obligations***

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities, and long-term obligations payable from the enterprise fund are reported on the enterprise fund financial statements.

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

### ***Pensions/Other Postemployment Benefits (OPEB)***

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

## Washington County Career Center, Ohio

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2024*

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### ***Internal Activity***

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Transfers between governmental activities are eliminated on the government-wide financial statements. Internal allocations of overhead expenses from one program to another or within the same program are eliminated on the statement of activities. Payments of interfund services provided and used are not eliminated.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one 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 and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

### ***Fund Balance***

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

**Nonspendable** The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form or are legally or contractually required to be maintained intact. The "not in spendable form" includes items that are not expected to be converted to cash. It also includes prepaid items for all governmental fund types.

**Restricted** The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by State constitution or external resource providers. Fund balance is reported as restricted when constraints/ placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions. Under Ohio law, amounts paid into any fund, including by transfer, shall have the same constraints placed on the use of funds as those externally imposed by creditors, grantors, contributors, or laws or regulations of other governments.

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

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

## Washington County Career Center, Ohio

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2024*

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Education has assigned fund balance for capital improvement and scholarships. The Career Center's Board of Education also assigned fund balance to cover a gap between estimated revenues and appropriations in fiscal year 2025's appropriated budget.

***Unassigned*** The unassigned fund balance is the residual classification for the General Fund and includes amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report deficit balances.

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

### ***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. The Career Center applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available. Restricted Net Position for the OPEB plan represents the corresponding restricted asset amounts held in trust by the OPEB plan for future benefits.

### ***Operating Revenues and Expenses***

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the Career Center, these revenues are charges for services for adult education programs. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund. Revenues and expenses not meeting this definition are reported as non-operating.

### ***Extraordinary and Special Items***

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

### ***Estimates***

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

### ***Budgetary Process***

All funds, except custodial funds, are legally required to be budgeted and appropriated. For reporting purposes, various custodial funds, utilized for internal control purposes, have been combined with the General Fund and the special revenue fund. The major documents prepared are the tax budget, the appropriation resolution, and the certificate of estimated resources, which are prepared on the budgetary basis of accounting. The tax budget

## Washington County Career Center, Ohio

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2024*

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demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and set annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the fund level. The Treasurer maintains budgetary information at the function and object level and has the authority to allocate appropriations to the function and object level.

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

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

Some of the Career Center's funds are separate for budgetary purposes, and then combined on the GAAP basis. The Staff Service, Assigned Scholarship, Uniform School Supplies, Rotary, and Unclaimed Monies Special Revenue Funds are budgeted individually on a cash basis but are combined with the General Fund on a GAAP basis. The Adult Education Enterprise Fund and the Drivers Education, Super RAPIDS, and WORC III ARC Grant Special Revenue Funds are budgeted individually on a cash basis but are combined on a GAAP basis and presented as the Adult Education Enterprise Fund.

### **Note 3 - Change in Accounting Principles**

For fiscal year 2024, the Career Center implemented Governmental Accounting Standards Board (GASB) Statement No. 100, *Accounting Changes and Error Corrections*, and related guidance from GASB Implementation Guide No. 2023-1, *Implementation Guidance Update — 2023*. The Career Center also implemented Question 5.1 from GASB Implementation Guide No. 2021-1, *Implementation Guidance Update — 2021*.

GASB 100 will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision-useful, understandable, and comprehensive information for users about accounting changes and error corrections.

Question 5.1 from Implementation Guide 2021-1 addresses the collective significance of applying the capitalization threshold to individual items in a group of assets. The Career Center reviewed its capital asset groupings and determined there were no asset groups where individually the assets were under the capitalization threshold yet were significant collectively.

The implementation of GASB Statement No. 100 and the Implementation Guides 2021-1 and 2023-1 did not have any effect on beginning balances net position/fund balance.

## Washington County Career Center, Ohio

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2024*

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In an effort to promote comparability with other governments, the Career Center updated its calculation of net position restricted for pension and OPEB plans for fiscal year 2024. This change had no impact on beginning net position, but rather reclassified the amounts presented as net position restricted for an OPEB plan and unrestricted net position.

### **Note 4 - Fund Deficits**

The Federal Grant Special Revenue Fund had a \$1,186 deficit fund balance as of June 30, 2024. The deficit is the result of the recognition of payables in accordance with generally accepted accounting principles as well as short-term interfund loans from the General Fund needed for operations until the receipt of grant monies. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

### **Note 5 - Budgetary Basis of Accounting**

While the Career Center is reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budget Basis) 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 as a commitment or assignment of fund balance (GAAP basis).
4. Budgetary revenues and expenditures of the Scholarship Fund are reclassified to the General Fund for GAAP reporting.
5. Unreported interest and prepaid items are reported on the GAAP basis but not on the budgetary basis.

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

## Washington County Career Center, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

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Net Change in Fund Balance	
GAAP Basis	(\$257,213)
Net Adjustment for:	
Revenue Accruals	27,145
Expenditure Accruals	123,683
Beginning of Fiscal Year:	
Prepaid Items	45,233
Unreported Items	53,457
End of Fiscal Year:	
Prepaid Items	(34,964)
Unreported Items	(34,321)
To reclassify excess of revenues over expenditures into financial statement fund types	1,000
Encumbrances	<u>(88,113)</u>
Budget Basis	<u><u>(\$164,093)</u></u>

### Note 6 - Deposits and Investments

Monies held by the Career Center are classified by State statute 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 Career Center Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts. Inactive deposits are public deposits that the Board of Education 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 Career Center's deposits is provided by the Federal Deposit Insurance Corporation (FDIC) or by the financial institution's participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Interim monies held by the Career Center can be deposited or invested in the following securities:

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



## Washington County Career Center, Ohio

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2024*

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

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

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian. At fiscal year end, the Career Center had \$729 in undeposited cash on hand which is included as part of "Equity in Pooled Cash and Cash Equivalents."

## Washington County Career Center, Ohio

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2024*

### **Investments**

Investments are reported at fair value. As of June 30, 2024, the Career Center had the following investments:

Measurement/Investment	Amount	Maturity	Moody's	Investments
Net Asset Value Per Share:				
STAR Ohio	\$4,381,893	Average 46.5 days	AAAm	67.20%
Fair Value - Level Two Inputs:				
Government Agency Notes	131,774	Five years	Aaa	2.02%
US Treasury Notes	189,793	Under five years	Aaa	2.91%
Negotiable Certificates of Deposit	1,428,887	Average 2.04 years	N/A	21.91%
Commercial Paper	388,808	Under one year	P-1	5.96%
Total Fair Value - Level Two Inputs	<u>2,139,262</u>			<u>32.80%</u>
Total	<u>\$6,521,155</u>			<u>100.00%</u>

The Career Center categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The above chart identifies the Career Center's recurring fair value measurements as of June 30, 2024. The Career Center's investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data. (Level 2 inputs).

**Interest Rate Risk** The Career Center's investment policy addresses interest rate risk to the extent that it allows the Treasurer to invest funds to a maximum maturity of five years. The Treasurer cannot make investments that are not reasonably believed can be held until the maturity date.

State statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Career Center, and that an investment must be purchased with the expectation that it will be held to maturity. The stated intent of the policy is to avoid the need to sell securities prior to maturity.

**Credit Risk** The credit ratings for the Career Center's securities are listed above. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized statistical rating organization. The Career Center has no investment policy that would further limit its investment choices.

**Concentration of Credit Risk** The Career Center places no limit on the amount it may invest in any one issuer.

**Custodial Credit Risk** For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Career Center will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Career Center has no investment policy dealing with investment custodial credit risk beyond the requirement in state statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

## Washington County Career Center, Ohio

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2024*

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### **Note 7 - Property Taxes and Tax Abatements**

#### ***Property Taxes***

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

Property taxes include amounts levied against all real and public utility property located in the Career Center. Real property tax revenue received in calendar 2024 represents collections of calendar year 2023 taxes. Real property taxes received in calendar year 2024 were levied after April 1, 2023, on the assessed value listed as of January 1, 2023, the lien date. Assessed values for real property taxes are established by State statute 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 2024 represents collections of calendar year 2023 taxes. Public utility real property taxes received in calendar year 2023 became a lien on December 31, 2022, were levied after April 1, 2023, and are collected 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 Career Center receives property taxes from Washington, Athens, Morgan, and Noble Counties. The Washington County Auditor periodically advances to the Career Center its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2024, are available to finance fiscal year 2024 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable include real property and public utility taxes which are measurable as of June 30, 2024, 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 reflected 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 for property taxes.

