



OHIO AUDITOR OF STATE  
**KEITH FABER**





**TRI-COUNTY CAREER CENTER  
ATHENS COUNTY  
JUNE 30, 2024**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Independent Auditor's Report .....	1
Prepared by Management:	
Management's Discussion and Analysis .....	5
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position .....	17
Statement of Activities.....	18
Fund Financial Statements:	
Balance Sheet	
Governmental Funds .....	20
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities .....	21
Statement of Revenues, Expenditures and Changes in Fund Balances	
Governmental Funds .....	22
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	23
Statement of Revenues, Expenditures and Changes In Fund Balance – Budget and Actual (Budget Basis)	
General Fund.....	24
Statement of Fund Net Position	
Proprietary Funds .....	25
Statement of Revenues, Expenses and Changes in Fund Net Position	
Proprietary Funds .....	26
Statement of Cash Flows	
Proprietary Funds .....	27
Notes to the Basic Financial Statements.....	29

**TRI-COUNTY CAREER CENTER  
ATHENS COUNTY  
JUNE 30, 2024**

**TABLE OF CONTENTS  
(Continued)**

<b>TITLE</b>	<b>PAGE</b>
Required Supplementary Information:	
Schedule of the Career Center's Proportionate Share of the Net Pension Liability.....	72
Schedule of the Career Center's Proportionate Share of the Net OPEB Liability.....	74
Schedule of the Career Center Contributions School Employees Retirement System of Ohio .....	76
Schedule of the Career Center Contributions State Teachers Retirement System of Ohio.....	78
Notes to Required Supplementary Information .....	80
Schedule of Expenditures of Federal Awards .....	85
Notes to the Schedule of Expenditures of Federal Awards .....	87
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	89
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.....	91
Schedule of Findings.....	95
Prepared by Management:	
Summary Schedule of Prior Audit Findings.....	97
Corrective Action Plan .....	99



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## INDEPENDENT AUDITOR'S REPORT

Tri-County Career Center  
Athens County  
15676 State Route 691  
Nelsonville, Ohio 45764

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 Tri-County Career Center, Athens County, Ohio (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 Tri-County Career Center, Athens 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 for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

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

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

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

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

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

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

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

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

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Schedules of the Career Center's Proportionate Share of Net Pension and Other Post-Employment Benefit Liabilities and Pension and Other Post-Employment Benefit Schedules of Career Center 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 February 24, 2025, 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

February 24, 2025

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**TRI-COUNTY CAREER CENTER**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2024*  
*(Unaudited)*

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The discussion and analysis of the Tri-County Career Center's (the "Career Center") financial performance provides an overview and analysis 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 our notes to the basic financial statements and the financial statements themselves to enhance their understanding of the Career Center's financial performance.

## **Financial Highlights**

- Total assets and deferred outflows of resources of the Career Center exceeded its liabilities and deferred inflows of resources at June 30, 2024 by \$20,310,106. This balance was comprised of \$7,356,376 in net investment in capital assets, \$7,848,855 in net position restricted for specific purposes, and \$5,104,875 in unrestricted net position.
- In total, net position of governmental activities increased by \$9,860,790, which represents a 100.16 percent increase from 2023. Net position of the business-type activities increased \$256,256, which represents a 73.73 percent increase from 2023.
- General revenues accounted for \$13,909,113 or 69.72 percent of all revenues of governmental activities. Program specific revenues in the form of charges for services and sales, and grants and contributions accounted for \$6,038,803 or 30.28 percent of total revenues of 19,947,916 for the governmental activities.
- The Career Center had \$10,062,126 in expenses related to governmental activities; only \$6,038,803 of these expenses were offset by program specific charges for services and sales, grants and contributions. General revenues (primarily taxes and grants and entitlements) of \$13,909,113 were used to provide for the remainder of these programs.
- The Career Center had \$422,602 in expenses related to business-type activities; \$653,150 of these expenses were offset by program specific charges for services and sales, grants and contributions. Miscellaneous revenue was also used to provide for these programs
- The Career Center recognizes three major governmental funds: the General Fund, Permanent Improvement and Career Technical Construction Fund. In terms of dollars received and spent, the General Fund is significantly larger than all the other governmental funds of the Career Center combined. The General Fund had \$13,966,267 in revenues and other financing sources and \$13,497,717 in expenditures and other financing uses in fiscal year 2024.
- The Career Center recognizes one major proprietary fund: the Adult Education Fund. In terms of dollars received and spent, the Adult Education Fund is significantly larger than all the other proprietary funds of the Career Center combined. The Adult Education Fund had \$317,564 in operating revenues and \$370,813 in operating expenses in fiscal year 2024.

## **Using this Annual Report**

This annual report consists of a series of financial statements and notes to those statements. These statements are presented following the requirements of GASB Statement No. 34, and are organized so the reader can understand Career Center as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

**TRI-COUNTY CAREER CENTER**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2024*  
*(Unaudited)*

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

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

### **Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the Career Center's finances, in a manner similar to private-sector business. 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. These statements include all assets, liabilities and deferred outflows and inflows of resources using the accrual basis of accounting which is 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.

The Statement of Net Position presents information on all of the Career Center's assets and deferred outflows of resources and liabilities and deferred inflows of resources with the difference between the two reported as net position. Over time, increases and decreases in net position are important because they serve as a useful indicator of whether the financial position of the Career Center as a whole is improving or deteriorating. The cause of this change may be the result of several factors, some financial and some not. Nonfinancial factors include the Career Center's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required but unfunded educational programs, and other factors. Ultimately, the Career Center's goal is to provide services to our students, not to generate profits as commercial entities do.

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

In both of the government-wide financial statements, the Career Center's activities are divided into two distinct kinds of activities: governmental activities and business-type activities.

### **Governmental Activities**

Most of the Career Center's programs and services are reported here including instructional services, support services and operation of non-instructional services. These services are funded primarily by taxes and intergovernmental revenues, including federal and state grants and other shared revenues.

### **Business-Type Activities**

These services are provided on a charge for goods or services basis to recover all or a significant portion of the expenses of the goods or services provided. The Career Center's uniform school supplies, rotary and adult education operations are reported as business-type activities.

**TRI-COUNTY CAREER CENTER**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2024*  
*(Unaudited)*

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

### **Fund Financial Statements**

Fund financial reports provide detailed information about the Career Center's major funds. The Career Center uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the Career Center's most significant funds.

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objective. The Career Center, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Career Center can be divided into one of two categories: governmental and proprietary.

#### **Governmental Funds**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term requirements. 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.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

#### **Proprietary Funds**

Proprietary funds have historically operated as enterprise funds using the same basis of accounting as business-type activities; therefore, these statements will essentially match the information provided in the statements for the Career Center as a whole.

#### **Notes to the Basic Financial Statements**

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

**TRI-COUNTY CAREER CENTER**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2024*  
*(Unaudited)*

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## Government-Wide Financial Analysis

Recall that the statement of net position provides the perspective of the Career Center as a whole, showing assets, liabilities and deferred inflows of resources and the difference between them (net position). Table 1 provides a summary of the Career Center's net position for 2024 compared to fiscal year 2023:

**Table 1**  
**Net Position at Year End**

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
<b>Assets:</b>						
Current and Other Assets	\$27,494,823	\$19,194,348	\$898,428	\$689,975	\$28,393,251	\$19,884,323
Net OPEB Asset	573,006	738,336	15,658	25,355	588,664	763,691
Capital Assets, Net	7,324,477	5,134,686	45,110	50,474	7,369,587	5,185,160
<i>Total Assets</i>	<i>35,392,306</i>	<i>25,067,370</i>	<i>959,196</i>	<i>765,804</i>	<i>36,351,502</i>	<i>25,833,174</i>
<b>Deferred Outflows of Resources:</b>						
Pension	1,835,727	1,995,091	90,170	100,536	1,925,897	2,095,627
OPEB	288,106	177,521	27,882	9,617	315,988	187,138
<i>Total Deferred Outflows of Resources</i>	<i>2,123,833</i>	<i>2,172,612</i>	<i>118,052</i>	<i>110,153</i>	<i>2,241,885</i>	<i>2,282,765</i>
<b>Liabilities:</b>						
Current and Other Liabilities	1,131,996	1,039,094	16,652	23,513	1,148,648	1,062,607
<i>Long-Term Liabilities:</i>						
Due Within One Year	89,525	79,874	1,032	4,665	90,557	84,539
Due in More than One Year:						
Net Pension Liability	7,984,619	8,082,147	298,331	319,139	8,282,950	8,401,286
Net OPEB Liability	471,415	428,847	35,919	24,959	507,334	453,806
Other Amounts	315,386	305,094	1,415	4,515	316,801	309,609
<i>Total Liabilities</i>	<i>9,992,941</i>	<i>9,935,056</i>	<i>353,349</i>	<i>376,791</i>	<i>10,346,290</i>	<i>10,311,847</i>
<b>Deferred Inflows of Resources:</b>						
Property Taxes	6,143,609	5,362,160	0	0	6,143,609	5,362,160
Pension	748,646	971,061	50,743	62,316	799,389	1,033,377
OPEB	924,657	1,126,209	69,336	89,286	993,993	1,215,495
<i>Total Deferred Inflows of Resources</i>	<i>7,816,912</i>	<i>7,459,430</i>	<i>120,079</i>	<i>151,602</i>	<i>7,936,991</i>	<i>7,611,032</i>
<b>Net Position:</b>						
Net Investment in Capital Assets	7,311,266	5,115,296	45,110	50,474	7,356,376	5,165,770
Restricted	7,848,855	900,562	0	0	7,848,855	900,562
Unrestricted	4,546,165	3,829,638	558,710	297,090	5,104,875	4,126,728
<i>Total Net Position</i>	<i>\$19,706,286</i>	<i>\$9,845,496</i>	<i>\$603,820</i>	<i>\$347,564</i>	<i>\$20,310,106</i>	<i>\$10,193,060</i>

**TRI-COUNTY CAREER CENTER**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2024*  
*(Unaudited)*

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The net pension liability and net OPEB liability are two of the larger liabilities reported by the Career Center at June 30, 2024 and are reported pursuant to GASB Statement 68, “Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27” and GASB Statement 75, “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,” which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the Career Center’s actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB Statement No. 27 focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan’s *net pension liability* and *net OPEB liabilities*. GASB Statements No. 68 and No. 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio’s statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability to equal the Career Center’s proportionate share of each plan’s collective:

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

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the “employment exchange” – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the Career Center is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer’s promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

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

**TRI-COUNTY CAREER CENTER**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2024*  
*(Unaudited)*

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

Current and other assets increased \$8,508,928 or 42.79 percent from fiscal year 2023. This increase is mostly the result of increases in cash and cash equivalents held by the Career Center.

Capital assets increased \$2,184,427 or 42.13 percent, primarily, as a result of additions to buildings for cafeteria improvements and construction in progress relating to HVAC and building improvements.

Long term liabilities decreased \$51,598 or 0.56 percent, as a result of a decrease in net pension liabilities due to actuarial measurements done by the retirement systems. Additional information can be found in Note 11.

Current (other) liabilities increased \$86,041 due primarily to an increase in accounts payable and contracts payable.

The net position of the Career Center's governmental activities increased \$9,860,790 or 100.16 percent, which is primarily due to the increases in cash and cash equivalents, which was offset by the increases in liabilities for accounts payable. The net position of the Career Center's business-type activities increased \$256,256 or 73.73 percent. This change is mostly due to the adult education program, and is the result of increases in cash and cash equivalents and accounts receivable.

The Career Center's largest portion of net position is related to amounts in investment in capital assets. The Career Center used these capital assets to provide services to students; consequently, these assets are not available for future spending.

The Career Center's smallest portion of net position is unrestricted, and carries a balance of \$5,104,875. The unrestricted net position represents resources that may be used to meet the Career Center's ongoing obligations to its students and creditors.

The remaining balance of \$7,848,855 is restricted assets. Restricted net position is subject to external restrictions on how they may be used.

Table 2 shows the changes in net position for fiscal year 2024, and provides a comparison to fiscal year 2023.