The amount available as an advance at June 30, 2024, was \$64,104 and is recognized as revenue in the General Fund. The amount available as an advance to the General Fund at June 30, 2023, was \$87,823. On an 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 2024 taxes were collected are:

**Washington County Career Center, Ohio**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2024*

	2023 Second-Half Collections		2024 First-Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential And Other Real Estate	\$1,557,644,490	78.39%	\$1,545,775,490	78.21%
Public Utility Personal	429,394,830	21.61%	430,785,360	21.79%
Total	<u>\$1,987,039,320</u>	<u>100.00%</u>	<u>\$1,976,560,850</u>	<u>100.00%</u>
Tax Rate per \$1,000 of assessed valuation	\$1.80		\$1.80	

***Tax Abatements***

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

Washington County	Amount of Fiscal Year 2024 Taxes Abated
<i>Community Reinvestment Areas:</i>	
Hipodrome/Colony Historical Theatre	\$596
Perry and Associates	925

**Note 8 - Receivables**

Receivables at June 30, 2024, consisted of property taxes, accounts, accrued interest, and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds. Delinquent property taxes deemed collectible by the County Auditor and recorded as a receivable for \$127,979 may not be collected within one year. All other receivables are expected to be collected within one year.

A summary of principal items of intergovernmental receivables follows:

	Amounts
<b>Governmental Activities:</b>	
Career Exploration Camp Reimbursement	\$30,881
Carl Perkins Secondary	889
ASPIRE Grant	7,802
Summer Youth Employment	1,761
Total Governmental Activities	<u>41,333</u>
<b>Business-Type Activity:</b>	
Drivers Education Grant	8,307
Total	<u>\$49,640</u>

**Washington County Career Center, Ohio**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2024*

**Note 9 - Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2024, was as follows:

	<u>Balance</u> <u>6/30/2023</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>6/30/2024</u>
<b>Governmental Activities:</b>				
Capital Assets:				
Capital Assets not being depreciated:				
Land	\$88,979	\$0	\$0	\$88,979
Construction in Progress	837,510	2,910,279	(1,009,463)	2,738,326
Total Capital Assets not being depreciated	<u>926,489</u>	<u>2,910,279</u>	<u>(1,009,463)</u>	<u>2,827,305</u>
Depreciable Capital Assets:				
Buildings and Improvements	9,646,517	932,214	0	10,578,731
Furniture and Equipment	3,183,576	350,563	(18,131)	3,516,008
Vehicles	156,057	0	0	156,057
Total Capital Assets being Depreciated	<u>12,986,150</u>	<u>1,282,777</u>	<u>(18,131)</u>	<u>14,250,796</u>
Less Accumulated Depreciation				
Buildings and Improvements	(4,024,031)	(236,463)	0	(4,260,494)
Furniture and Equipment	(2,079,092)	(146,345)	18,131	(2,207,306)
Vehicles	(55,089)	(11,316)	0	(66,405)
Total Accumulated Depreciation	<u>(6,158,212)</u>	<u>(394,124) *</u>	<u>18,131</u>	<u>(6,534,205)</u>
Total Capital Assets being Depreciated, Net	<u>6,827,938</u>	<u>888,653</u>	<u>0</u>	<u>7,716,591</u>
Governmental Activities Capital Assets, Net	<u>\$7,754,427</u>	<u>\$3,798,932</u>	<u>(\$1,009,463)</u>	<u>\$10,543,896</u>

Included in the additions and deletions in the above table is a reclass of construction in progress in the amount of \$1,009,463 as a result of the completion of various projects. Of this amount, \$932,214 was reclassified to buildings and improvements and \$77,249 was reclassified to furniture and equipment.

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

Instruction:	
Regular	\$28,621
Vocational	154,440
Adult/Continuing	88,064
Support Services:	
Pupils	13,129
Instructional Staff	4,724
Administration	16,811
Fiscal	12,156
Operation and Maintenance of Plant	56,969
Central	14,411
Food Service	4,799
Total Depreciation Expense	<u>\$394,124</u>

## Washington County Career Center, Ohio

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2024*

	Balance 6/30/2023	Additions	Deductions	Balance 6/30/2024
<b>Business-Type Activity:</b>				
Capital Assets:				
Buildings and Improvements	\$768,021	\$0	\$0	\$768,021
Furniture and Equipment	636,811	274,868	(27,500)	884,179
Vehicles	77,238	125,260	(22,263)	180,235
<b>Total Capital Assets</b>	<b>1,482,070</b>	<b>400,128</b>	<b>(49,763)</b>	<b>1,832,435</b>
Less Accumulated Depreciation				
Buildings and Improvements	(391,607)	(35,404)	0	(427,011)
Furniture and Equipment	(284,664)	(43,594)	12,681	(315,577)
Vehicles	(20,496)	(5,910)	13,357	(13,049)
<b>Total Accumulated Depreciation</b>	<b>(696,767)</b>	<b>(84,908)</b>	<b>26,038</b>	<b>(755,637)</b>
<b>Business-Type Activity Capital Assets, Net</b>	<b>\$785,303</b>	<b>\$315,220</b>	<b>(\$23,725)</b>	<b>\$1,076,798</b>

### **Note 10 - Risk Management**

#### ***Property and Liability***

The Career Center is exposed to various risks of loss related to torts; theft of; damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2024, the Career Center contracted with Ohio School Plan through Schwendeman Agency, Inc. for the general liability, vehicle, and property insurance. Coverage provided by Ohio School Plan is as follows:

Automobile Liability	\$1,000,000
Comprehensive (\$250 deductible)	
Collisions (\$500 deductible)	
Building and Contents - replacement cost (\$1,000 deductible)	54,403,735
Equipment Breakdown (\$1,000 deductible)	54,403,735
General Liability:	
Each Occurrence	1,000,000
Aggregate Limit	3,000,000
Crime (\$1,000 Deductible):	
Theft / Forgery or Alteration / Computer Fraud / Funds Transfer Fraud	100,000
Fiduciary Liability (\$2,500 Deductible):	
Each Occurrence	1,000,000
Aggregate Limit	3,000,000
Employers' Liability:	
Each Occurrence	1,000,000
Each Employee	1,000,000
Educational Legal Liability (\$2,500 Deductible):	
Errors and Omissions/Aggregate	1,000,000/3,000,000
Employment Practices/Aggregate	1,000,000/3,000,000

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

## Washington County Career Center, Ohio

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2024*

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### ***Workers' Compensation***

For fiscal year 2024, the Career Center participated in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 18). The intent of the GRP is to achieve the benefit of a reduced premium for the Career Center by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating Career Centers is calculated as one experience and a common premium rate is applied to all Career Centers in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Participation in the GRP is limited to Career Centers that can meet the GRP's selection criteria. The firm Sedgwick Claims Management Services, Inc. provides administrative, cost control, and actuarial services to the GRP.

### **Note 11 - Employee Benefits**

#### ***Compensated Absences***

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees and administrators earn ten to twenty days of vacation per fiscal year, depending upon length of service. No more than two years of vacation is permitted to be carried forward and should be used in the fiscal year following accrual. Teachers do not earn vacation time. Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to 270 days. Upon retirement, employees receive payment equal to the percentages as stated below:

One-fourth of their accrued but unused sick leave to a maximum 68 days for employees having less than fifteen years of service.

Thirty percent of their accrued but unused sick leave to a maximum 81 days for employees having fifteen or more years of service.

#### ***Insurance***

The Career Center provides medical/surgical insurance through Ohio School Benefits Cooperation for all eligible employees. The Career Center pays 90 percent of the cost of both the individual plan and the monthly family coverage premiums for the plan selected by the employee. Premiums are paid from the same funds that pay the employees' salaries.

The Career Center pays the total cost for life, dental, and vision insurance for its employees. Life insurance and accidental death and dismemberment insurance is provided through One America, dental insurance is provided through Delta Dental, and vision insurance is provided through Vision Service Plan.

### **Note 12 - Defined Benefit Pension Plans**

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

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

The net pension liability and the net OPEB liability (asset) reported on the statement of net position represent liabilities to employees for pensions and OPEB, respectively. Pensions/OPEB are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services.

## Washington County Career Center, Ohio

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2024

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Pensions/OPEB are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

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

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

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, healthcare plan enrollees pay a portion of the healthcare 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 fiscal year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting. The remainder of this note includes the required pension disclosures. See Note 13 for the required OPEB disclosures.

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

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



## Washington County Career Center, Ohio

Notes to the Basic Financial Statements  
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Age and service requirements for retirement are as follows:

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

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

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

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost-of-living adjustment (COLA) on the first anniversary date of the benefit. New benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. The COLA is indexed to the percentage increase in the CPI-W, not to exceed 2.5 percent and with a floor of 0 percent. A three-year COLA suspension was in effect for all benefit recipients for the years 2018, 2019, and 2020. The Retirement Board approved a 2.5 percent COLA for calendar year 2023.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary, and the Career Center is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2024, the allocation to pension, death benefits, and Medicare B was 14.0 percent. For fiscal year 2024, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The Career Center's contractually required contribution to SERS was \$261,489 for fiscal year 2024. Of this amount, \$9,052 is reported as an intergovernmental payable.

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

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

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

## Washington County Career Center, Ohio

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2024*

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The DB plan offers an annual retirement allowance based on the 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 the final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent upon a determination by its actuary that it was necessary to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of-living increases are not affected by this change. Effective July 1, 2022, an ad-hoc COLA of 3 percent of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2023 as long as they retired prior to July 1, 2018. Effective July 1, 2023, a one-time ad-hoc COLA of 1 percent of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2024 as long as they retired prior to July 1, 2019. Pursuant to Ohio Revised Code 3307.67(E) the STRS Ohio Retirement Board may adjust the COLA upon a determination by the board's actuary that a change will not materially impair the fiscal integrity of the system or is necessary to preserve the fiscal integrity of the system. Eligibility changes will be phased in until August 1, 2023, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit at any age.

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

The DC Plan allows members to place all their member contributions and 11.09 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 2.91 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

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

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

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit.

## Washington County Career Center, Ohio

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2024*

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

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The 2024 employer and employee contribution rate of 14 percent was equal to the statutory maximum rates. For 2024, the full employer contribution was allocated to pension.

The Career Center's contractually required contribution to STRS was \$574,972 for fiscal year 2024. Of this amount, \$66,103 is reported as an intergovernmental payable.

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

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Career Center's proportion of the net pension liability was based on the Career Center's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	SERS	STRS	
Proportion of the Net Pension Liability:			
Current Measurement Date	0.042638600%	0.029047330%	
Prior Measurement Date	0.039787200%	0.029582180%	
Change in Proportionate Share	0.002851400%	-0.000534850%	
Proportionate Share of the Net Pension Liability	\$2,356,002	\$6,255,325	\$8,611,327
Pension Expense	\$294,961	\$461,799	\$756,760

At June 30, 2024, the Career Center reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	SERS	STRS	Total
<b>Deferred Outflows of Resources</b>			
Differences between expected and actual experience	\$101,266	\$228,056	\$329,322
Changes of assumptions	16,689	515,160	531,849
Changes in proportionate Share and difference between Career Center contributions and proportionate share of contributions	110,712	145,749	256,461
Career Center contributions subsequent to the measurement date	261,489	574,972	836,461
Total Deferred Outflows of Resources	\$490,156	\$1,463,937	\$1,954,093

**Washington County Career Center, Ohio**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2024*

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$0	\$13,881	\$13,881
Changes of assumptions	0	387,767	387,767
Net difference between projected and actual earnings on pension plan investments	33,116	18,747	51,863
Changes in Proportionate Share and Difference between Career Center contributions and proportionate share of contributions	<u>29,431</u>	<u>332,683</u>	<u>362,114</u>
Total Deferred Inflows of Resources	<u>\$62,547</u>	<u>\$753,078</u>	<u>\$815,625</u>

\$836,461 reported as deferred outflows of resources related to pension resulting from Career Center contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2025	\$30,304	(\$161,897)	(\$131,593)
2026	(\$47,458)	(233,059)	(280,517)
2027	181,520	592,857	774,377
2028	<u>1,754</u>	<u>(62,014)</u>	<u>(60,260)</u>
Total	<u>\$166,120</u>	<u>\$135,887</u>	<u>\$302,007</u>

***Actuarial Assumptions - SERS***

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations. Future benefits for all current plan members were projected through 2137.

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.

## Washington County Career Center, Ohio

*Notes to the Basic Financial Statements  
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Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2023, are presented below:

	June 30, 2023
Inflation	2.4 percent
Future Salary Increases, including inflation COLA or Ad Hoc COLA	3.25 percent to 13.58 percent 2.0 percent, on or after April 1, 2018, COLAs for future retirees will be delayed for three years following commencement
Investment Rate of Return	7.00 percent net of System expenses
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)

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

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00 %	0.75 %
US Equity	24.75	4.82
Non-US Equity Developed	13.50	5.19
Non-US Equity Emerging	6.75	5.98
Fixed Income/Global Bonds	19.00	2.24
Private Equity	12.00	7.49
Real Estate/Real Assets	17.00	3.70
Private Debt/Private Credit	5.00	5.64
Total	100.00 %	

**Discount Rate** The total pension liability for 2023 was calculated using the discount rate of 7.00 percent. The discount rate determination did not use a municipal 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 21-year amortization period of the unfunded actuarial accrued liability. The actuarially determined contribution rate for fiscal year 2023 was 14 percent.

**Washington County Career Center, Ohio**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2024*

Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.00 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability. The annual money-weighted rate of return, calculated as the internal rate of return on pension plan investments, for fiscal year 2023 was 6.90 percent.

***Sensitivity of the Career Center's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate*** Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.00 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent), or one percentage point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	\$3,477,339	\$2,356,002	\$1,411,490

***Actuarial Assumptions - STRS***

Key methods and assumptions used in the June 30, 2023, actuarial valuation are presented below:

	June 30, 2023
Inflation	2.50 percent
Salary increases	From 2.5 percent to 8.5 percent based on age
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation
Discount Rate of Return	7.00 percent
Payroll Increases	3.00 percent
Cost-of-Living Adjustments (COLA)	0.0 percent, effective July 1, 2017

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

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

## Washington County Career Center, Ohio

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2024*

Actuarial assumptions used in the June 30, 2024, valuation are based on the results of an actuarial experience study for the period July 1, 2015, through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

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

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

\* Final target weights reflected at October 1, 2022.

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

**Discount Rate** The discount rate used to measure the total pension liability was 7.00 percent as of June 30, 2023. 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, 2023. Therefore, the long-term expected rate of return on pension plan investments of 7.00 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2023.

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	\$9,619,304	\$6,255,325	\$3,410,318

## Washington County Career Center, Ohio

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2024*

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### ***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. As of June 30, 2024, three Board Members has elected Social Security. The contribution rate is 6.2 percent of wages.

### **Note 13 - Defined 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 Career Center contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. The following types of credit purchased after January 29, 1981, do not count toward health care coverage eligibility: military, federal, out-of-state, municipal, private school, exempted, and early retirement incentive credit. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Annual Comprehensive Financial Report which can be obtained on SERS' website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

The Health Care program is financed through a combination of employer contributions, recipient premiums, investment returns, and any funds received on behalf of SERS' participation in Medicare programs. The System's goal is to maintain a health care reserve account with a 20-year solvency period in order to ensure that fluctuations in the cost of health care do not cause an interruption in the program. However, during any period in which the 20-year solvency period is not achieved, the System shall manage the Health Care Fund on a pay-as-you-go basis.