**TRI-COUNTY CAREER CENTER**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2024*  
*(Unaudited)*

Table 2  
**Changes in Net Position**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	2024	2023	2024	2023	2024	2023
<b><u>Revenues:</u></b>						
<i>Program Revenues:</i>						
Charges for Services and Sales	\$215,332	\$105,683	\$457,728	\$270,320	\$673,060	\$376,003
Operating Grants and Contributions	1,593,090	841,971	195,422	140,495	1,788,512	982,466
Capital Grants and Contributions	4,230,381	0	0	0	4,230,381	0
<i>General Revenues:</i>						
Property Taxes	6,013,608	5,764,167	0	0	6,013,608	5,764,167
Unrestricted Grants and Entitlements	7,006,757	5,942,815	0	0	7,006,757	5,942,815
Investment Earnings	745,214	380,203	403	521	745,617	380,724
Gain on Sale of Capital Assets	4,999	0	0	0	4,999	0
Miscellaneous	138,535	174,419	305	6,863	138,840	181,282
<i>Total Revenues</i>	<u>19,947,916</u>	<u>13,209,258</u>	<u>653,858</u>	<u>418,199</u>	<u>20,601,774</u>	<u>13,627,457</u>
<b><u>Expenses:</u></b>						
<i>Instruction:</i>						
Regular	0	62,333	0	0	0	62,333
Vocational	5,877,605	5,631,147	0	0	5,877,605	5,631,147
Adult/Continuing	291,188	105,272	0	0	291,188	105,272
<i>Support Services:</i>						
Pupils	386,211	304,011	0	0	386,211	304,011
Instructional Staff	239,770	229,825	0	0	239,770	229,825
Board of Education	112,101	123,619	0	0	112,101	123,619
Administration	1,086,804	796,571	0	0	1,086,804	796,571
Fiscal	436,447	477,006	0	0	436,447	477,006
Business	109,112	122,576	0	0	109,112	122,576
Operation and Maintenance of Plant	765,556	1,208,500	0	0	765,556	1,208,500
Pupil Transportation	67,060	5,275	0	0	67,060	5,275
Central	168,505	173,647	0	0	168,505	173,647
<i>Operation of Non-Instructional Services:</i>						
Food Services	383,798	367,298	0	0	383,798	367,298
Other	843	380	0	0	843	380
Extracurricular Activities	136,390	127,436	0	0	136,390	127,436
Adult Education	0	0	374,868	353,130	374,868	353,130
Rotary	0	0	8,319	17,443	8,319	17,443
Uniform School Supplies	0	0	39,415	42,687	39,415	42,687
<i>Debt Service:</i>						
Interest and Fiscal Charges	736	1,004	0	0	736	1,004
<i>Total Expenses</i>	<u>10,062,126</u>	<u>9,735,900</u>	<u>422,602</u>	<u>413,260</u>	<u>10,484,728</u>	<u>10,149,160</u>
Excess Revenues (Expenses) Before Transfers	9,885,790	3,473,358	231,256	4,939	10,117,046	3,478,297
Transfers	(25,000)	(24,611)	25,000	24,611	0	0
<i>Change in Net Position</i>	<u>9,860,790</u>	<u>3,448,747</u>	<u>256,256</u>	<u>29,550</u>	<u>10,117,046</u>	<u>3,478,297</u>
Net Position at Beginning of Year	<u>9,845,496</u>	<u>6,396,749</u>	<u>347,564</u>	<u>318,014</u>	<u>10,193,060</u>	<u>6,714,763</u>
Net Position at End of Year	<u>\$19,706,286</u>	<u>\$9,845,496</u>	<u>\$603,820</u>	<u>\$347,564</u>	<u>\$20,310,106</u>	<u>\$10,193,060</u>

**TRI-COUNTY CAREER CENTER**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2024*  
*(Unaudited)*

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The most significant program expenses for the Career Center's governmental activities are Vocational Instruction, Administration, Operation and Maintenance of Plant, and Fiscal. These program expenses account for 81.16 percent of the total governmental activity expenses. Vocational Instruction, which accounts for 58.41 percent of the total, represents costs associated with providing instructional activities designed to prepare students to enter into the workforce with education in a trade or technical skills. Administration, which accounts for 10.80 percent of the total, represents costs associated with the overall administrative responsibility for each building and the Career Center as a whole. Operation and Maintenance of Plant, which represents 7.61 percent of the total, represents costs associated with operating and maintaining the Career Center's facilities. Fiscal, which represents 4.34 percent of the total, represents cost associated with activities concerned with the financial operation of the Career Center.

The majority of the funding for the most significant programs indicated above is from property taxes and grants and entitlements not restricted for specific programs. Property taxes and grants and entitlements not restricted for specific programs account for 65.27 percent of total revenues for governmental activities.

As noted previously, the net position for the governmental activities increased \$9,860,790 or 100.16 percent. Governmental Activities revenue increased \$6,738,658 or 51.01 percent from last year and expenses increased \$326,226 or 3.35 percent from last year.

The Career Center had a program revenue increase of \$5,091,149 and an increase in general revenue of \$1,647,509. The increase in program revenues is due to an increase in capital grants, and the increase in general revenue is due mostly to increases in property taxes and unrestricted grants and entitlements.

The total expenses for governmental activities increased \$326,226 or 3.35 percent, primarily due to increases in vocational instruction and administration. The large increase in expenses is the result of retirement systems calculations for net pension and OPEB liabilities. The actuarial measurements done by the retirement systems resulted in significant increases in liabilities and expenses. Additional information can be found in Notes 11 and 12.

The most significant program expense for the Career Center's business-type activities is Adult Education. This program, which accounts for 88.70 percent of the total business-type activities, represents costs associated with providing instructional activities that are designed to develop basic education and job training for adults. Most of the funding for this program comes from tuition, classroom fees, grants and contributions.

The net position for the business-type activities increased \$256,256 or 73.73 percent. Total revenues increased \$235,659 or 56.35 percent from last year and expenses decreased \$9,342 or 2.26 percent from last year.

The Career Center had a program revenue increase for business-type activity of \$242,335 and a decrease in general revenue of \$6,676. The increase in program revenue is due primarily to an increase in charges for services in the Adult Education Program.

The total expenses for business-type activities decreased \$9,342 or 2.26 percent, primarily due to decreases in Uniform School Supplies and decreases in Rotary.

**TRI-COUNTY CAREER CENTER**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2024*  
*(Unaudited)*

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## **Governmental Activities**

Over the past several fiscal years, the Career Center has remained in stable financial condition. This has been accomplished through strong voter support and good fiscal management. The Career Center is heavily dependent on property taxes and intergovernmental revenue and, like most Ohio schools, is hampered by a lack of revenue growth. Property taxes made up 30.15 percent and intergovernmental revenue made up 64.32 percent of the total revenue for the governmental activities in fiscal year 2024.

The Ohio Legislature passed H.B. 920 (1976) and changed the way property taxes function in the State. The overall revenue generated by a levy will not increase solely as a result of inflation until the millage rate has been reduced to 2 mills. The Career Center's effective millage rate is currently at 2.0, while the operating millage rate is currently at 3.30 mills.

The Career Center's intergovernmental revenue consists of school foundation basic allowance, homestead and rollback property tax allocation, and federal and state grants. During fiscal year 2024, the Career Center received \$6,307,646 through the State's foundation program, which represents 31.62 percent of the total revenue for the governmental activities. The Career Center relies on this state funding to operate at the current levels of service.

Instruction accounts for 61.31 percent of governmental activities program expenses. Support services expenses make up 33.51 percent of governmental activities expenses. The Statement of Activities shows the cost of program services and charges for services and grants offsetting those services.

## **Business-Type Activities**

Business-type activities include the rotary activities, the uniform school supplies and the adult education program. These programs had program revenues of \$653,150 and expenses of \$422,602 for fiscal year 2024. Over 78.49 percent of those program revenues were from charges for services for tuition and classroom materials and fees and operating grants in the adult education program.

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

**TRI-COUNTY CAREER CENTER**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2024*  
*(Unaudited)*

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Table 3

	<b>Net Cost of Governmental Activities</b>			
	Total Cost of Services 2024	Net Cost of Services 2024	Total Cost of Services 2023	Net Cost of Services 2023
<b><i>Program Expenses:</i></b>				
<i>Governmental Activities:</i>				
Instruction	\$6,168,793	\$710,743	\$5,798,752	\$5,346,122
Support Services	3,371,566	3,230,395	3,441,030	3,311,872
Operation of Non-Instructional Services	384,641	44,308	367,678	85,590
Extracurricular Activities	136,390	37,141	127,436	43,658
<i>Debt Service:</i>				
Interest and Fiscal Charges	736	736	1,004	1,004
<i>Business-Type Activities:</i>				
Adult Education	374,868	(137,813)	353,130	8,901
Rotary	8,319	(14,643)	17,443	8
Uniform School Supplies	39,415	(78,092)	42,687	(6,464)
<b>Total Expenses</b>	<b><u>\$10,484,728</u></b>	<b><u>\$3,792,775</u></b>	<b><u>\$10,149,160</u></b>	<b><u>\$8,790,691</u></b>

### **The Career Center's Funds**

The Career Center's governmental funds are accounted for using the modified accrual basis of accounting (See Note 2 for discussion of significant accounting policies). All governmental funds had total revenues and other financing sources of \$23,548,752 and expenditures and other financing uses of \$16,249,162.

Total governmental funds fund balance increased by \$7,299,590. The increase in fund balance for the year was most significant in the Career Technical Construction Fund, which increased \$3,857,736 or 100.00 percent. The increase was the result of an increase in intergovernmental revenues during fiscal year 2024.

### **Budget Highlights - General Fund**

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

During the course of the fiscal year, the Career Center amended its General Fund budget several times. The Career Center uses a modified program-based budget technique that is designed to control program budgets while providing administrators and supervisors flexibility for program management.

The Career Center prepares and monitors a detailed cashflow plan for the General Fund. Actual cashflow is compared to monthly and year-to-date estimates, and a monthly report is prepared for top management and the Board of Education.

For the General Fund, the final budget basis revenue was \$14,232,754 representing an increase of \$1,887,691 from the original budget estimates of \$12,345,063. For the General Fund, the final budget basis expenditures were \$10,533,723 representing an increase of \$594,710 from the original budget estimates of \$9,939,013. The final budget basis expenditures reflected a 5.98 percent increase from the original budgeted amount.

**TRI-COUNTY CAREER CENTER**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2024*  
*(Unaudited)*

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## **Capital Assets and Debt Administration**

### **Capital Assets**

At the end of fiscal year 2024, the Career Center had \$17,039,465 invested in capital assets in the governmental activities and \$287,030 in the business-type activities. These totals carry accumulated depreciation of \$9,714,988 and \$241,923, respectively. Table 4 shows fiscal year 2024 balances compared to fiscal year 2023.

Table 4  
**Capital Assets & Accumulated Depreciation at Year End**

	Governmental Activities		Business-Type Activities	
	2024	2023	2024	2023
<i>Nondepreciable Capital Assets:</i>				
Land	\$80,000	\$80,000	\$0	\$0
Construction in Progress	807,389	1,489,211	0	0
<i>Depreciable Capital Assets:</i>				
Buildings and Improvements	10,663,563	8,581,472	0	0
Land Improvements	662,211	549,511	0	0
Furniture, Fixtures and Equipment	3,943,570	3,284,340	287,033	279,449
Vehicles	882,732	619,853	0	0
<i>Total Capital Assets</i>	<u>17,039,465</u>	<u>14,604,387</u>	<u>287,033</u>	<u>279,449</u>
<i>Less Accumulated Depreciation:</i>				
Buildings and Improvements	6,151,691	6,030,201	0	0
Land Improvements	267,044	237,604	0	0
Furniture, Fixtures and Equipment	2,882,400	2,767,323	241,923	228,975
Vehicles	413,853	434,573	0	0
<i>Total Accumulated Depreciation</i>	<u>9,714,988</u>	<u>9,469,701</u>	<u>241,923</u>	<u>228,975</u>
<i>Capital Assets, Net</i>	<u>\$7,324,477</u>	<u>\$5,134,686</u>	<u>\$45,110</u>	<u>\$50,474</u>

More detailed information pertaining to the Career Center's capital asset activity can be found in Note 9 of the notes to the basic financial statements.

### **Debt Administration**

At June 30, 2024, the Career Center had no general obligation debt outstanding.

Detailed information pertaining to the Career Center's only long-term liability activity can be found in Note 14 of the notes to the basic financial statements.

### **Current Issues**

Although considered a mid-wealth area, the Career Center is financially stable, and has been over the past several years. Administrators and staff are cognizant of the entity's vulnerability due to the economy's instability. The Board of Education and administrators continue to closely monitor both revenues and expenses in order to strike a balance between the two. Careful financial planning has permitted the Career Center to provide a quality education for our students.

**TRI-COUNTY CAREER CENTER**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2024*  
*(Unaudited)*

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Tri-County Career Center received approximately 47% of its total General Fund revenue from the Ohio Department of Education (ODE) in fiscal year 2024. The Ohio Fair School Funding Plan was enacted beginning fiscal year 2022 which has resulted in an increase in ODE funding for fiscal years 2022, 2023, and 2024.

The five-year forecast projects positive carryover balances in the General Fund for the next five years. This is contingent on maintaining consistent enrollment.

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. The Career Center's focus on sustainability has resulted in the Career Center maintaining solid finances, while also improving facilities and overall academic achievement.

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

This financial report is designed to provide our citizens, taxpayers, and 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 received. If you have any questions about this report or need additional information contact Rodney Schilling, Treasurer of Tri-County Career Center, 15676 State Route 691, Nelsonville, OH 45764.

**TRI-COUNTY CAREER CENTER**

*Statement of Net Position*

*June 30, 2024*

	Governmental Activities	Business-Type Activities	Total
<b><u>Assets:</u></b>			
Equity in Pooled Cash and Cash Equivalents	\$20,279,239	\$798,273	\$21,077,512
Property Taxes Receivable	6,875,905	0	6,875,905
Accounts Receivable	17,062	100,155	117,217
Intergovernmental Receivable	226,949	0	226,949
Prepaid Items	20,694	0	20,694
Materials and Supplies Inventory	74,974	0	74,974
Nondepreciable Capital Assets	887,389	0	887,389
Depreciable Capital Assets, Net	6,437,088	45,110	6,482,198
Net OPEB Asset	573,006	15,658	588,664
<i>Total Assets</i>	<i>35,392,306</i>	<i>959,196</i>	<i>36,351,502</i>
<b><u>Deferred Outflows of Resources:</u></b>			
Pension	1,835,727	90,170	1,925,897
OPEB	288,106	27,882	315,988
<i>Total Deferred Outflows of Resources</i>	<i>2,123,833</i>	<i>118,052</i>	<i>2,241,885</i>
<b><u>Liabilities:</u></b>			
Accounts Payable	230,171	6,522	236,693
Accrued Wages and Benefits	659,871	4,191	664,062
Intergovernmental Payable	241,954	5,939	247,893
<i>Long-Term Liabilities:</i>			
Due within One Year	89,525	1,032	90,557
<i>Due in More Than One Year:</i>			
Net Pension Liability	7,984,619	298,331	8,282,950
Net OPEB Liability	471,415	35,919	507,334
Other Amounts Due in More Than One Year	315,386	1,415	316,801
<i>Total Liabilities</i>	<i>9,992,941</i>	<i>353,349</i>	<i>10,346,290</i>
<b><u>Deferred Inflows of Resources:</u></b>			
Property Taxes	6,143,609	0	6,143,609
Pension	748,646	50,743	799,389
OPEB	924,657	69,336	993,993
<i>Total Deferred Inflows of Resources</i>	<i>7,816,912</i>	<i>120,079</i>	<i>7,936,991</i>
<b><u>Net Position:</u></b>			
Investment in Capital Assets	7,311,266	45,110	7,356,376
<i>Restricted for:</i>			
Capital Outlay	7,176,932	0	7,176,932
Other Purposes	671,923	0	671,923
Unrestricted	4,546,165	558,710	5,104,875
<i>Total Net Position</i>	<i>\$19,706,286</i>	<i>\$603,820</i>	<i>\$20,310,106</i>

See accompanying notes to the basic financial statements and accountant's report.