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2024, 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



**Washington County Career Center, Ohio**

*Notes to the Basic Financial Statements*

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2024, this amount was \$30,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer’s SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2024, the Career Center’s surcharge obligation was \$20,622.

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The Career Center’s contractually required contribution to SERS was \$20,622 for fiscal year 2024; all are reported as an intergovernmental payable.

***Plan Description – State Teachers Retirement System (SERS)***

Plan Description – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan 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. Health care premiums were reduced by a Medicare Part B premium credit beginning in 2023. The Plan is included in the report of STRS which can be obtained by visiting [www.strsoh.org](http://www.strsoh.org) or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. All benefit recipients pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2024, STRS did not allocate any employer contributions to post-employment health care.

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

The net OPEB liability (asset) was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of that date. The Career Center’s proportion of the net OPEB liability (asset) was based on the Career Center’s share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>SERS</u>	<u>STRS</u>	
Proportion of the Net OPEB Liability (Asset):			
Current Measurement Date	0.041249900%	0.029047330%	
Prior Measurement Date	<u>0.040016300%</u>	<u>0.029582180%</u>	
Change in Proportionate Share	<u>0.001233600%</u>	<u>-0.000534850%</u>	
Proportionate Share of the:			<u>Total</u>
Net OPEB Liability	\$679,569	\$0	\$679,569
Net OPEB (Asset)	\$0	(\$564,930)	(\$564,930)
OPEB Expense	(\$32,455)	(\$30,451)	(\$62,906)

At June 30, 2024, the Career Center’s reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

**Washington County Career Center, Ohio**

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	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>			
Differences between expected and actual experience	\$1,416	\$881	\$2,297
Changes of assumptions	229,783	83,222	313,005
Net difference between projected and actual earnings on OPEB plan investments	5,267	1,009	6,276
Changes in proportionate Share and difference between Career Center contributions and proportionate share of contributions	75,386	6,933	82,319
Career Center contributions subsequent to the measurement date	<u>20,622</u>	<u>0</u>	<u>20,622</u>
Total Deferred Outflows of Resources	<u>\$332,474</u>	<u>\$92,045</u>	<u>\$424,519</u>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$350,480	\$86,166	\$436,646
Changes of assumptions	193,004	372,733	565,737
Changes in Proportionate Share and Difference between Career Center contributions and proportionate share of contributions	<u>56,368</u>	<u>1,391</u>	<u>57,759</u>
Total Deferred Inflows of Resources	<u>\$599,852</u>	<u>\$460,290</u>	<u>\$1,060,142</u>

\$20,622 reported as deferred outflows of resources related to OPEB resulting from Career Center's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2025	(\$102,013)	(\$163,699)	(\$265,712)
2026	(87,157)	(74,715)	(161,872)
2027	(41,094)	(28,820)	(69,914)
2028	(26,440)	(38,721)	(65,161)
2029	(26,335)	(35,555)	(61,890)
Thereafter	<u>(4,961)</u>	<u>(26,735)</u>	<u>(31,696)</u>
Total	<u>(\$288,000)</u>	<u>(\$368,245)</u>	<u>(\$656,245)</u>

***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.

## Washington County Career Center, Ohio

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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, 2023, are presented below:

	June 30, 2023
Inflation	2.40 percent
Future Salary Increases, including inflation	3.25 percent to 13.58 percent
Investment Rate of Return	7.00 percent net of investment expense
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Fiduciary Net Position is Projected to be Depleted	2048
Municipal Bond Index Rate:	
Measurement Date	3.86 percent
Prior Measurement Date	3.69 percent
Single Equivalent Interest Rate,	
Measurement Date	4.27 percent
Prior Measurement Date	4.08 percent
Health Care Cost Trend Rate	
Medical Trend Assumption	
Measurement Date	6.75 to 4.40 percent
Prior Measurement Date	7.00 to 4.40 percent

Mortality rates among healthy retirees were based on the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females. Mortality among disabled members was 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.

## Washington County Career Center, Ohio

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2024

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Mortality rates for contingent survivors were based on PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5 percent for males and adjusted 122.5 percent for females. Mortality rates for actives is based on PUB-2010 General Amount Weighted Below Median Employee mortality table. Mortality rates are projected using a fully generational projection with Scale MP-2020.

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

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2016 through 2020, and was adopted by the Board in 2021. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a long-normal distribution analysis in which best-estimate ranges of expected future real rates of return (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, 7.00 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

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

**Discount Rate** The discount rate used to measure the total OPEB liability at June 30, 2023, was 4.27 percent. The discount rate used to measure total OPEB liability prior to June 30, 2023, was 4.08 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the contribution rate of 1.50 percent of projected covered payroll each year, which includes a 1.50 percent payroll surcharge and no contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be depleted in 2048 by SERS' actuaries. The Fidelity General Obligation 20-year Municipal Bond Index Rate was used in the determination of the single equivalent interest rate for both the June 30, 2022, and the June 30, 2023, 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 was 3.86 percent at June 30, 2023, and 3.69 percent at June 30, 2022.

**Sensitivity of the Career Center's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates** The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.27%) and higher (5.27%) than the current discount rate (4.27%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (5.75% decreasing to 3.40%) and higher (7.75% decreasing to 5.40%) than the current rate.

**Washington County Career Center, Ohio**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2024*

	1% Decrease <u>(3.27%)</u>	Current Discount Rate <u>(4.27%)</u>	1% Increase <u>(5.27%)</u>
School District's proportionate share of the net OPEB liability	\$868,684	\$679,569	\$530,445

  

	1% Decrease <u>(5.75% decreasing to 3.40%)</u>	Current Trend Rate <u>(6.75% decreasing to 4.40%)</u>	1% Increase <u>(7.75% decreasing to 5.40%)</u>
School District's proportionate share of the net OPEB liability	\$499,256	\$679,569	\$918,509

***Actuarial Assumptions – STRS***

Key methods and assumptions used in the June 30, 2023, actuarial valuation compared to the prior year are presented below:

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Projected salary increases	Varies by service from 2.5 percent to 8.5 percent	Varies by service from 2.5 percent to 8.5 percent
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation	7.00 percent, net of investment expenses, including inflation
Payroll Increases	3 percent	3 percent
Discount Rate of Return	7.00 percent	7.00 percent
Health Care Cost Trends		
Medical		
Pre-Medicare	7.50 percent initial 4.14 percent ultimate	7.50 percent initial 3.94 percent ultimate
Medicare	-10.94 percent initial 4.14 percent ultimate	-68.78 percent initial 3.94 percent ultimate
Prescription Drug		
Pre-Medicare	-11.95 percent initial 4.14 percent ultimate	9.00 percent initial 3.94 percent ultimate
Medicare	1.33 percent initial 4.14 percent ultimate	-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 2022, healthy retirees post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110 percent for males, projected forward generationally using mortality improvement scale MP-2020; pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95 percent for females, projected forward generationally using mortality improvement scale MP-2020. For disabled retirees, mortality rates are based on the Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

**Washington County Career Center, Ohio**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2024*

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

Actuarial assumptions used in the June 30, 2023, valuation are based on the results of an actuarial experience study for the period July 1, 2015, through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

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

**Discount Rate** The discount rate used to measure the total OPEB liability was 7.00 percent as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed STRS continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2023. Therefore, the long-term expected rate of return on health care plan investments of 7.00 percent was applied to all periods of projected health care costs to determine the total OPEB liability as of June 30, 2023.

**Sensitivity of the Career Center's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate** The following table represents the net OPEB asset as of June 30, 2023, calculated using the current period discount rate assumption of 7.00 percent, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current assumption. Also shown is the net OPEB asset as if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net OPEB asset	(\$478,140)	(\$564,930)	(\$640,516)
	1% Decrease	Current Trend Rate	1% Increase
School District's proportionate share of the net OPEB asset	(\$644,023)	(\$564,930)	(\$469,664)

**Washington County Career Center, Ohio**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2024*

**Note 14 - Long-Term Obligations**

The changes in the Career Center’s long-term during the fiscal year consist of the following:

	Principal Outstanding 6/30/23	Additions	Reductions	Principal Outstanding 6/30/24	Amounts Due in One Year
<b>Governmental Activities:</b>					
Net Pension Liability:					
STRS	\$5,458,209	\$0	\$266,289	\$5,191,920	\$0
SERS	1,334,241	244,278	0	1,578,519	0
Total Net Pension Liability	<u>6,792,450</u>	<u>244,278</u>	<u>266,289</u>	<u>6,770,439</u>	<u>0</u>
Net OPEB Liability - SERS	<u>348,336</u>	<u>106,975</u>	<u>0</u>	<u>455,311</u>	<u>0</u>
Sick Leave Benefits	<u>686,376</u>	<u>101,312</u>	<u>56,214</u>	<u>731,474</u>	<u>0</u>
Total Governmental Activities	<u><u>\$7,827,162</u></u>	<u><u>\$452,565</u></u>	<u><u>\$322,503</u></u>	<u><u>\$7,957,224</u></u>	<u><u>\$0</u></u>
<b>Business-Type Activity:</b>					
Net Pension Liability:					
STRS	\$1,117,947	\$0	\$54,542	\$1,063,405	\$0
SERS	817,760	0	40,277	777,483	0
Total Net Pension Liability	<u>1,935,707</u>	<u>0</u>	<u>94,819</u>	<u>1,840,888</u>	<u>0</u>
Net OPEB Liability - SERS	<u>213,497</u>	<u>10,761</u>	<u>0</u>	<u>224,258</u>	<u>0</u>
Sick Leave Benefits	<u>44,922</u>	<u>5,617</u>	<u>0</u>	<u>50,539</u>	<u>0</u>
Total Business-Type Activities	<u><u>\$2,194,126</u></u>	<u><u>\$16,378</u></u>	<u><u>\$94,819</u></u>	<u><u>\$2,115,685</u></u>	<u><u>\$0</u></u>

Sick leave benefits will be paid from the General Fund; the Food Service and Miscellaneous Federal Grants Special Revenue Funds; and the Adult Education Enterprise Fund. There are no repayment schedules for the net pension and net OPEB liabilities. However, employee pension contributions are made from the following funds: the General Fund, the Food Service and Miscellaneous Federal Grants Special Revenue Funds, and the Adult Education Enterprise Fund. For additional information related to the net pension and net OPEB liabilities, see Notes 12 and 13.

The overall debt margin of the Career Center as of June 30, 2024, was \$177,826,541, with an unvoted debt margin of \$1,975,850.

## Washington County Career Center, Ohio

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2024*

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### **Note 15 - Interfund Transfers and Balances**

#### ***Balances***

**Internal Balances – Change in Proportionate Share** The Career Center uses an internal proportionate share to allocate its net pension/OPEB liability/asset and corresponding deferred outflows/inflows of resources and pension/OPEB expense to its various funds. This allocation creates a change in internal proportionate share.

The effects of the internal proportionate share are eliminated from the pension deferred outflows/inflows of resources in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts between governmental and business-type activities. These residual amounts are eliminated in the total column of the entity-wide statement of net position, thus allowing the total column to present the change in proportionate share for the Career Center as a whole.

Eliminations made in the total column of the entity-wide statement of net position related to pension include deferred outflows of resources for the business-type activity (related to the Adult Education Enterprise Fund) and deferred inflows of resources for the governmental activities for \$128,659.

Eliminations made in the total column of the entity-wide statement of net position related to OPEB include deferred outflows of resources for the business-type activity (related to the Adult Education Enterprise Fund) and deferred inflows of resources for the governmental activities for \$65,959.

**Other Internal Balances** At June 30, 2024, the Federal Grants Special Revenue Funds owed the General Fund \$31,323 for cash deficits.

#### ***Transfers***

During the fiscal year, the Career Center's General Fund transferred \$2,000,000 to the Permanent Improvement Capital Projects Fund and \$10,000 to the Student Activities Special Revenue Fund to move unrestricted revenues collected in the General Fund to finance various projects and activities.

### **Note 16 - Fund Balances**

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



**Washington County Career Center, Ohio**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2024*

Fund Balances	General Fund	Permanent Improvement Fund	Other Governmental Funds	Total
<u>Nonspendable:</u>				
Prepaid Items	\$34,964	\$0	\$18	\$34,982
Materials and Supplies Inventory	32,310	0	1,367	33,677
Unclaimed Monies	5,121	0	0	5,121
<i>Total Nonspendable</i>	<u>72,395</u>	<u>0</u>	<u>1,385</u>	<u>73,780</u>
<u>Restricted for:</u>				
Student Activities	0	0	90,993	90,993
Food Service Operations	0	0	187,850	187,850
State Grant Programs	0	0	20,137	20,137
Local Programs	0	0	26,771	26,771
<i>Total Restricted</i>	<u>0</u>	<u>0</u>	<u>325,751</u>	<u>325,751</u>
<u>Committed to:</u>				
Capital Improvements	18,989	601,145	0	620,134
Scholarships	0	0	300,376	300,376
<i>Total Committed</i>	<u>18,989</u>	<u>601,145</u>	<u>300,376</u>	<u>920,510</u>
<u>Assigned to:</u>				
Fiscal Year 2025 Appropriations	915,450	0	0	915,450
Purchases on Order	17,595	0	0	17,595
Scholarships	3,032	0	0	3,032
Capital Improvements	0	60,712	0	60,712
<i>Total Assigned</i>	<u>936,077</u>	<u>60,712</u>	<u>0</u>	<u>996,789</u>
Unassigned (Deficit):	<u>5,095,909</u>	<u>0</u>	<u>(1,204)</u>	<u>5,094,705</u>
<i>Total Fund Balances</i>	<u>\$6,123,370</u>	<u>\$661,857</u>	<u>\$626,308</u>	<u>\$7,411,535</u>

**Note 17 - Jointly Governed Organizations**

***Metropolitan Educational Technology Association (META)***

The Career Center participates in the Metropolitan Educational Technology Association (META), formed from the merger of the Metropolitan Educational Council (MEC) and the Southeastern Ohio Voluntary Education Cooperative (SEOVEC) during fiscal year 2016, which is a jointly governed organization, created as a regional council of governments pursuant to Chapter 167 of the Ohio Revised Code. META operates as, and has all the powers of, a data acquisition site/information technology center pursuant to applicable provisions of the Ohio Revised Code.

The organization was formed for the purpose of identifying, developing, and providing to members and nonmembers innovative educational and technological services and products, as well as expanded opportunities for cooperative purchasing. The General Assembly of META consists of one delegate from every member Career Center. The delegate is the superintendent of the Career Center or the superintendent's

## **Washington County Career Center, Ohio**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2024*

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designee. The degree of control exercised by any participating Career Center is limited to its representation on the General Assembly. The General Assembly exercises total control over the operation of META including budgeting, appropriating, contracting, and designating management. During 2024, the Career Center paid \$26,593 for services with META. Financial information can be obtained from the Metropolitan Educational Technology Association at 100 Executive Drive, Marion, Ohio 43302.

### ***Coalition of Rural and Appalachian Schools***

The Coalition of Rural and Appalachian Schools (CORAS) is a jointly governed organization composed of 120 school districts and other educational institutions in the 32-county region of Ohio designated as Appalachia. The CORAS is operated by a nineteen-member board composed of one elected and one appointed (one appointed seat is empty) from each of the eight regions into which the 32 Appalachian counties are divided, one dean appointment from the Ohio University College of Education, and three ex-officio members. The board exercises total control over the operations of the CORAS including budgeting, appropriating, contracting, and designating management. Each participant's control is limited to its representation on the board. The CORAS provides various in-service training programs for school district administrative personnel; gathers data regarding the level of education provided to children in the region; cooperates with other professional groups to assess and develop programs designed to meet the needs of member districts; and provides staff development programs for school district personnel. The CORAS is not dependent on the continued participation of the Career Center and the Career Center does not maintain an equity interest in or financial responsibility for the CORAS. Financial information may be obtained from the Coalition of Rural and Appalachian Schools at 322 Patton Hall, Ohio University, Athens, Ohio 45701.