**TRI-COUNTY CAREER CENTER**  
*Statement of Activities*  
*For the Fiscal Year Ended June 30, 2024*

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	Program Revenues		
	Expenses	Charges for Services and Sales	Operating Grants and Contributions
<b><u>Governmental Activities:</u></b>			
<i>Instruction:</i>			
Vocational	\$5,877,605	\$81,572	\$559,761
Adult/Continuing	291,188	0	586,336
<i>Support Services:</i>			
Pupils	386,211	0	6,094
Instructional Staff	239,770	0	16,119
Board of Education	112,101	0	0
Administration	1,086,804	0	0
Fiscal	436,447	0	0
Business	109,112	0	0
Operation and Maintenance of Plant	765,556	0	25,607
Pupil Transportation	67,060	0	0
Central	168,505	0	93,351
<i>Operation of Non-Instructional Services:</i>			
Food Services	383,798	34,511	305,822
Other	843	0	0
Extracurricular Activities	136,390	99,249	0
<i>Debt Service:</i>			
Interest and Fiscal Charges	736	0	0
<i>Total Governmental Activities</i>	<hr/> 10,062,126	<hr/> 215,332	<hr/> 1,593,090
<b><u>Business-Type Activities:</u></b>			
Adult Education	374,868	317,259	195,422
Rotary	8,319	22,962	0
Uniform School Supplies	39,415	117,507	0
<i>Total Business-Type Activities</i>	<hr/> 422,602	<hr/> 457,728	<hr/> 195,422
<i>Totals</i>	<hr/> \$10,484,728	<hr/> \$673,060	<hr/> \$1,788,512

**General Revenues:**

*Property Taxes Levied for:*

General Purposes

Grants and Entitlements not Restricted to Specific Programs

Investment Earnings

Gain on Sale of Capital Assets

Miscellaneous

*Total General Revenues*

Transfers

*Total General Revenues and Transfers*

Change in Net Position

*Net Position at Beginning of Year*

*Net Position at End of Year*

See accompanying notes to the basic financial statements and accountant's report.

Net (Expense) Revenue and Changes in Net Position			
Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
\$4,230,381	(\$1,005,891)	\$0	(\$1,005,891)
0	295,148	0	295,148
0	(380,117)	0	(380,117)
0	(223,651)	0	(223,651)
0	(112,101)	0	(112,101)
0	(1,086,804)	0	(1,086,804)
0	(436,447)	0	(436,447)
0	(109,112)	0	(109,112)
0	(739,949)	0	(739,949)
0	(67,060)	0	(67,060)
0	(75,154)	0	(75,154)
0	(43,465)	0	(43,465)
0	(843)	0	(843)
0	(37,141)	0	(37,141)
0	(736)	0	(736)
<u>4,230,381</u>	<u>(4,023,323)</u>	<u>0</u>	<u>(4,023,323)</u>
0	0	137,813	137,813
0	0	14,643	14,643
0	0	78,092	78,092
0	0	230,548	230,548
<u>\$4,230,381</u>	<u>(4,023,323)</u>	<u>230,548</u>	<u>(3,792,775)</u>
6,013,608	0	6,013,608	
7,006,757	0	7,006,757	
745,214	403	745,617	
4,999	0	4,999	
138,535	305	138,840	
13,909,113	708	13,909,821	
<u>(25,000)</u>	<u>25,000</u>	<u>0</u>	
<u>13,884,113</u>	<u>25,708</u>	<u>13,909,821</u>	
9,860,790	256,256	10,117,046	
9,845,496	347,564	10,193,060	
<u>\$19,706,286</u>	<u>\$603,820</u>	<u>\$20,310,106</u>	

**TRI-COUNTY CAREER CENTER**

*Balance Sheet*

*Governmental Funds*

*June 30, 2024*

	General	Permanent Improvement	Career Technical Fund	Other Governmental Funds	Total Governmental Funds
<b><u>Assets:</u></b>					
Equity in Pooled Cash and Cash Equivalents	\$12,198,855	\$1,572,896	\$3,857,736	\$2,649,752	\$20,279,239
Property Taxes Receivable	6,875,905	0	0	0	6,875,905
Accounts Receivable	13,483	0	0	3,579	17,062
Intergovernmental Receivable	28,198	0	0	198,751	226,949
Interfund Receivable	40,242	0	0	0	40,242
Prepaid Items	20,694	0	0	0	20,694
Materials and Supplies Inventory	67,578	0	0	7,396	74,974
<i>Total Assets</i>	<i>\$19,244,955</i>	<i>\$1,572,896</i>	<i>\$3,857,736</i>	<i>\$2,859,478</i>	<i>\$27,535,065</i>
<b><u>Liabilities:</u></b>					
Accounts Payable	\$41,363	\$3,700	\$0	\$185,108	\$230,171
Accrued Wages and Benefits	626,258	0	0	33,613	659,871
Contracts Payable	0	0	0	0	0
Intergovernmental Payable	235,828	0	0	6,126	241,954
Interfund Payable	0	0	0	40,242	40,242
<i>Total Liabilities</i>	<i>903,449</i>	<i>3,700</i>	<i>0</i>	<i>265,089</i>	<i>1,172,238</i>
<b><u>Deferred Inflows of Resources:</u></b>					
Property Taxes	6,427,499	0	0	0	6,427,499
Unavailable Revenue	8,876	0	0	126,365	135,241
<i>Total Deferred Inflows of Resources</i>	<i>6,436,375</i>	<i>0</i>	<i>0</i>	<i>126,365</i>	<i>6,562,740</i>
<b><u>Fund Balances:</u></b>					
Nonspendable	93,199	0	0	7,396	100,595
Restricted	0	0	3,857,736	745,431	4,603,167
Assigned	126,653	1,569,196	0	1,750,000	3,445,849
Unassigned	11,685,279	0	0	(34,803)	11,650,476
<i>Total Fund Balances</i>	<i>11,905,131</i>	<i>1,569,196</i>	<i>3,857,736</i>	<i>2,468,024</i>	<i>19,800,087</i>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<i>\$19,244,955</i>	<i>\$1,572,896</i>	<i>\$3,857,736</i>	<i>\$2,859,478</i>	<i>\$27,535,065</i>

See accompanying notes to the basic financial statements and accountant's report.

**TRI-COUNTY CAREER CENTER**  
*Reconciliation of Total Governmental Fund Balances to  
 Net Position of Governmental Activities  
 June 30, 2024*

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**Total Governmental Funds Balances** \$19,800,087

*Amounts reported for governmental activities in the Statement of  
 Net Position are different because:*

Capital assets used in governmental activities are not financial resources and  
 therefore are not reported in the funds. 7,324,477

Some of the Career Center's receivables will be collected after fiscal year-end, however are  
 not available soon enough to pay for the current period's expenditures and  
 therefore are deferred in the funds. These receivables consist of:

Property taxes	283,890
Intergovernmental revenue	<u>135,241</u>

Total receivables that are not reported in the funds	419,131
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Some liabilities are not due and payable in the current period and therefore are  
 not reported in the funds. These liabilities consist of:

Capital leases	(13,211)
Compensated absences	<u>(391,700)</u>

Total liabilities not reported in funds	(404,911)
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The net pension liability is not due and payable in the current period; therefore,  
 the liability and related deferred inflows/outflows are not reported in the  
 governmental funds:

Deferred Outflows - Pension	1,835,727
Deferred Outflows - OPEB	288,106
Deferred Inflows - Pension	(748,646)
Deferred Inflows - OPEB	(924,657)
Net OPEB Asset	573,006
Net Pension Liability	(7,984,619)
Net OPEB Liability	<u>(471,415)</u>

Total	<u>(7,432,498)</u>
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Net Position of Governmental Activities	<u>\$19,706,286</u>
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See accompanying notes to the basic financial statements and accountant's report.

**TRI-COUNTY CAREER CENTER**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
*For the Fiscal Year Ended June 30, 2024*

	General	Permanent Improvement	Career Technical Construction Fund	Other Governmental Funds	Total Governmental Funds
<b><u>Revenues:</u></b>					
Property Taxes	\$6,019,936	\$0	\$0	\$0	\$6,019,936
Intergovernmental	7,060,610	0	4,230,381	1,401,075	12,692,066
Interest	732,679	0	0	12,535	745,214
Tuition and Fees	77,132	0	0	0	77,132
Extracurricular Activities	0	0	0	99,249	99,249
Gifts and Donations	0	0	0	5,300	5,300
Rent	4,440	0	0	0	4,440
Customer Sales and Services	0	0	0	34,511	34,511
Miscellaneous	63,408	0	0	75,127	138,535
<i>Total Revenues</i>	<i>13,958,205</i>	<i>0</i>	<i>4,230,381</i>	<i>1,627,797</i>	<i>19,816,383</i>
<b><u>Expenditures:</u></b>					
<i>Current:</i>					
<i>Instruction:</i>					
Vocational	5,842,439	152,500	0	335,963	6,330,902
Adult/Continuing	0	0	0	291,188	291,188
<i>Support Services:</i>					
Pupils	396,216	0	0	2,125	398,341
Instructional Staff	225,907	0	0	11,574	237,481
Board of Education	112,101	0	0	0	112,101
Administration	1,103,726	0	0	5,085	1,108,811
Fiscal	441,953	0	0	0	441,953
Business	111,484	0	0	0	111,484
Operation and Maintenance of Plant	1,345,593	907,289	0	21,710	2,274,592
Pupil Transportation	67,060	0	0	0	67,060
Central	83,075	0	0	93,484	176,559
Operation of Non-Instructional Services	486	0	0	388,243	388,729
Extracurricular Activities	11,455	0	0	124,935	136,390
Capital Outlay	0	44,704	372,645	0	417,349
<i>Debt Service:</i>					
Principal	6,179	0	0	0	6,179
Interest	736	0	0	0	736
<i>Total Expenditures</i>	<i>9,748,410</i>	<i>1,104,493</i>	<i>372,645</i>	<i>1,274,307</i>	<i>12,499,855</i>
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>4,209,795</i>	<i>(1,104,493)</i>	<i>3,857,736</i>	<i>353,490</i>	<i>7,316,528</i>
<b><u>Other Financing Sources (Uses):</u></b>					
Proceeds from the Sale of Capital Assets	8,062	0	0	0	8,062
Transfers In	0	1,970,500	0	1,753,807	3,724,307
Transfers Out	(3,749,307)	0	0	0	(3,749,307)
<i>Total Other Financing Sources (Uses)</i>	<i>(3,741,245)</i>	<i>1,970,500</i>	<i>0</i>	<i>1,753,807</i>	<i>(16,938)</i>
<i>Net Change in Fund Balances</i>	<i>468,550</i>	<i>866,007</i>	<i>3,857,736</i>	<i>2,107,297</i>	<i>7,299,590</i>
<i>Fund Balances at Beginning of Year</i>	<i>11,436,581</i>	<i>703,189</i>	<i>0</i>	<i>360,727</i>	<i>12,500,497</i>
<i>Fund Balances at End of Year</i>	<i>\$11,905,131</i>	<i>\$1,569,196</i>	<i>\$3,857,736</i>	<i>\$2,468,024</i>	<i>\$19,800,087</i>

See accompanying notes to the basic financial statements and accountant's report.

**TRI-COUNTY CAREER CENTER**

*Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities  
For the Fiscal Year Ended June 30, 2024*

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**Net Change in Fund Balances - Total Governmental Funds** \$7,299,590

*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 outlay exceeded depreciation in the current period.

Capital Outlay	2,534,370
Depreciation	(341,516)
<b>Total</b>	<b>2,192,854</b>

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. (3,063)

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

Property taxes	(6,328)
Intergovernmental	132,862
<b>Total receivables not reported in the funds</b>	<b>126,534</b>

Repayment of long-term debt is reported as an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. In the current fiscal year, these amounts consist of:

Capital lease payments	6,179
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Some items 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. These activities consist of:

Compensated absences	(26,122)
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Contractually required contributions are reported as expenditures in governmental funds; however, the statement of activities reports these amounts as deferred revenues. 789,718

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the Statement of Activities. (524,900)

*Change in Net Position of Governmental Activities* **\$9,860,790**

See accompanying notes to the basic financial statements and accountant's report.