### **Ohio Coalition of Equity and Adequacy of School Funding**

The Ohio Coalition of Equity and Adequacy of School Funding is organized as a council of governments pursuant to Chapter 167 of the Ohio Revised Code. The Coalition was organized to challenge the constitutionality of the Ohio school funding system. The purpose of the Coalition is to bring about greater equity and adequacy of public school funding in Ohio. The Coalition is governed by a Steering Committee of school district representatives. Though most of the members are superintendents, some treasurers, board members, and administrators also serve. Several persons serve as ex officio members. The Committee exercised total control over the operations of the Coalition including budgeting, appropriating, contracting, and designating management. Each participant's control is limited to its representation on the board. The membership of the coalition includes over 500 school districts throughout the State of Ohio. Member school districts, joint vocational schools, and educational service centers pay annual dues and supplemental dues based on their pupil enrollment. The Coalition is not dependent on the continued participation of the Career Center and the Career Center does not maintain an equity interest or financial responsibility for the Coalition. The fiscal agent for the Coalition is the Muskingum Valley Educational Service Center. During 2024, the Career Center paid \$270 for services with Ohio Coalition of Equity and Adequacy of School Funding. Financial information may be obtained from the Ohio Coalition of Equity and Adequacy of School Funding at 50 South Young Street, Suite M-102, Columbus, Ohio 43215.

### **Note 18 - Insurance Purchasing Pools**

#### ***Ohio School Plan***

The Career Center participates in the Ohio School Plan (OSP), an insurance purchasing pool. The Ohio School Plan (OSP) is created and organized pursuant to and as authorized by Section 2744.081 of the Ohio Revised Code. The OSP is an unincorporated, non-profit association of its members and an instrumentality for each

## Washington County Career Center, Ohio

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2024*

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member for the purpose of enabling members of the Plan to provide for a formalized, joint insurance purchasing program to maintain adequate insurance protection, risk management programs, and other administrative services. The OSP's business and affairs are conducted by a thirteen-member Board of directors consisting of Career Center superintendents and treasurers, as well as the president of Harcum-Hyre Insurance Agency, Inc. and a partner of the Hylant Group, Inc. Hylant Group, Inc. is the Administrator of the OSP and is responsible for processing claims. Harcum-Hyre Insurance Agency, Inc. is the sales and marketing representative, which establishes agreements between OSP and member schools.

### ***Ohio School Boards Association Workers' Compensation Group Rating Program***

The Career Center participates in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by a three-member Board of directors consisting of the President, the President-Elect, and the Immediate Past President of the OSBA. The Executive Director of the OSBA, or his designee, serves as the coordinator of the program. Each year, the participating Career Centers pay an enrollment fee to the GRP to cover the costs of administering the program.

### ***Ohio School Benefits Cooperative***

The Career Center participates in the Ohio School Benefits Cooperative, a claims servicing and group purchasing pool. The Ohio School Benefits Cooperative (OSBC) is created and organized pursuant to and as authorized by Section 9.833 of the Ohio Revised Code. OSBC is governed by a nine-member Board of Directors, all of whom must be Career Center and/or educational service center administrators. The Muskingum Valley Educational Service Center serves as the fiscal agent for OSBC. OSBC is an unincorporated, non-profit association of its members which was created to enable members of the Plan to maximize benefits and/or reduce costs of medical, prescription drug, vision, dental, life, and/or other group insurance coverage for their employees, and the eligible dependents and designated beneficiaries of such employees.

Participants pay an initial \$500 membership fee to OSBC. OSBC offers two options to participants. The first option is that participants may enroll in the joint insurance purchasing program for medical, prescription drug, vision dental, and/or life insurance. A second option is available for self-insured participants that provides for the purchase of stop-loss insurance coverage through OSBC's third-party administrator. The Career Center participates in the first option. The OSBC's business and affairs are conducted by a nine-member Board of Directors consisting of Career Center and/or educational service center administrators elected by the members of the OSBC. Medical Mutual/Antares is the Administrator of the OSBC.

### **Note 19 - Set-Asides**

The Career Center is required by State statute to annually set aside in the General Fund an amount based on a statutory formula for the acquisition and construction of capital improvements.

Amounts not spent by fiscal year end or offset by similarly restricted resources received during the fiscal year must be held in cash at fiscal year end and carried forward to be used for the same purposes in future fiscal years. In prior fiscal years, the Career Center was also required to set-aside money for textbooks.

Effective April 10, 2001, through Amended Substitute Senate Bill 345, the requirement for Career Centers to establish and appropriate money for the budget stabilization was deleted from law. The Career Center may still establish reserve balance accounts consistent with Section 5705.13, Revised Code if it so chooses; however, the requirement is no longer mandatory. In addition, any money on hand in a Career Center's budget

## Washington County Career Center, Ohio

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2024

reserve set-aside as of April 10, 2001, may at the discretion of the board be returned to the district's General Fund or may be left in the account and used by the board to offset any budget deficit the district may experience in future fiscal years. The bill placed special conditions on any Bureau of Workers' Compensation monies remaining in the budget reserve.

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

	<u>Capital Improvements</u>
Set-aside Balance as of June 30, 2023	\$0
Current Year Set-aside Requirement	115,285
Offsetting Credits	2,000,000
Qualifying Disbursements	<u>(103,518)</u>
Total	<u>\$2,011,767</u>
Set-aside Balance Carried Forward to Future Fiscal Years	<u>\$0</u>

The Career Center had qualifying offsets and disbursements during the fiscal year that reduced the set-aside amount below zero. The excess in the capital maintenance set-aside may not be carried forward to reduce the set-aside requirement in future fiscal years.

### Note 20 - Significant Commitments

#### *Encumbrances*

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

<b>Governmental Activities:</b>	
General Fund	\$88,113
Permanent Improvement Capital Projects Fund	1,031,134
Other Governmental Funds	<u>51,940</u>
Total Governmental Funds	<u>1,171,187</u>
<b>Business-Type Activity:</b>	
Adult Education Enterprise Fund	<u>156,631</u>
Total	<u>\$1,327,818</u>

#### *Contractual Commitments*

As of June 30, 2024, the Career Center's contractual purchase commitments are as follows:

**Washington County Career Center, Ohio**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2024*

Project	Fund	Contract Amount	Amount Expended	Balance at 06/30/24
Science Room Relocation	General Fund and Permanent Improvement Fund	\$1,665,711	\$1,554,320	\$111,391
Annex Roof Project	Permanent Improvement Fund	1,550,619	1,056,989	493,630
Health Care Medical Programs	General Fund	336,537	38,487	298,050
Sewer Line Upgrades	General Fund	91,730	88,530	3,200
		<u>\$3,644,597</u>	<u>\$2,738,326</u>	<u>\$906,271</u>

**Note 21 - Contingencies**

***Grants***

The Career Center received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with the terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Career Center at June 30, 2024.

***Litigation***

The Career Center is currently not party to legal proceedings.

***School Foundation***

School Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education and Workforce (DEW) 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. DEW adjustments for fiscal year 2024 were finalized in November 2024. As a result, there was no significant impact of the FTE adjustments on the fiscal year 2024 financial statements.