**TRI-COUNTY CAREER CENTER**  
*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			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b><u>Revenues:</u></b>				
Property Taxes	\$6,088,753	\$6,327,739	\$6,327,744	\$5
Intergovernmental	5,909,474	7,045,672	7,058,804	13,132
Interest	245,000	732,679	732,679	0
Tuition and Fees	0	70,848	77,132	6,284
Rent	4,440	4,440	4,440	0
Miscellaneous	97,396	51,376	65,997	14,621
<i>Total Revenues</i>	<u>12,345,063</u>	<u>14,232,754</u>	<u>14,266,796</u>	<u>34,042</u>
<b><u>Expenditures:</u></b>				
Vocational	5,838,859	6,269,121	5,838,135	430,986
Pupils	372,893	373,955	365,839	8,116
Instructional Staff	169,920	262,792	243,219	19,573
Board of Education	135,237	150,034	111,940	38,094
Administration	1,022,820	1,102,741	1,093,591	9,150
Fiscal	791,649	475,425	442,761	32,664
Business	110,394	131,995	109,200	22,795
Operation and Maintenance of Plant	1,418,206	1,579,985	1,395,986	183,999
Pupil Transportation	8,400	76,743	67,249	9,494
Central	69,480	109,777	84,069	25,708
Extracurricular Activities	1,155	1,155	11,454	(10,299)
<i>Total Expenditures</i>	<u>9,939,013</u>	<u>10,533,723</u>	<u>9,763,443</u>	<u>770,280</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>2,406,050</u>	<u>3,699,031</u>	<u>4,503,353</u>	<u>804,322</u>
<b><u>Other Financing Sources (Uses):</u></b>				
Proceeds from the Sale of Capital Assets	10,000	8,062	8,062	0
Advances Out	0	(5,835)	(5,835)	0
Transfers Out	(1,500,000)	(3,742,260)	(3,742,260)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(1,490,000)</u>	<u>(3,740,033)</u>	<u>(3,740,033)</u>	<u>0</u>
<i>Excess of Revenues and other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	<u>916,050</u>	<u>(41,002)</u>	<u>763,320</u>	<u>804,322</u>
<i>Fund Balance at Beginning of Year</i>	<u>11,258,266</u>	<u>11,258,266</u>	<u>11,258,266</u>	<u>0</u>
Prior Year Encumbrances Appropriated	<u>69,397</u>	<u>69,397</u>	<u>69,397</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$12,243,713</u></u>	<u><u>\$11,286,661</u></u>	<u><u>\$12,090,983</u></u>	<u><u>\$804,322</u></u>

See accompanying notes to the basic financial statements and accountant's report.

**TRI-COUNTY CAREER CENTER**

*Statement of Net Position*

*Proprietary Funds*

*June 30, 2024*

	Business-Type Activities		
	Adult Education	Other Enterprise Funds	Total Enterprise Funds
<b><u>Assets:</u></b>			
<i>Current Assets:</i>			
Equity in Pooled Cash and Cash Equivalents	\$641,177	\$157,096	\$798,273
Accounts Receivable	70,489	29,666	100,155
<i>Noncurrent Assets:</i>			
Depreciable Capital Assets, Net	45,110	0	45,110
Net OPEB Asset	15,658	0	15,658
<i>Total Assets</i>	<u>772,434</u>	<u>186,762</u>	<u>959,196</u>
<b><u>Deferred Outflows of Resources:</u></b>			
Pension	90,170	0	90,170
OPEB	27,882	0	27,882
<i>Total Deferred Outflows of Resources</i>	<u>118,052</u>	<u>0</u>	<u>118,052</u>
<b><u>Liabilities:</u></b>			
<i>Current Liabilities:</i>			
Accounts Payable	6,522	0	6,522
Accrued Wages and Benefits	4,191	0	4,191
Intergovernmental Payable	5,939	0	5,939
<i>Noncurrent Liabilities:</i>			
Due Within One Year	1,032	0	1,032
Other Amounts Due in More Than One Year	1,415	0	1,415
Net Pension Liability	298,331	0	298,331
Net OPEB Liability	35,919	0	35,919
<i>Total Liabilities</i>	<u>353,349</u>	<u>0</u>	<u>353,349</u>
<b><u>Deferred Inflows of Resources:</u></b>			
Pension	50,743	0	50,743
OPEB	69,336	0	69,336
<i>Total Deferred Inflows of Resources</i>	<u>120,079</u>	<u>0</u>	<u>120,079</u>
<b><u>Net Position:</u></b>			
Investment in Capital Assets	45,110	0	45,110
Unrestricted	371,948	186,762	558,710
<i>Total Net Position</i>	<u>\$417,058</u>	<u>\$186,762</u>	<u>\$603,820</u>

See accompanying notes to the basic financial statements and accountant's report.

**TRI-COUNTY CAREER CENTER**  
*Statement of Revenues,  
 Expenses and Changes in Fund Net Position  
 Proprietary Funds  
 For the Fiscal Year Ended June 30, 2024*

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	Business-Type Activities		
	Adult Education	Other Enterprise Funds	Total Enterprise Funds
<b><u>Operating Revenues:</u></b>			
Tuition	\$269,577	\$0	\$269,577
Sales	47,682	117,507	165,189
Charges for Services	0	22,962	22,962
Other Operating Revenues	305	0	305
<i>Total Operating Revenues</i>	<i>317,564</i>	<i>140,469</i>	<i>458,033</i>
<b><u>Operating Expenses:</u></b>			
Salaries	200,679	0	200,679
Fringe Benefits	48,851	0	48,851
Purchased Services	62,313	0	62,313
Materials and Supplies	40,167	47,734	87,901
Depreciation	13,088	0	13,088
Other Operating Expenses	5,715	0	5,715
<i>Total Operating Expenses</i>	<i>370,813</i>	<i>47,734</i>	<i>418,547</i>
<i>Operating Income (Loss)</i>	<i>(53,249)</i>	<i>92,735</i>	<i>39,486</i>
<b><u>Nonoperating Revenues (Expenses):</u></b>			
Federal and State Subsidies	195,422	0	195,422
Interest	403	0	403
Loss on Sale of Capital Assets	(4,055)	0	(4,055)
<i>Total Nonoperating Revenues (Expenses)</i>	<i>191,770</i>	<i>0</i>	<i>191,770</i>
<i>Income (Loss) before Transfers</i>	<i>138,521</i>	<i>92,735</i>	<i>231,256</i>
Transfers In	25,000	0	25,000
Transfers Out	0	0	0
<i>Change in Net Position</i>	<i>163,521</i>	<i>92,735</i>	<i>256,256</i>
<i>Net Position at Beginning of Year</i>	<i>253,537</i>	<i>94,027</i>	<i>347,564</i>
<i>Net Position at End of Year</i>	<i>\$417,058</i>	<i>\$186,762</i>	<i>\$603,820</i>

See accompanying notes to the basic financial statements and accountant's report.

**TRI-COUNTY CAREER CENTER**  
**Statement of Cash Flows**  
**Proprietary Funds**  
*For the Fiscal Year Ended June 30, 2024*

	Business-Type Activities		
	Adult Education	Other Enterprise Funds	Total Enterprise Funds
<b><u>Increase (Decrease) in Cash and Cash Equivalents:</u></b>			
<b><u>Cash Flows from Operating Activities:</u></b>			
Cash Received from Sales and Charges for Services	\$47,682	\$133,133	\$180,815
Cash Received from Tuition	201,931	0	201,931
Other Cash Receipts	305	0	305
Cash Payments to Employees for Services	(205,163)	0	(205,163)
Cash Payments for Employee Benefits	(95,686)	0	(95,686)
Cash Payments to Purchased Services	(55,815)	0	(55,815)
Cash Payments for Goods and Services	(42,478)	(47,734)	(90,212)
Other Cash Payments	(5,715)	0	(5,715)
<i>Net Cash from Operating Activities</i>	<u>(154,939)</u>	<u>85,399</u>	<u>(69,540)</u>
<b><u>Cash Flows from Noncapital Financing Activities:</u></b>			
Operating Grants Received	195,422	0	195,422
Transfers In	25,000	0	25,000
<i>Net Cash from Noncapital Financing Activities</i>	<u>220,422</u>	<u>0</u>	<u>220,422</u>
<b><u>Cash Flows from Capital and Related Financing Activities:</u></b>			
Purchases of Capital Assets	(11,779)	0	(11,779)
<i>Net Cash from Capital and Related Financing Activities</i>	<u>(24,845)</u>	<u>0</u>	<u>(24,845)</u>
<b><u>Cash Flows from Investing Activities:</u></b>			
Interest on Investments	403	0	403
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	<u>54,107</u>	<u>85,399</u>	<u>139,506</u>
<i>Cash and Cash Equivalents at Beginning of Year, Restated</i>	<u>587,070</u>	<u>71,697</u>	<u>658,767</u>
<i>Cash and Cash Equivalents at End of Year</i>	<u>\$641,177</u>	<u>\$157,096</u>	<u>\$798,273</u>
<b><u>Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities:</u></b>			
Operating Income (Loss)	(\$53,249)	\$92,735	\$39,486
<b><u>Adjustments to Reconcile Operating Income (Loss) to Net Cash from Operating Activities:</u></b>			
Depreciation	13,088	0	13,088
<i>(Increase) Decrease in Assets and Deferred Outflows of Resources:</i>			
Accounts Receivable	(67,646)	(7,336)	(74,982)
Prepaid Items	6,035	0	6,035
Deferred Outflows of Resources	(7,899)	0	(7,899)
Net OPEB Asset	9,697	0	9,697
<i>Increase (Decrease) in Liabilities and Deferred Inflows of Resources:</i>			
Accounts Payable	(1,848)	0	(1,848)
Accrued Wages and Benefits	(4,484)	0	(4,484)
Intergovernmental Payable	(529)	0	(529)
Compensated Absences Payable	(6,733)	0	(6,733)
Net Pension Liability	(20,808)	0	(20,808)
Net OPEB Liability	10,960	0	10,960
Deferred Inflows of Resources	(31,523)	0	(31,523)
<i>Total Adjustments</i>	<u>(101,690)</u>	<u>(7,336)</u>	<u>(109,026)</u>
<i>Net Cash from Operating Activities</i>	<u><u>(\$154,939)</u></u>	<u><u>\$85,399</u></u>	<u><u>(\$69,540)</u></u>

See accompanying notes to the basic financial statements and accountant's report.

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**TRI-COUNTY CAREER CENTER**  
*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 Tri-County Career Center (the Career Center) is a joint vocational Career Center as defined by Section 3311.18 of the Ohio Revised Code and is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A vocational school exposes students to job training leading to employment upon graduation from high school. The Career Center includes eight participating Districts spread throughout Athens, Hocking and Perry Counties.

The Career Center operates under an eleven-member Board of Education and is responsible for the provision of public education to residents of the Career Center. The Board of Education of the Career Center is not directly elected. The Board members are appointed by the elected boards of the participating Career Centers. The Board consists of five members from the three city school districts, two members from the two-county educational service center districts, three members from Logan-Hocking, and one from Southern Local School District, Perry County. The Career Center has an enrollment of 559 students and is staffed by 34 classified, 51 certified and 7 administrative employees.

**Reporting Entity**

The financial reporting entity consists of the stand-alone government, component units, and other governmental organizations that are included to ensure the financial statements of the Career Center are not misleading or incomplete. The stand-alone government 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, student guidance, extracurricular activities, educational media, care and upkeep of grounds and buildings, food service, and adult education.

Component units are legally separate organizations for which 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 organizations' resources; the Career Center is legally obligated or has otherwise assumed the responsibility to finance 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 approved the budget, the issuance of debt, or the levying of taxes. No separate governmental units meet the criteria for inclusion as a component unit.

The Career Center is involved with the META Solutions, Southeastern Ohio Special Education Regional Resource Center (SERRC), Athens County School Employees Health and Welfare Benefit Association, Coalition of Rural and Appalachian Schools, and Ohio Coalition of Equity and Adequacy of School Funding, which are defined as jointly governed organizations. The Career Center is also associated with the Ohio School Boards Association Workers' Compensation Group Rating Program which is defined as an insurance purchasing pool. These organizations are presented in Notes 18 and 19 to the basic financial statements.

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

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

**TRI-COUNTY CAREER CENTER**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

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

**A. Basis of Presentation**

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

**Government-Wide Financial Statements**

The Statement of Net Position and the Statement of Activities display information about the Career Center as a whole. These statements include the financial activities of the primary government. Internal service fund activity is eliminated to avoid "doubling up" revenues and expenses. The statements distinguish between those activities of the Career Center that are governmental and those that are considered business-type activities.

The Statement of Net Position presents the financial condition of the governmental activities of the Career Center at year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the Career Center's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. 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 year, the Career Center segregates transactions related to certain 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 rather than reporting by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

**B. 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 fall within two categories: governmental and proprietary.

**Governmental Funds**

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

**TRI-COUNTY CAREER CENTER**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

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

The following are the Career Center's major governmental funds:

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

**Permanent Improvement Fund** - This fund is used to account for financial resources to be used for the acquisition, construction or improvement of capital facilities.

**Career Technical Construction Fund** - This fund is used to account for monies accumulated from state grant funding for construction, or improvement of school facilities.

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

**Proprietary Funds**

The focus of proprietary funds is on the determination of the change in net position, financial position and cash flows. Enterprise funds may be used to account for any activities for which a fee is charged to external users for goods or services.

The following is the Career Center's only major proprietary fund:

**Adult Education Fund** - This fund is used to account for transactions made in connection with adult education classes.

The other proprietary funds of the Career Center account for transactions made in connection with tools and supplies provided to and rotary accounts maintained for the vocational education classes.