**Note 22 - COVID-19**

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021, while the national state of emergency ended in April 2023. During fiscal year 2024, the Career Center did receive COVID-19 funding. The Career Center will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

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

	2024	2023	2022	2021
Career Center's Proportion of the Net Pension Liability	0.04263860%	0.03978720%	0.04146660%	0.03705720%
Career Center's Proportionate Share of the Net Pension Liability	\$2,356,002	\$2,152,001	\$1,529,997	\$2,451,041
Career Center's Covered Payroll	\$1,685,371	\$1,505,757	\$1,367,143	\$1,294,043
Career Center's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	139.79%	142.92%	111.91%	189.41%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	76.06%	75.82%	82.86%	68.55%

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

See accompanying notes to the required supplementary information

2020	2019	2018	2017	2016	2015
0.03621290%	0.03883650%	0.03417730%	0.03484020%	0.03421260%	0.03254200%
\$2,166,681	\$2,224,240	\$2,042,019	\$2,549,981	\$1,952,205	\$1,646,932
\$1,246,978	\$1,253,363	\$1,119,029	\$1,065,046	\$1,032,845	\$944,863
173.75%	177.46%	182.48%	239.42%	189.01%	174.30%
70.85%	71.36%	69.50%	62.98%	69.16%	71.70%

**Washington County Career Center, Ohio**  
*Required Supplementary Information*  
*Schedule of the Career Center's Proportionate Share of the Net Pension Liability*  
*State Teachers Retirement System of Ohio*  
*Last Ten Fiscal Years\**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Career Center's Proportion of the Net Pension Liability	0.029047330%	0.029582180%	0.030789592%	0.02904389%
Career Center's Proportionate Share of the Net Pension Liability	\$6,255,325	\$6,576,156	\$3,936,726	\$7,027,588
Career Center's Covered Payroll	\$3,878,600	\$3,878,029	\$3,847,357	\$3,538,764
Career Center's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	161.28%	169.57%	102.32%	198.59%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.00%	78.90%	87.80%	75.50%

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

See accompanying notes to the required supplementary information



2020	2019	2018	2017	2016	2015
0.03103539%	0.02977540%	0.02969002%	0.03009484%	0.03118112%	0.03122511%
\$6,863,290	\$6,546,942	\$7,052,928	\$10,073,651	\$8,617,549	\$7,595,027
\$3,652,871	\$3,403,971	\$3,265,714	\$3,427,493	\$3,256,807	\$3,189,300
187.89%	192.33%	215.97%	293.91%	264.60%	238.14%
77.40%	77.30%	75.30%	66.80%	72.10%	74.70%

**Washington County Career Center, Ohio**  
*Required Supplementary Information*  
*Schedule of the Career Center's Proportionate Share of the Net OPEB Liability*  
*School Employees Retirement System of Ohio*  
*Last Eight Fiscal Years (1)\**

	2024	2023	2022	2021
Career Center's Proportion of the Net OPEB Liability	0.04124990%	0.04001630%	0.04032540%	0.03554240%
Career Center's Proportionate Share of the Net OPEB Liability	\$679,569	\$561,833	\$763,189	\$772,453
Career Center's Covered Payroll	\$1,685,371	\$1,505,757	\$1,367,143	\$1,294,043
Career Center's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	40.32%	37.31%	55.82%	59.69%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	30.02%	30.34%	24.08%	18.17%

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

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

See accompanying notes to the required supplementary information

2020	2019	2018	2017
0.03569110%	0.03924800%	0.03455120%	0.03525290%
\$897,556	\$1,088,845	\$927,263	\$1,004,838
\$1,246,978	\$1,253,363	\$1,119,029	\$1,065,046
71.98%	86.87%	82.86%	94.35%
15.57%	13.57%	12.46%	11.49%

**Washington County Career Center, Ohio**  
*Required Supplementary Information*  
*Schedule of the Career Center's Proportionate Share of the Net OPEB Liability (Asset)*  
*State Teachers Retirement System of Ohio*  
*Last Eight Fiscal Years (1)\**

	2024	2023	2022	2021
Career Center's Proportion of the Net OPEB Liability	0.029047330%	0.029582180%	0.030789592%	0.02904389%
Career Center's Proportionate Share of the Net OPEB Liability (Asset)	(\$564,930)	(\$765,981)	(\$649,173)	(\$510,446)
Career Center's Covered Payroll	\$3,878,600	\$3,878,029	\$3,847,357	\$3,538,764
Career Center's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	-14.57%	-19.75%	-16.87%	-14.42%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	168.50%	230.70%	174.70%	182.10%

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

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

See accompanying notes to the required supplementary information

2020	2019	2018	2017
0.03103539%	0.02977540%	0.02969002%	0.03009484%
(\$514,021)	(\$478,461)	\$1,158,395	\$1,609,480
\$3,652,871	\$3,403,971	\$3,265,714	\$3,427,493
-14.07%	-14.06%	35.47%	46.96%
174.70%	176.00%	47.10%	37.30%

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

	2024	2023	2022	2021	2020
<b>Net Pension Liability</b>					
Contractually Required Contribution	\$261,489	\$235,952	\$210,806	\$191,400	\$181,166
Contributions in Relation to the Contractually Required Contribution	<u>(261,489)</u>	<u>(235,952)</u>	<u>(210,806)</u>	<u>(191,400)</u>	<u>(181,166)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Career Center Covered Payroll (1)	\$1,867,779	\$1,685,371	\$1,505,757	\$1,367,143	\$1,294,043
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>
<b>Net OPEB Liability/Asset</b>					
Contractually Required Contribution (2)	\$20,622	\$15,991	\$22,724	\$14,676	\$9,061
Contributions in Relation to the Contractually Required Contribution	<u>(20,622)</u>	<u>(15,991)</u>	<u>(22,724)</u>	<u>(14,676)</u>	<u>(9,061)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
OPEB Contributions as a Percentage of Covered Payroll	<u>1.10%</u>	<u>0.95%</u>	<u>1.51%</u>	<u>1.07%</u>	<u>0.70%</u>
Total Contributions as a Percentage of Covered Payroll (2)	<u>15.10%</u>	<u>14.95%</u>	<u>15.51%</u>	<u>15.07%</u>	<u>14.70%</u>

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

(2) Includes Surcharge

See accompanying notes to the required supplementary information

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$168,342	\$169,204	\$156,664	\$149,109	\$136,129
<u>(168,342)</u>	<u>(169,204)</u>	<u>(156,664)</u>	<u>(149,109)</u>	<u>(136,129)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$1,246,978	\$1,253,363	\$1,119,029	\$1,065,046	\$1,032,845
<u>13.50%</u>	<u>13.50%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>13.18%</u>
\$21,365	\$26,797	\$18,226	\$17,607	\$26,398
<u>(21,365)</u>	<u>(26,797)</u>	<u>(18,226)</u>	<u>(17,607)</u>	<u>(26,398)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>1.71%</u>	<u>2.14%</u>	<u>1.63%</u>	<u>1.65%</u>	<u>2.56%</u>
<u>15.21%</u>	<u>15.64%</u>	<u>15.63%</u>	<u>15.65%</u>	<u>15.74%</u>

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<b>Net Pension Liability</b>					
Contractually Required Contribution	\$574,972	\$543,004	\$542,924	\$538,630	\$495,427
Contributions in Relation to the Contractually Required Contribution	<u>(574,972)</u>	<u>(543,004)</u>	<u>(542,924)</u>	<u>(538,630)</u>	<u>(495,427)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Career Center Covered Payroll	\$4,106,943	\$3,878,600	\$3,878,029	\$3,847,357	\$3,538,764
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>

**Net OPEB Liability (Asset)**

Although the covered payroll for the net OPEB liability is the same as the net pension liability, there were no OPEB related required contributions for 2015-2024 as STRS did not allocate any employer contributions to postemployment health care. There is no required supplementary information to present related to the statutorily established employer contribution requirements for the net OPEB liability.

See accompanying notes to the required supplementary information



<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$511,402	\$476,556	\$457,200	\$479,849	\$455,953
<u>(511,402)</u>	<u>(476,556)</u>	<u>(457,200)</u>	<u>(479,849)</u>	<u>(455,953)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$3,652,871	\$3,403,971	\$3,265,714	\$3,427,493	\$3,256,807
<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>

## Washington County Career Center, Ohio

Notes to Required Supplementary Information

For the Fiscal Year Ended June 30, 2024

### Net Pension Liability

#### Changes in Benefit Terms/Assumptions – SERS

Beginning in fiscal year 2018, on each anniversary of the initial retirement, the allowance of all retirees and survivors may be increased by the annual rate of increase in the CPI-W measured as of the June preceding the beginning of the applicable calendar year. The annual rate of increase shall not be less than 0 percent nor greater than 2.5 percent. The COLA was suspended for 2018-2020. Prior to 2018, an assumption of 3 percent was used. For 2021, the cost-of-living adjustment was reduced from 2.5 percent to 2 percent. For 2023 and 2024, the cost-of-living adjustment was increased from 2 percent to 2.5 percent.