**C. Measurement Focus**

**Government-Wide Financial Statements**

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and 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 generally are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

**TRI-COUNTY CAREER CENTER**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

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

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets and liabilities associated with the operation of these funds are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The Statement of Cash Flows provides information about how the Career Center finances and meets the cash flow needs of its proprietary activities.

**D. Basis of Accounting**

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

**Revenues - Exchange and Nonexchange Transactions**

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Measurable" means the amount of the transaction can be determined and "available" means that the resources are collectible 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.

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

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

**Deferred Outflows/Inflows of Resources**

In addition to assets, the Statements of Net Position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. The deferred outflows of resources related to pension/OPEB are explained in Notes 11 and 12.

**TRI-COUNTY CAREER CENTER**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

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

In addition to the liabilities, the Statements of Net Position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the Career Center, deferred inflows of resources include property taxes, unavailable revenue, and pension/OPEB. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2023, but which were levied to finance fiscal year 2024 operations. These amounts have been recorded as a deferred inflow on both the government-wide Statement of Net Position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds Balance Sheet, and represents receivables which will not be collected within the available period. For the Career Center, unavailable revenue includes delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension/OPEB are reported on the government-wide Statement of Net Position (See Notes 11 and 12).

**Expenses/Expenditures**

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

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

**E. Cash and Cash Equivalents**

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

During the fiscal year 2024, the Career Center's investments were limited to STAROhio. STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on June 30, 2024.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2024 amounted to \$732,679 which includes \$224,262 assigned from other Career Center funds.

Investments of 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.

**F. Inventory**

On government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used.

**TRI-COUNTY CAREER CENTER**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

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

On fund financial statements, inventories of governmental funds are stated at cost. Cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption and donated and purchased food held for resale. The cost of inventory items is recorded as an expenditure in the governmental fund types when consumed, used or sold.

**G. 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 year in which services are consumed.

**H. Capital Assets**

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide Statement of Net Position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide Statement of Net Position and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and deletions during the year. Donated capital assets are recorded at their fair market values as of the date received. The Career Center maintains a capitalization threshold of one thousand dollars. The Career Center does not possess any infrastructure. Improvements are capitalized; the normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Interest incurred during the construction of proprietary fund capital assets is also capitalized.

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

Description	Estimated Lives
Buildings and Improvements	20 - 50 years
Furniture, Fixtures and Equipment	5 - 10 years
Vehicles	10 years

**I. Interfund Balances**

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "Interfund Receivable" and "Interfund Payable". These amounts are eliminated in the governmental activities column of the Statement of Net Position.

**TRI-COUNTY CAREER CENTER**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

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

**J. Compensated Absences**

Vacation benefits are accrued as a liability as the benefits are earned if the employee's rights to receive compensation are attributed to services already rendered and it is probable that the Career Center will compensate the employees for the benefits through paid time off or some other means. The Career Center records a liability for accumulated unused vacation time when earned for all employees.

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 payments in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year end, taking into consideration any limits specified in the Career Center's termination policy. The Career Center records a liability for accumulated unused sick leave for classified and certified employees and administrators who have at least 15 years of service with the Career Center.

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

On the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures as payments come due each period upon the occurrence of employee resignations and retirements.

**K. Pensions/Other Postemployment Benefits (OPEB)**

For purposes of measuring the net pension/OPEB liability, 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.

**L. Accrued Liabilities and Long-Term Liabilities**

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments, compensated absences, special termination of benefits and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year. Long-term liabilities are recognized as a liability on the fund financial statements when due.

**M. Net Position**

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net position invested in capital assets consists of capital assets, net of accumulated depreciation. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Career Center or through external restrictions imposed by creditors, grantors or laws, or regulations of other governments.

**TRI-COUNTY CAREER CENTER**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

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

Net position restricted for other purposes is primarily for federal and state grants reported in the Special Revenue Funds.

The Career Center applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. Of the Career Center's restricted net position of \$7,848,855 none is restricted by enabling legislation.

**N. Fund Balances**

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. Fund balances of the governmental funds are classified as follows:

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

**Restricted** – The restricted fund balance category includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers, or through enabling legislation. Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

**Committed** – The committed fund balance category includes amounts that can be used only for the specific purposes determined by a formal action (resolution) of the Career Center's 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 Career Center's Board of Education.

**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 a deficit balance.

**TRI-COUNTY CAREER CENTER**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

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

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, the Career Center considers restricted funds to have been spent first. When expenditures are incurred for which committed, assigned or unassigned fund balances are available, the Career Center considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Education has provided otherwise in its commitment or assignment actions.

**O. 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 tuition, classroom fees and charges for services for the adult education program and vocational education classes. Operating expenses are necessary costs incurred to provide the service that is the primary activity of that fund.

**P. Interfund Transactions**

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

**Q. Estimates**

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

**R. Budgetary Process**

All funds, other than the custodial fund, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution and the certificate of estimated resources, which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the fund level. Any revisions that alter the total of any fund appropriations must be approved by the Board of Education.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Career Center Treasurer. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statement reflect the amounts in the final amended certificate issued during fiscal year 2024.

**TRI-COUNTY CAREER CENTER**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

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

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

**NOTE 3 - IMPLEMENTATION OF NEW ACCOUNTING PRINCIPLES**

For the fiscal year ended June 30, 2024, the Career Center has implemented GASB Statement No. 100, Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62. This statement enhances accounting and financial reporting requirements for accounting and error corrections to provide more understandable, reliable, relevant, consistent, and compatible information for making decisions or assessing accountability. The implementation of GASB Statement No. 100 did not have an effect on the financial statements of the Career Center.

***Change to or within the Financial Reporting Entity***

For fiscal year 2024, the Career Technical Construction Fund presentation was changed from nonmajor to major.

		Change to/within the Financial Reporting Entity		
		Changes		
		6/30/2023	between	6/30/2023
		As	Major	As
		Previously Reported	and NonMajor	Restated/ Adjusted
<b>Governmental Funds</b>				
Major Funds:				
General		\$11,436,581	\$0	\$11,436,581
Permanent Improvement		703,189	0	703,189
Career Technical Construction Fund		0	0	0
All Other Governmental Funds		360,727	0	360,727
<b>Total Governmental Funds</b>		<b>\$12,500,497</b>	<b>\$0</b>	<b>\$12,500,497</b>

**TRI-COUNTY CAREER CENTER**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

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**NOTE 4 - BUDGETARY BASIS OF ACCOUNTING**

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than as a restricted, committed or assigned fund balance (GAAP basis).
4. Advances-in and advances-out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).
5. Certain funds are maintained as separate funds for accounting and budgetary purposes (budget basis) but do not meet the criteria for separate reporting in the financial statements (GAAP basis) and are reported in the General Fund in accordance with GASB Statement No. 54.

The following tables summarize the adjustments necessary to reconcile the GAAP and budget basis statements for the General Fund:

Net Change in Fund Balance	General Fund
GAAP Basis	\$468,550
<i>Adjustments:</i>	
Revenue Accruals	316,024
Expenditure Accruals	67,475
Encumbrances	(109,095)
Other Financing Sources	5,835
<i>Prospective Difference:</i>	
Activity of Funds Reclassified For GAAP Reporting Purposes	<u>14,531</u>
Budget Basis	<u><u>\$763,320</u></u>

**TRI-COUNTY CAREER CENTER**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

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**NOTE 5 - ACCOUNTABILITY**

Fund balances at June 30, 2024 included the following individual fund deficits:

Fund	Amount
<i>Non-major Special Revenue Funds:</i>	
Driver's Education Grant	250
ARP Homeless Targeted Support Grant	625
Vocational Education Grant	28,093
Miscellaneous State Grants	5,835

The deficit in each of these funds is the result of the application of generally accepted accounting principles and the requirement to accrue liabilities when incurred. These deficits will be eliminated as future expected revenues are received. These deficits do not exist on the cash basis. The General Fund is liable for any deficit in these funds and provides operating transfers when cash is required, not when accruals occur.

**NOTE 6 - CASH, DEPOSITS AND INVESTMENTS**

State statutes require the classification of monies held by the Career Center 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 has identified as not required for use within the current two 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 accounts including pass book accounts.

Protection of the Career Center's deposits is provided by the Federal Deposit Insurance Corporation (FDIC) or by the financial institutions participation in the Ohio Pooled Collateral Systems (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 may be deposited or invested in the following securities:

- (1) United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
- (2) Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

**TRI-COUNTY CAREER CENTER**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

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**NOTE 6 - CASH, DEPOSITS AND INVESTMENTS** - (Continued)

- (3) Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 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) 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.
- (6) The State Treasurer's investment pool (STAR Ohio).
- (7) Certain bankers' acceptances and commercial papers notes for a period not to exceed one hundred eighty days in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met. The investment in commercial papers notes of a single issuer shall not exceed in the aggregate five percent of interim moneys available for investment at the time of purchase.
- (8) Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts.

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.

The following information classifies deposits and investments by categories of risk as defined in GASB Statement No. 3, "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements" and GASB Statement No. 40, "Deposit and Investment Risk Disclosures."

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

Investment Type	Net Asset Value Per Share	6 Months or Less
STAR Ohio	<u>\$18,780,192</u>	<u>\$18,780,192</u>

**Interest Rate Risk:** Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As a means of limiting its exposure to fair value losses arising from rising interest rates and according to state law, the Career Center's investment policy limits investment portfolio maturities to five years or less.

**Credit Risk:** Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Standard and Poor's has assigned STAR Ohio an "AAAm" money market rating.

**Concentration of Credit Risk:** Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Career Center's investment policy allows investments in eligible securities as described in the Ohio Revised Code.

**TRI-COUNTY CAREER CENTER**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

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**NOTE 6 - CASH, DEPOSITS AND INVESTMENTS** - (Continued)

**Custodial Credit Risk:** For investments, custodial credit risk is the risk that, in the event of the failure of the counter party, the Career Center will not be able to recover the value of its investments or collateral securities in the possession of an outside party. Career Center policy provides that investment collateral is held by the counter party as trust department or agent, and may be held in the name of the Career Center or not.

The classification of cash and cash equivalent on the basic financial statements is based on criteria set forth in GASB Statement No. 9, "Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting". A reconciliation between the classification of cash and cash equivalents on the basic financial statements and the classification of deposits and investments in GASB Statement No. 3 follows:

	Cash and Cash Equivalents/Deposits	Investments
GASB Statement No. 9	\$21,077,512	\$0
<i>Investments:</i>		
STAR Ohio	(18,780,192)	18,780,192
GASB Statement No. 3	<u><u>\$2,297,320</u></u>	<u><u>\$18,780,192</u></u>

**NOTE 7 - PROPERTY TAXES**

Property taxes are levied and assessed on a calendar year basis. Second half distributions occur in a new fiscal year. Property taxes include amounts levied against all real and public utility property located within the Career Center's boundaries. Real property taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. Public utility property taxes attached as a lien on December 31 of the prior year, were levied April 1 and are collected with real property taxes. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. All property is required to be revalued every six years. Public utility property taxes are assessed on tangible personal property at varying percentages of true value (with certain exceptions) and on real property at thirty-five percent of true value.

The assessed values upon which the fiscal year 2024 taxes were collected are:

	2023 Second Half Collections		2024 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$2,114,227,410	75.35%	\$2,354,684,710	77.01%
Public Utility Personal	<u>691,643,430</u>	<u>24.65%</u>	<u>703,060,750</u>	<u>22.99%</u>
Total Assessed Value	<u><u>\$2,805,870,840</u></u>	<u><u>100.00%</u></u>	<u><u>\$3,057,745,460</u></u>	<u><u>100.00%</u></u>
Tax rate per \$1,000 of assessed valuation	\$3.30		\$3.30	

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 earlier or later payment dates to be established.

**TRI-COUNTY CAREER CENTER**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

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**NOTE 7 - PROPERTY TAXES** - (Continued)

The Career Center receives property taxes from Athens, Hocking, Meigs, Morgan, Perry, and Vinton Counties. The County Auditor of each county periodically advances to the Career Center its portion of the taxes collected. Second-half real property tax payments collected by each county by June 30, 2024 is available to finance fiscal year 2025 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents delinquent taxes outstanding and real property, personal property, and public utility taxes which became measurable as of June 30, 2024. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current year operations. The receivable is therefore offset by a credit to deferred inflows of resources for that portion not intended to finance current year operations. The amount available as an advance at June 30 is recognized as revenue. The Career Center had \$448,406 available for advance to the General Fund at June 30, 2024.

**NOTE 8 - RECEIVABLES**

Receivables at June 30, 2024 consisted of taxes, accounts (tuition and fees), intergovernmental grants and entitlements, and inter-fund. 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. A summary of the principal items of intergovernmental receivable follows:

Governmental Activities:	
General Fund	\$28,198
<i>Nonmajor Special Revenue Funds:</i>	
Miscellaneous State Grants	117,742
Vocational Education Grants	80,018
ARP Homeless Targeted Support Grant	991
<i>Total Nonmajor Special Revenue Funds</i>	<u>198,751</u>
Total Intergovernmental Receivable	<u><u>\$226,949</u></u>

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**TRI-COUNTY CAREER CENTER**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

**NOTE 9 - CAPITAL ASSETS**

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

Asset Category	Balance at July 1, 2023	Additions	Deductions	Balance at June 30, 2024
<b><u>Governmental Activities:</u></b>				
<i>Nondepreciable Capital Assets:</i>				
Land	\$80,000	\$0	\$0	\$80,000
Construction in Progress	1,489,211	807,389	(1,489,211)	807,389
<b>Total Nondepreciable Capital Assets</b>	<b>1,569,211</b>	<b>807,389</b>	<b>(1,489,211)</b>	<b>887,389</b>
<i>Depreciable Capital Assets:</i>				
Land Improvements	549,511	112,700	0	662,211
Buildings and Improvements	8,581,472	2,082,091	0	10,663,563
Furniture, Fixtures and Equipment	3,284,340	680,393	(21,163)	3,943,570
Vehicles	619,853	341,008	(78,129)	882,732
<b>Total Depreciable Capital Assets</b>	<b>13,035,176</b>	<b>3,216,192</b>	<b>(99,292)</b>	<b>16,152,076</b>
<b>Total Capital Assets</b>	<b>14,604,387</b>	<b>4,023,581</b>	<b>(1,588,503)</b>	<b>17,039,465</b>
<i>Less Accumulated Depreciation:</i>				
Land Improvements	(237,604)	(29,440)	0	(267,044)
Buildings and Improvements	(6,030,201)	(121,490)	0	(6,151,691)
Furniture, Fixtures and Equipment	(2,767,323)	(133,177)	18,100	(2,882,400)
Vehicles	(434,573)	(57,409)	78,129	(413,853)
<b>Total Accumulated Depreciation</b>	<b>(9,469,701)</b>	<b>(341,516)</b>	<b>96,229</b>	<b>(9,714,988)</b>
<b>Total Net Depreciable Capital Assets</b>	<b>3,565,475</b>	<b>2,874,676</b>	<b>(3,063)</b>	<b>6,437,088</b>
<b>Total Net Capital Assets</b>	<b>\$5,134,686</b>	<b>\$3,682,065</b>	<b>(\$1,492,274)</b>	<b>\$7,324,477</b>

**TRI-COUNTY CAREER CENTER**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

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**NOTE 9 - CAPITAL ASSETS** - (Continued)

Depreciation expense was charged to governmental functions as follow:

<i>Instruction:</i>	
Vocational	\$92,016
<i>Support Services:</i>	
Administration	8,318
Fiscal	2,628
Operations and Maintenance	212,563
Operation of Non-Instructional Services	<u>25,991</u>
Total Depreciation Expense	<u><u>\$341,516</u></u>

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

Asset Category	Balance at July 1, 2023	Additions	Deductions	Balance at June 30, 2024
<u><b>Business-Type Activities:</b></u>				
<i>Depreciable Capital Assets:</i>				
Furniture, Fixtures and Equipment	\$279,449	\$11,779	(\$4,195)	\$287,033
<i>Less Accumulated Depreciation:</i>				
Furniture, Fixtures and Equipment	(228,975)	(13,088)	140	(241,923)
Business-Type Activities Capital Assets, Net	<u><u>\$50,474</u></u>	<u><u>(\$1,309)</u></u>	<u><u>(\$4,055)</u></u>	<u><u>\$45,110</u></u>

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**TRI-COUNTY CAREER CENTER**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

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**NOTE 10 - RISK MANAGEMENT**

The Career Center is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2024, the Career Center contracted with School Insurance Consultants, LLC for property and fleet insurance, inland marine insurance, liability insurance and employee blanket bond. Coverages provided at June 30, 2024 are as follows:

Building and Contents - replacement (\$2,500 deductible)	\$ 55,851,802
Inland Marine Coverage (\$500 deductible)	517,087
Automobile Liability (\$500 deductible)	1,000,000
Automobile Medical Payments	5,000
Uninsured Motorists (\$0 deductible)	1,000,000
<i>General Liability:</i>	
Medical Expense Limit (any one person)	N/A
Fire Damage Limit (any one fire)	500,000
Per Occurrence	2,000,000
Total Per Year	3,000,000
School Leaders Errors and Omissions (\$2,500 deductible)	2,000,000
Public Officials Bonds	500,000
Employee Blanket Bond (\$500 deductible)	500,000
Cyber Incident Response (\$5,000 deductible)	1,000,000
Cyber Crime (\$5,000 deductible)	250,000
System Damage and Business Interruption (\$5,000 deductible)	1,000,000
Network Security & Privacy Liability (\$5,000 deductible)	1,000,000
Media Liability (\$5,000 deductible)	1,000,000
Court Attendance Costs	100,000

Settled claims have not exceeded this commercial coverage in any of the past three years.

**Workers' Compensation**

For fiscal year 2024, the Career Center participated in the Ohio School Boards Association Workers' Compensation Group Retrospective Rating Plan (GRTRO), an insurance purchasing pool (Note 19). The intent of the GRTRO 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 GRTRO. The workers compensation experience of the participating Career Center is calculated as one experience and a common premium rate is applied to all Career Centers in the GRTRO. Each participant pays its workers' compensation premium to the State based on the rate for the GRTRO rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings of the GRTRO. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund." This "equity pooling" arrangement ensures that each participant shares equally in the overall performance of the GRTRO. Participation in the GRTRO is limited to Career Centers that can meet the GRTRO's selection criteria. The firm of Comp Management, Inc. provides administrative, cost control and actuarial services to the GRTRO.

**TRI-COUNTY CAREER CENTER**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

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**NOTE 11 - DEFINED BENEFIT PENSION PLANS**

***Net Pension Liability***

Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions 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 net pension liability represents the Career Center’s proportionate share of each pension plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan’s fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

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 are financed; however, the Career Center does receive the benefit of employees’ services in exchange for compensation including pension.

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

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

***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, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS’ fiduciary net position. That report can be obtained by visiting the SERS website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

**TRI-COUNTY CAREER CENTER**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

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**NOTE 11 - DEFINED BENEFIT PENSION PLANS** – (Continued)

Age and service requirements for retirement are as follows:

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

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

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

An individual whose benefit effective date is before April 1, 2018 is eligible for a cost of living adjustment (COLA) on the first anniversary date of the benefit. New benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. A three-year COLA suspension was in effect for all benefit recipients for the years 2018, 2019, and 2020. 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. The Retirement Board of Trustees approved a 2.5 percent cost-of-living adjustment (COLA) for eligible retirees and beneficiaries for 2024.

**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 percent. For fiscal year 2024, the Retirement Board did not allocate any employer contributions to the Health Care Fund.

The Career Center’s contractually required contribution to SERS was \$199,156 for fiscal year 2024. Of this amount, none 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 retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about STRS’ fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Web site at [www.strsoh.org](http://www.strsoh.org).

**TRI-COUNTY CAREER CENTER**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

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**NOTE 11 - DEFINED BENEFIT PENSION PLANS** – (Continued)

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

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation will be 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of living increases are not affected by this change. Effective July 1, 2022, an ad-hoc COLA of 3 percent of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2023 as long as they retired prior to July 1, 2018. Eligibility changes will be phased in until August 1, 2023, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

Eligibility changes for DB Plan members who retire with actuarially reduced benefits will be phased in until August 1, 2023, when retirement eligibility will be five years of qualifying service credit and age 60, or 30 years of service credit at any 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 goes to the DC Plan 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 after termination of employment at age 50 or later.

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

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

**TRI-COUNTY CAREER CENTER**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

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**NOTE 11 - DEFINED BENEFIT PENSION PLANS** – (Continued)

**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. For the fiscal year ended June 30, 2024, plan members were required to contribute 14 percent of their annual covered salary. The Career Center was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2024 contribution rates were equal to the statutory maximum rates.

The Career Center's contractually required contribution to STRS was \$605,179 for fiscal year 2024. Of this amount, \$102,734 is reported as an intergovernmental payable.

***Net Pension Liability***

The net pension liability, pension expense and deferred outflows/inflows 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 projected contributions of all participating entities. Following is information related to the proportionate share:

	SERS	STRS	Total
Proportion of the Net Pension Liability:			
Current Measurement Date	0.03193960%	0.03026767%	
Prior Measurement Date	0.03410730%	0.02949375%	
Change in Proportionate Share	<u>-0.00216770%</u>	<u>0.00077392%</u>	
Proportionate Share of the Net Pension Liability	\$1,764,827	\$6,518,123	\$8,282,950
Pension Expense	\$77,280	\$544,462	\$621,742
	SERS	STRS	Total
<b>Deferred Outflows of Resources</b>			
Differences between Expected and Actual Experience	\$75,856	\$237,635	\$313,491
Changes in Assumptions	12,500	536,804	549,304
Changes in Proportion and Differences between Contributions	14,731	244,036	258,767
Contributions Subsequent to the Measurement Date	199,156	605,179	804,335
<b>Total Deferred Outflows of Resources</b>	<u>\$302,243</u>	<u>\$1,623,654</u>	<u>\$1,925,897</u>
<b>Deferred Inflows of Resources</b>			
Differences between Expected and Actual Experience	\$0	\$14,463	\$14,463
Net Difference between Projected and Actual Earnings on Pension Plan Investments	24,807	19,534	44,341
Changes in Assumptions	0	404,059	404,059
Changes in Proportion and Differences between Contributions and Proportionate Share of	144,211	192,315	336,526
<b>Total Deferred Inflows of Resources</b>	<u>\$169,018</u>	<u>\$630,371</u>	<u>\$799,389</u>

**TRI-COUNTY CAREER CENTER**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

**NOTE 11 - DEFINED BENEFIT PENSION PLANS** – (Continued)

\$804,335 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 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:

Fiscal Year Ending June 30:	SERS	STRS	Total
2025	(\$58,166)	(\$55,787)	(\$113,953)
2026	(127,365)	(234,826)	(362,191)
2027	118,287	680,551	798,838
2028	1,313	(1,834)	(521)
	<u>(\$65,931)</u>	<u>\$388,104</u>	<u>\$322,173</u>

***Actuarial Assumptions - SERS***

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

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

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2023, compared with June 30, 2022, are presented below:

	June 30, 2023	June 30, 2022
Inflation	2.40 percent	2.40 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	3.50 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 investment expenses	7.00 percent net of system expense
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)	Entry Age Normal (Level Percent of Payroll)

**TRI-COUNTY CAREER CENTER**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

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**NOTE 11 - DEFINED BENEFIT PENSION PLANS** – (Continued)

Mortality rates for 2023 and 2022 were based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

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

The long-term return expectation for the Pension Plan Investments has been determined using a building-block approach and assumes a time horizon, as defined in SERS' *Statement of Investment Policy*. ORC 3309.15 and the Board-adopted Investment Policy govern investment activity at SERS. 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 a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. The target allocation and best estimates of arithmetic real rates of return for each major assets class are summarized in the following table:

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	<u>100.00 %</u>	

**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 of fiscal year 2023 was 14 percent. 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.

**TRI-COUNTY CAREER CENTER**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

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**NOTE 11 - DEFINED BENEFIT PENSION PLANS** – (Continued)

***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.

	Current		
	1% Decrease	Discount Rate	1% Increase
Career Center's Proportionate Share of the Net Pension Liability	\$2,604,795	\$1,764,827	\$1,057,315

**Actuarial Assumptions - STRS**

Key methods and assumptions used in the June 30, 2023, actuarial valuation compared to those used in the June 30, 2022, actuarial valuation are presented below:

	June 30,	June 30,
Inflation	2.50	2.50
Projected salary increases	8.50 percent at age 20 to 2.50 percent at age	8.50 percent at age 20 to 2.50 percent at age
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation	7.00 percent, net of investment expenses, including inflation
Discount Rate of Return	7.00	7.00
Payroll Increases	3.00	3.00
Cost-of-Living Adjustments (COLA)	0.0	0.0

Post-Retirement mortality rates for 2023 and 2022 are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disable Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

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.

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**TRI-COUNTY CAREER CENTER**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

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**NOTE 11 - DEFINED BENEFIT PENSION PLANS** – (Continued)

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 Real Rate of Return**
Domestic Equity	26.00%	6.60%
International Equity	22.00%	6.80%
Alternatives	19.00%	7.38%
Fixed Income	22.00%	1.75%
Real Estate	10.00%	5.75%
Liquidity Reserves	1.00%	1.00%
 Total	 <u>100.00%</u>	

\* 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 does not include investment expenses. Over a 30 year period, STRS Ohio's investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

**Discount Rate** - The discount rate used to measure the total pension liability was 7.00 percent as of June 30, 2023, and was 7.00 percent as of June 30, 2022. The projection of cash flows used to determine the discount rate assumes 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. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not 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	Current Discount Rate	1% Increase
Career Center's Proportionate Share of the Net Pension Liability	\$10,023,432	\$6,518,123	\$3,553,593

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

**TRI-COUNTY CAREER CENTER**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

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**NOTE 12 - POSTEMPLOYMENT BENEFITS**

***Net OPEB Liability***

OPEB is a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. 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 net OPEB liability represents the Career Center's proportionate share of each OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan's fiduciary net position. The net OPEB liability 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 OPEB are financed; however, the Career Center does receive the benefit of employees' services in exchange for compensation including OPEB.

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

**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-certified 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 Comprehensive Annual Financial Report which can be obtained on SERS' website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

**TRI-COUNTY CAREER CENTER**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

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**NOTE 12 - POSTEMPLOYMENT BENEFITS**– (Continued)

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

**Funding Policy** - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2024, no allocation of covered payroll was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 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 \$15,528.

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 \$15,528 for fiscal year 2024.

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

**Plan Description** – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Medicare Part B premium reimbursements was discontinued effective January 1, 2020. The Plan is included in the report of STRS which can be obtained by visiting [www.strssoh.org](http://www.strssoh.org) or by calling (888) 227-7877.