Amounts reported in 2022 incorporate changes in assumptions used by SERS in calculating the total pension liability in the latest actuarial valuation. These assumptions compared with those used in prior years are presented below:

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

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

Amounts reported for 2017 through 2021 use mortality rates that are based on the RP-2014 Blue Collar Mortality Table with a fully generational projection and a five-year age set-back for both males and females. Amounts reported for fiscal year 2016 and prior, use mortality assumptions that are based on the 1994 Group Annuity Mortality Table set back one year for both men and women. Special mortality tables were used for the period after disability retirement.

#### Changes in Assumptions - STRS

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

**Washington County Career Center, Ohio**

*Notes to Required Supplementary Information  
For the Fiscal Year Ended June 30, 2024*

	<u>Fiscal Year 2022</u>	<u>Fiscal Years 2021-2018</u>	<u>Fiscal Years 2017 and Prior</u>
Inflation	2.50 percent	2.50 percent	2.75 percent
Projected salary increases	Varies by Service from 2.5 percent to 8.5 percent	12.50 percent at age 20 to 2.50 percent at age 65	12.25 percent at age 20 to 2.75 percent at age 70
Investment Rate of Return	See Below	See Below	See Below
Payroll Increases	3 percent	3 percent	3.5 percent
Cost-of-Living Adjustments (COLA)	0.0 percent, effective July 1, 2017	0.0 percent, effective July 1, 2017	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring after August 1, 2013, or later, COLA commences on fifth anniversary of retirement date.

Investment rate of return:

Fiscal Years 2022 through 2024	7.00 percent, net of investment expenses, including inflation
Fiscal Years 2018 through 2021	7.45 percent, net of investment expenses, including inflation
Fiscal Year 2017 and prior	7.75 percent, net of investment expenses, including inflation

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

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

For fiscal years 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 ages 90 and above. Females younger than age 80 are set back four years, one-year set-back from ages 80 through 89, and no setback from ages 90 and above.

**Changes in Benefit Term – STRS Pension**

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

**Washington County Career Center, Ohio**  
*Notes to Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2024*

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**Net OPEB Liability**

**Changes in Assumptions – SERS**

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

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

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

Municipal Bond Index Rate:	
Fiscal year 2024	3.86 percent
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 2024	4.27 percent
Fiscal year 2023	4.08 percent
Fiscal year 2022	2.27 percent
Fiscal year 2021	2.63 percent
Fiscal year 2020	3.22 percent
Fiscal year 2019	3.70 percent
Fiscal year 2018	3.63 percent
Fiscal year 2017	2.98 percent

**Changes in Assumptions – STRS**

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

## Washington County Career Center, Ohio

*Notes to Required Supplementary Information  
For the Fiscal Year Ended June 30, 2024*

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

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

For fiscal year 2023, the projected salary increases were changed from age-based to service-based. Healthcare trends were updated to reflect emerging claims and recoveries experience.

### **Changes in Benefit Terms – STRS OPEB**

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

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

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

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

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

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

For fiscal year 2024, healthcare trends were updated to reflect emerging claims and recoveries experience as well as benefit changes effective January 1, 2024.

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WASHINGTON COUNTY CAREER CENTER  
WASHINGTON COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Federal Expenditures
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>			
<i>Passed Through Ohio Department of Education and Workforce</i>			
Child Nutrition Cluster:			
Non-Cash Assistance (Food Distribution):			
National School Lunch Program	10.555	2024	\$17,482
Cash Assistance:			
School Breakfast Program	10.553	2024	44,758
National School Lunch Program	10.555	2024	121,426
Cash Assistance Subtotal			<u>166,184</u>
Total Child Nutrition Cluster			<u>183,666</u>
Total U. S. Department of Agriculture			183,666
<b><u>U.S. DEPARTMENT OF LABOR</u></b>			
<i>Passed-Through Ohio Valley Employment Resource</i>			
WIOA Dislocated Worker National Reserve Demonstration Grants	17.280	MI-37041-21-60-A-39	<u>30,348</u>
Total Department of Labor			30,348
<b><u>U.S. DEPARTMENT OF TREASURY</u></b>			
<i>Passed-Through Ohio Treasurer of State</i>			
COVID-19: Coronavirus State and Local Fiscal Recovery Funds: Ohio K-12 School Safety Grant Program	21.027	2023	<u>43,887</u>
Total Department of Treasury			43,887
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>			
<i>Direct from Federal Government:</i>			
Federal Pell Grant Program	84.063	2024	225,642
COVID-19: Education Stabilization Fund			
<i>Passed-Through Ohio Department of Education and Workforce</i>			
American Rescue Plan Elementary and Secondary School Emergency Relief Fund	84.425U	2024	46,941
American Rescue Plan – Elementary and Secondary School Emergency Relief –Homeless Children and Youth	84.425W	2024	<u>385</u>
Total COVID-19: Education Stabilization Fund			<u>47,326</u>
<i>Passed Through Ohio Department of Education and Workforce</i>			
Adult Education - Basic Grants to State	84.002	2023	10,813
Adult Education - Basic Grants to State	84.002	2024	<u>121,140</u>
Total Adult Education - Basic Grants to State			131,953
Career and Technical Education - Basic Grants to States	84.048	2023	8,887
Career and Technical Education - Basic Grants to States	84.048	2024	255,816
Career and Technical Education - Basic Grants to States, Equity for Each Grant	84.048	2024	<u>36,172</u>
Total Career and Technical Education - Basic Grants to States			<u>300,875</u>
Total U.S. Department of Education			705,796
<b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>			
<i>Passed-Through Washington County Department of Job and Family Services</i>			
Temporary Assistance for Needy Families- 477 cluster	93.558	2024	<u>38,881</u>
Total U.S. Department of Health and Human Services			<u>38,881</u>
<b>Total Expenditures of Federal Awards</b>			<b><u><u>\$1,002,578</u></u></b>

The accompanying notes are an integral part of this Schedule.

**WASHINGTON COUNTY CAREER CENTER  
WASHINGTON COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
2 CFR 200.510(b)(6)  
FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE A – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Washington County Career Center (the Career Center) under programs of the federal government for the year ended June 30, 2024. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Career Center, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Career Center.

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

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

**NOTE C – INDIRECT COST RATE**

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

**NOTE D - CHILD NUTRITION CLUSTER**

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

**NOTE E – FOOD DONATION PROGRAM**

The Career Center reports commodities consumed on the Schedule at the fair value. The Career Center allocated donated food commodities to the respective program[s] 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

Washington County Career Center  
Washington County  
21740 State Route 676  
Marietta, Ohio 45750

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 business-type activities, each major fund, and the aggregate remaining fund information of the Washington County Career Center, Athens County, Ohio (the Career Center), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Career Center's basic financial statements and have issued our report thereon dated December 23, 2024.

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

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

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

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

***Report on Compliance and Other Matters***

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

***Purpose of This Report***

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



Keith Faber  
Auditor of State  
Columbus, Ohio

December 23, 2024

# OHIO AUDITOR OF STATE KEITH FABER



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

Washington County Career Center  
Washington County  
21740 State Route 676  
Marietta, Ohio 45750

To the Board of Education:

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

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

We have audited Washington County Career Center's, Washington County, Ohio (the Career Center), compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on the Washington County Career Center's major federal program for the year ended June 30, 2024. Washington County Career Center's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying Schedule of Findings.

In our opinion, Washington County Career Center complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2024.

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

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

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

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

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

### ***Auditor's Responsibilities for the Audit of Compliance***

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

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

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

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

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

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

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

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

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



Keith Faber  
Auditor of State  
Columbus, Ohio

December 23, 2024

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**WASHINGTON COUNTY CAREER CENTER  
WASHINGTON COUNTY**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
JUNE 30, 2024**

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

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

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

None.

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

None.

# OHIO AUDITOR OF STATE KEITH FABER



**WASHINGTON COUNTY CAREER CENTER**

**WASHINGTON COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 12/26/2024**

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This report is a matter of public record and is available online at  
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