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

**TRI-COUNTY CAREER CENTER**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

**NOTE 12 - POSTEMPLOYMENT BENEFITS**– (Continued)

***Net OPEB Liability/Asset, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***

The net OPEB liability(asset), pension expense and deferred outflows/inflows was measured as of June 30, 2023, and the total OPEB liability(asset) used to calculate the net OPEB liability(asset) was determined by an actuarial valuation as of that date. The 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:

	SERS	STRS	Total
Proportion of the Net OPEB Liability:			
Current Measurement Date	0.03079520%	0.03026767%	
Prior Measurement Date	0.03232210%	0.02949375%	
Change in Proportionate Share	<u>-0.00152690%</u>	<u>0.00077392%</u>	
Proportionate Share of the Net OPEB Liability/(Asset)	\$507,334	(\$588,664)	(\$81,330)
OPEB Expense (Gain)	(\$76,822)	(\$29,447)	(\$106,269)
<b>Deferred Outflows of Resources</b>			
Differences between Expected and Actual Experience	\$1,056	\$917	\$1,973
Net Difference between Projected and Actual Earnings on Pension Plan Investments	3,933	1,048	4,981
Changes in Assumptions	171,548	86,712	258,260
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions	23,678	11,568	35,246
Contributions Subsequent to the Measurement Date	<u>15,528</u>	<u>0</u>	<u>15,528</u>
<b>Total Deferred Outflows of Resources</b>	<u>\$215,743</u>	<u>\$100,245</u>	<u>\$315,988</u>
<b>Deferred Inflows of Resources</b>			
Differences between Expected and Actual Experience	\$261,654	\$89,790	\$351,444
Changes in Assumptions	144,085	388,390	532,475
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions	107,778	2,296	110,074
<b>Total Deferred Inflows of Resources</b>	<u>\$513,517</u>	<u>\$480,476</u>	<u>\$993,993</u>

**TRI-COUNTY CAREER CENTER**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

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**NOTE 12 - POSTEMPLOYMENT BENEFITS**– (Continued)

\$15,528 reported as deferred outflows of resources related to OPEB resulting from Career Center contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2025	(\$90,478)	(\$163,370)	(\$253,848)
2026	(81,609)	(78,959)	(160,568)
2027	(54,587)	(30,223)	(84,810)
2028	(36,137)	(41,030)	(77,167)
2029	(34,990)	(37,609)	(72,599)
Thereafter	<u>(15,501)</u>	<u>(29,040)</u>	<u>(44,541)</u>
	<u><u>(\$313,302)</u></u>	<u><u>(\$380,231)</u></u>	<u><u>(\$693,533)</u></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. 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.

**TRI-COUNTY CAREER CENTER**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

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**NOTE 12 - POSTEMPLOYMENT BENEFITS**– (Continued)

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2023, compared with June 30, 2022, are presented below:

	June 30, 2023	June 30, 2022
Inflation	2.40 percent	2.40 percent
Future Salary Increases, including inflation		
Wage Increases	3.25 percent to 13.58 percent	3.25 percent to 13.58 percent
Investment Rate of Return	7.00 percent net of investment expense	7.00 percent net of investment expense, including inflation
Municipal Bond Index Rate:		
Measurement Date	3.86 percent	3.69 percent
Prior Measurement Date	3.69 percent	1.92 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation		
Measurement Date	4.27 percent	4.08 percent
Prior Measurement Date	4.08 percent	2.27 percent
Medical Trend Assumption		
Medicare	6.75 to 4.40 percent	7.00 to 4.40 percent
Pre-Medicare	6.75 to 4.40 percent	7.00 to 4.40 percent

For 2023 and 2022, mortality rates among healthy retirees were based on the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females. Mortality rates for contingent survivors were based on PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5 percent for males and adjusted 122.5 percent for females. Mortality rates for actives is based on PUB-2010 General Amount Weighted Below Median Employee mortality table.

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

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2016 through 2020, and was adopted by the Board on April 15, 2021. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.00 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The 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 long-term expected nominal rate of return has been determined by calculating a 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.

**TRI-COUNTY CAREER CENTER**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

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**NOTE 12 - POSTEMPLOYMENT BENEFITS**– (Continued)

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00 %	0.75 %
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	<u>100.00 %</u>	

**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, 2022 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 state statute contribution rate of 1.50 percent of projected covered employee payroll each year, which includes a 1.50 percent payroll surcharge and no contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position is 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 is 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 percent) and higher (5.27 percent) than the current discount rate (4.27 percent). 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 percent decreasing to 3.40 percent) and higher (7.75 percent decreasing to 5.40 percent) than the current rate (6.75 percent to 4.40 percent).

	Current		
	1% Decrease	Discount Rate	1% Increase
Career Center's Proportionate Share of the Net OPEB Liability	\$648,518	\$507,334	\$396,005

	Current		
	1% Decrease	Trend Rate	1% Increase
Career Center's Proportionate Share of the Net OPEB Liability	\$372,721	\$507,334	\$685,715

**TRI-COUNTY CAREER CENTER**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

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**NOTE 12 - POSTEMPLOYMENT BENEFITS**– (Continued)

**Actuarial Assumptions - STRS**

Key methods and assumptions used in the June 30, 2023, actuarial valuation and the June 30, 2022 actuarial valuation are presented below:

	June 30, 2023	June 30, 2022
Projected salary increases	Varies by service from 8.50 percent at age 20 to 2.50 percent at age 65	Varies by service from 8.50 percent at age 20 to 2.50 percent at age 65
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-Medical	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 healthy retirees post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020; pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. For disabled retirees, mortality rates are based on Pub-2010 Teachers Disable Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

Actuarial assumptions used in the June 30, 2023; valuation is based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2021.

**TRI-COUNTY CAREER CENTER**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

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**NOTE 12 - POSTEMPLOYMENT BENEFITS** – (Continued)

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 does not include investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actual rate of return, without net value added by management.

**Discount Rate** The discount rate used to measure the total OPEB liability/asset was 7.00 percent as of June 30, 2023, and was 7.00 percent as of June 30, 2022. The projection of cash flows used to determine the discount rate assumes STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was not projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan assets of 7.00 percent was used to measure the total OPEB liability as of June 30, 2023.

**Sensitivity of the Career Center's Proportionate Share of the Net OPEB Liability/Asset to Changes in the Discount and Health Care Cost Trend Rate** The following table represents the net OPEB liability/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 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 assumption. Also shown is the net OPEB liability/asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	Current		
	1% Decrease	Discount Rate	1% Increase
Career Center's Proportionate Share of the Net OPEB Asset	\$498,227	\$588,664	\$667,425
Current			
	1% Decrease	Trend Rate	1% Increase
Career Center's Proportionate Share of the Net OPEB Asset	\$671,080	\$588,664	\$489,396

**TRI-COUNTY CAREER CENTER**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

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**NOTE 12 - POSTEMPLOYMENT BENEFITS** – (Continued)

**Assumption Changes Since the Prior Measurement Date** – The discount rate remained unchanged at 7.00 percent for June 30, 2023 valuation.

**Benefit Term Changes Since the Prior Measurement Date** - Healthcare trends were updated to reflect emerging claims and recoveries experience as well as benefit changes effective January 1, 2024.

**NOTE 13 - OTHER 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 (including the Superintendent and Treasurer) earn ten to twenty-five days of vacation per year, depending upon length of service. 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 320 days for teachers and classified employees, 340 days for administrators. Upon retirement, teachers, administrators and classified employees receive one-fourth of the total sick leave accumulation up to a maximum of eighty (80) days; maximum of 85 days for the Superintendent and Treasurer.

**NOTE 14 - LONG-TERM OBLIGATIONS**

The changes in the Career Center's long-term liabilities for governmental activities during fiscal year 2024 were as follows:

	Principal Outstanding at July 1, 2023	Additions	Deductions	Principal Outstanding at June 30, 2024	Amount Due In One Year
<b><u>Governmental Activities:</u></b>					
<i>Net Pension Liability:</i>					
STRS	\$6,338,822	\$5,920	\$0	\$6,344,742	\$0
SERS	1,743,325	0	103,448	1,639,877	0
<b>Total Net Pension Liability</b>	<b>8,082,147</b>	<b>5,920</b>	<b>103,448</b>	<b>7,984,619</b>	<b>0</b>
<i>Net OPEB Liability:</i>					
SERS	428,847	42,568	0	471,415	0
<b>Total Net OPEB Liability</b>	<b>428,847</b>	<b>42,568</b>	<b>0</b>	<b>471,415</b>	<b>0</b>
Capital Leases	19,390	0	6,179	13,211	6,915
Compensated Absences	365,578	266,115	239,993	391,700	82,610
<b>Total Governmental Activities</b>	<b>\$8,895,962</b>	<b>\$314,603</b>	<b>\$349,620</b>	<b>\$8,860,945</b>	<b>\$89,525</b>
<b>Long-Term Obligations</b>					

**TRI-COUNTY CAREER CENTER**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

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**NOTE 14 - LONG-TERM OBLIGATIONS** - (Continued)

The Career Center pays obligations related to employee compensation from the fund benefitting from their service. Compensated absences for governmental activities will be paid from the fund from which the employee is paid.

The changes in the Career Center's long-term liabilities for business-type activities during fiscal year 2024 were as follows:

	Principal Outstanding at July 1, 2023	Additions	Deductions	Principal Outstanding at June 30, 2024	Amount Due In One Year
<i><u>Business-Type Activities:</u></i>					
<i><u>Net Pension Liability:</u></i>					
STRS	\$217,676	\$0	\$44,295	\$173,381	\$0
SERS	101,463	23,487	0	124,950	0
Total Net Pension Liability	<u>319,139</u>	<u>23,487</u>	<u>44,295</u>	<u>298,331</u>	<u>0</u>
<i><u>Net OPEB Liability:</u></i>					
SERS	24,959	10,960	0	35,919	0
Total Net OPEB Liability	<u>24,959</u>	<u>10,960</u>	<u>0</u>	<u>35,919</u>	<u>0</u>
Compensated Absences	9,180	4,320	11,053	2,447	1,032
Total Governmental Activities					
Long-Term Obligations	<u>\$353,278</u>	<u>\$38,767</u>	<u>\$55,348</u>	<u>\$336,697</u>	<u>\$1,032</u>

Compensated absences for business-type activities will be paid from the Adult Education Fund.

**NOTE 15 - CAPITAL LEASE - LESSEE DISCLOSURE**

The Career Center has entered into agreements to lease copiers. Such agreements are in substance, lease purchases and are reflected as capital lease obligations in the basic financial statements. New leases are, in substance, capital purchases and are recorded as current expenditures and proceeds from capital leases on the fund financial statements. The capital lease obligations reflected above as part of the long-term obligations represent the present value of the net future minimum lease payments on all capital leases.

The following is a schedule of the future minimum lease payments required under the capital lease and the present value of the minimum lease payments as of June 30, 2024:

	Governmental Activities
	Capital Lease
Fiscal Year Ending June 30,	
2025	\$6,915
2026	6,915
2027	1,153
Minimum Lease Payments	14,983
Less: amount representing interest	1,772
Present value of minimum lease payments	<u>\$13,211</u>

**TRI-COUNTY CAREER CENTER**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

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**NOTE 16—FUND BALANCES**

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

	General	Permanent Improvement	Career Technical Construction	Nonmajor Governmental Funds	Total Governmental Funds
<i>Nonspendable:</i>					
Inventory	\$67,578	\$0	\$0	\$7,396	\$74,974
Prepays	20,694	0	0	0	20,694
Unclaimed Monies	4,927	0	0	0	4,927
<i>Total Nonspendable</i>	<i>93,199</i>	<i>0</i>	<i>0</i>	<i>7,396</i>	<i>100,595</i>
<i>Restricted:</i>					
<i>Specail Revenues:</i>					
Food Service	0	0	0	168,725	168,725
Special Trust	0	0	0	48,368	48,368
Student Activities	0	0	0	148,921	148,921
State Grants	0	0	3,857,736	379,417	4,237,153
<i>Total Restricted</i>	<i>0</i>	<i>0</i>	<i>3,857,736</i>	<i>745,431</i>	<i>4,603,167</i>
<i>Assigned:</i>					
<i>Encumbrances:</i>					
Vocational	8,213	0	0	0	8,213
Pupils	455	0	0	0	455
Instructional Staff	14,091	0	0	0	14,091
Board of Education	2,250	0	0	0	2,250
Administration	1,000	0	0	0	1,000
Fiscal	3,749	0	0	0	3,749
Operation and Maintenance of Plant	76,458	0	0	0	76,458
Central	2,879	0	0	0	2,879
Public School Support	17,558	0	0	0	17,558
Permanent Improvement	0	1,569,196	0	0	1,569,196
Capital Projects	0	0	0	1,750,000	1,750,000
<i>Total Assigned</i>	<i>126,653</i>	<i>1,569,196</i>	<i>0</i>	<i>1,750,000</i>	<i>3,445,849</i>
<i>Unassigned (Deficit)</i>	<i>11,685,279</i>	<i>0</i>	<i>0</i>	<i>(34,803)</i>	<i>11,650,476</i>
<b>Total Fund Balance</b>	<b>\$11,905,131</b>	<b>\$1,569,196</b>	<b>\$3,857,736</b>	<b>\$2,468,024</b>	<b>\$19,800,087</b>

**TRI-COUNTY CAREER CENTER**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

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**NOTE 17- INTERFUND ACTIVITY**

As of June 30, 2024, receivables and payables that resulted from various inter-fund transactions were as follows:

	Interfund Receivable	Interfund Payable
General	\$40,242	\$0
<i>Nonmajor Special Revenue Funds:</i>		
Food Service	0	10,000
Miscellaneous State Grants	0	450
Driver's Education Grants	0	250
ARP Homeless Targeted Support Grant	0	366
Vocational Education	0	23,341
Miscellaneous Federal Grants	0	5,835
Total Non-Major Funds	<hr/> 0	<hr/> 40,242
<b>Total</b>	<b><u>\$40,242</u></b>	<b><u>\$40,242</u></b>

The balance of \$40,242 due to the General Fund from the funds listed is the result of loans made from the General Fund to these funds.

	Transfer In	Transfer Out
General	\$0	\$3,749,307
Permanent Improvement	1,970,500	0
Capital Projects	1,750,000	0
<i>Special Revenue Funds:</i>		
Food Service	2,277	0
Miscellaneous State Grants	1,530	0
<i>Proprietary Funds:</i>		
Adult Education	<hr/> 25,000	<hr/> 0
<b>Total</b>	<b><u>\$3,749,307</u></b>	<b><u>\$3,749,307</u></b>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them, to the fund that statute or budget requires to expend them, (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**TRI-COUNTY CAREER CENTER**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

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**NOTE 18- JOINTLY GOVERNED ORGANIZATIONS**

**Meta Solutions**

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 designee. The degree of control exercised by any participating Career Center is limited to its representation of the General Assembly. The General Assembly exercises total control over the operation of META including budgeting, appropriating, contracting, and designating management. Financial information can be obtained from the Metropolitan Educational Technology Association at 100 Executive Drive, Marion, Ohio 43302. The Career Center made payments of \$73,178 to META for fiscal year 2024.

**Southeastern Ohio Special Education Regional Resource Center**

The Southeastern Ohio Special Education Regional Resource Center (SERRC) is a special education service center which selects its own board, adopts its own budget and receives direct Federal and State grants for its operation. The jointly-governed organization was formed for the purpose of initiating, expanding and improving special education programs and services for children with disabilities and their parents.

The SERRC is governed by a board composed of superintendents of participating schools, parents of children with disabilities, representatives of chartered nonpublic schools, representatives of county boards of MR/DD, Ohio University and the Southeast Regional Professional Development Center whose terms rotate every year. The degree of control exercised by any participating Career Center is limited to its representation on the Board. The Career Center's Superintendent is on the SERRC Board. Financial information can be obtained by contacting Teresa McGinnis, Interim Treasurer, at the Athens-Meigs Educational Service Center, 21 Birge Drive, Chauncey, Ohio 45719.

**Athens County School Employees Health and Welfare Benefit Association**

The Career Center is a participant in a consortium of seven districts to operate the Athens County School Employees Health and Welfare Benefit Association. The Association was created to provide health care and dental benefits for the employees and eligible dependents of employees of participating districts. The Association has contracted with United Health Care to be the health care provider for medical benefits as well as to provide aggregate and specific stop-loss insurance coverage, and Trustmark to provide administration of its dental benefits. The Association is governed by a Board of Directors consisting of one representative of each of the participating districts. Financial information for the Association can be obtained from the administrators at Grady Enterprises Inc., 515 E Mound Street Columbus, OH 43215.

**TRI-COUNTY CAREER CENTER**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

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**NOTE 18- JOINTLY GOVERNED ORGANIZATIONS** – (Continued)

**Coalition of Rural and Appalachian Schools**

The Coalition of Rural and Appalachian Schools (CORAS) is a jointly governed organization composed of over 130 Career Centers and other educational institutions in the 35-county region of Ohio designated as Appalachia. The Coalition is operated by a board which is composed of seventeen members. One elected and one appointed from each of the seven regions into which the 35 Appalachian counties are divided; and three from Ohio University College of Education. The board exercised total control over the operations of CORAS including budgeting, appropriating, contracting, and designating management. Each participant's control is limited to its representation on the board. The Coalition provides various in-service training programs for Career Center 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 Career Center personnel. The Coalition 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 Coalition. During fiscal year 2024, the Career Center paid \$75 for membership. Financial information may be obtained from the Coalition of Rural and Appalachian Schools at Lindley Hall Room 200, Ohio University, Athens, Ohio 45701.

**The 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 in 1990 to challenge the constitutionality of the Ohio school funding system. The Coalition is governed by a Steering Committee of 90 representatives. Though most of the members are superintendents, some treasurers, board members, and administrators also serve. Several persons serve as ex officio members. The membership of the coalition includes only 248 school districts throughout the State of Ohio. The Committee exercises total control over budgeting, appropriating, contracting, and the designation of management. Member districts and joint vocational schools pay dues of \$0.05 per pupil. Districts and joint vocational schools may also pay supplemental dues in the amount of \$0.50 per pupil for K-12 districts and educational service centers pay dues of \$0.05 per pupil. 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. During fiscal year 2024, the Career Center paid \$1,124 to the Coalition. To obtain financial information write to Ohio Coalition of Equity and Adequacy of School Funding at 100 South Third Street, Columbus, Ohio 43215.

**NOTE 19 - INSURANCE PURCHASING POOL**

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

The Career Center participates in the Ohio School Boards Association Workers' Compensation Group Retrospective Rating Plan (GRTR), an insurance purchasing pool. The GRTR'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 Ohio School Boards Association (OSBA). The Executive Director of the OSBA, or his designee, serves as coordinator of the program. Each year, the participating Career Centers pay an enrollment fee to the GRTR to cover the costs of administering the program.

**TRI-COUNTY CAREER CENTER**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

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**NOTE 20 - CONTINGENCIES**

**A. Grants**

The Career Center received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. This also encompasses the Auditor of State's ongoing review of student attendance data. However, the effect of any such disallowed claims on the overall financial position of the Career Center at June 30, 2024, if applicable, cannot be determined at this time.

**B. Litigation**

The Career Center is involved in no pending litigation that would have a material effect on the financial condition of the Career Center.

**C. School Foundation**

Career Center Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, ODE adjustments for fiscal year 2024 are finalized. As a result, the net impact of the FTE adjustments on the fiscal year 2024 financial statements was insignificant.

**NOTE 21 - STATUTORY SET-ASIDES**

The following changes occurred in the Career Center's set-aside reserve account during fiscal year 2024:

	<u>Capital Improvements</u>
Set Aside Balance June 30, 2023	\$0
Current Year Set Aside Requirement	119,024
Current Year Qualifying Disbursements	<u>(1,541,930)</u>
Total	<u>(1,422,906)</u>
Set Aside Reserved Balance as of June 30, 2024	<u>\$0</u>
Total Restricted Assets	<u><u>\$0</u></u>

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

**TRI-COUNTY CAREER CENTER**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

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**NOTE 22 – ENCUMBRANCE COMMITMENTS**

At June 30, 2024, the Career Center had encumbrance commitments in the Governmental Funds as follows:

Fund	
General	\$109,095
Permanent Improvement	188,759
<i>Nonmajor Funds:</i>	
Food Service	260
Rotary Club Trust Fund	25
Uniform School Supplies	1,150
Student Activities	2,634
Miscellaneous State Grants	761,226
Miscellaneous Federal Grants	6,000
Total Nonmajor Funds	<u>771,295</u>
Total Encumbrances	<u><u>\$1,069,149</u></u>

**NOTE 23 – CONTRACTUAL COMMITMENTS**

As of June 30, 2024, the Career Center had contractual purchase commitments for various projects related to the Career Center's renovations and new construction. The amount for each project is as follows.

Contractor	Trade	Contract Amounts	Amounts Paid as of June 30, 2024	Amounts Remaining on Contracts
Schorr Architects	Cafeteria Addition and Parking Lot Improvements	\$190,456	\$187,706	\$2,750
Schorr Architects	2023 HVAC Improvements	37,500	28,828	8,672
H&A Mechanical, Inc.	2023 HVAC Improvements	587,000	407,193	179,807
Schorr Architects	Diesel Ag and Electrical Trades Building Expansions	631,000	372,645	258,355
Gutknecht Construction Co.	Diesel Ag and Electrical Trades Building Expansions	4,242,000	0	4,242,000
Gutknecht Construction Co.	Porter Building Office Renovations	123,624	0	123,624
Ameresco, Inc.	Porter Building Solar Panel Installation	753,652	0	753,652
Engineered Systems, Ltd.	Porter Building Roof Replacement	<u>569,100</u>	<u>0</u>	<u>569,100</u>
Total		<u><u>\$7,134,332</u></u>	<u><u>\$996,372</u></u>	<u><u>\$6,137,960</u></u>

**TRI-COUNTY CAREER CENTER**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

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**NOTE 24 – SUBSEQUENT EVENTS**

At October 15, 2024, the board approved an ARC grant in the amount of \$750,000 with a TCCC match of \$300,000 for a total of \$1,050,000. Further, on February 18, 2025 the Board approved a resolution to enter into an agreement with H&A Mechanical in the amount of \$817,000 for the HVAC Improvements

**NOTE 25 – 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 received Covid-19 funding. The Career Center will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

**TRI-COUNTY CAREER CENTER**  
*Schedule of the Career Center's Proportionate Share of Net Pension Liability*  
*Last Ten Measurement Periods*

	2023	2022	2021	2020
<b><u>School Employees Retirement System of Ohio</u></b>				
Career Center's Proportion of the Net Pension Liability	0.03193960%	0.34107300%	0.03614740%	0.03713400%
Career Center's Proportionate Share of the Net Pension Liability	\$1,764,827	\$1,844,788	\$1,133,734	\$2,456,121
Career Center's Covered-Employee Payroll	\$1,206,629	\$1,249,207	\$1,213,143	\$1,270,971
Career Center's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered-Employee Payroll	146.26%	147.68%	93.45%	193.25%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	76.06%	75.82%	82.86%	68.55%
 <b><u>State Teachers Retirement System of Ohio</u></b>				
Career Center's Proportion of the Net Pension Liability	0.03026767%	0.02949375%	0.03095393%	0.03045624%
Career Center's Proportionate Share of the Net Pension Liability	\$6,518,123	\$6,556,498	\$3,957,739	\$7,369,326
Career Center's Covered-Employee Payroll	\$4,132,386	\$3,825,821	\$3,903,379	\$3,809,350
Career Center's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered-Employee Payroll	157.73%	171.37%	101.39%	193.45%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.02%	78.88%	87.80%	75.48%

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

2019	2018	2017	2016	2015	2014
0.03794980%	0.03692420%	0.03669100%	0.03957540%	0.04005780%	0.03936200%
\$2,270,603	\$2,114,717	\$2,192,206	\$2,896,554	\$2,285,737	\$1,992,088
\$1,262,936	\$1,155,893	\$1,176,600	\$1,228,964	\$1,204,939	\$1,362,468
179.79%	182.95%	186.32%	235.69%	189.70%	146.21%
70.85%	69.50%	69.50%	62.98%	69.16%	71.70%
0.03012592%	0.02975306%	0.02876989%	0.02943524%	0.03079162%	0.02913008%
\$6,662,166	\$6,542,030	\$6,834,349	\$9,852,862	\$8,509,903	\$7,085,444
\$3,882,136	\$3,661,114	\$3,229,093	\$3,151,107	\$3,191,050	\$3,657,077
171.61%	178.69%	211.65%	312.68%	266.68%	193.75%
77.40%	75.30%	75.30%	66.80%	72.10%	74.70%

**TRI-COUNTY CAREER CENTER**  
*Schedule of the Career Center's Proportionate Share of Net OPEB Liability*  
*Last Eight Measurement Periods (1)*

	2023	2022	2021	2020
<b><u>School Employees Retirement System of Ohio</u></b>				
Career Center's Proportion of the Net OPEB Liability	0.03079520%	0.03232210%	0.03419290%	0.03439090%
Career Center's Proportionate Share of the Net OPEB Liability	\$507,334	\$453,806	\$647,129	\$747,427
Career Center's Covered-Employee Payroll	\$1,206,629	\$1,249,207	\$1,213,143	\$1,270,971
Career Center's Proportionate Share of the Net OPEB Liability as a Percentage of it's Covered-Employee Payroll	42.05%	36.33%	53.34%	58.81%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	30.02%	30.34%	24.08%	18.17%
 <b><u>State Teachers Retirement System of Ohio</u></b>				
Career Center's Proportion of the Net OPEB Liability	0.03026767%	0.02949375%	0.03095393%	0.03045624%
Career Center's Proportionate Share of the Net OPEB Asset	\$588,664	\$763,691	\$652,638	\$535,268
Career Center's Proportionate Share of the Net OPEB Liability	\$0	\$0	\$0	\$0
Career Center's Covered-Employee Payroll	\$4,132,386	\$3,825,821	\$3,903,379	\$3,809,350
Career Center's Proportionate Share of the Net OPEB Liability/(Asset) as a Percentage of it's Covered-Employee Payroll	(14.25%)	(19.96%)	(16.72%)	(14.05%)
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	168.5%	230.7%	174.7%	182.1%

(1) Information prior to 2016 is not available.

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

2019	2018	2017	2016
0.03523160%	0.03449470%	0.03467400%	0.03467400%
\$886,001	\$956,976	\$930,559	\$988,337
\$1,262,936	\$1,155,893	\$1,176,600	\$1,228,964
70.15%	82.79%	79.09%	80.42%
15.57%	12.46%	12.46%	11.49%
0.03012592%	0.02975306%	0.02876989%	0.02876989%
\$498,958	\$478,101	\$0	\$0
\$0	\$0	\$1,122,495	\$1,538,621
\$3,882,136	\$3,661,114	\$3,229,093	\$3,151,107
(12.85%)	(13.06%)	34.76%	48.83%
174.7%	176.0%	47.10%	37.30%

**TRI-COUNTY CAREER CENTER**  
*Schedule of the Career Center Contributions*  
*School Employees Retirement System of Ohio*  
*Last Ten Fiscal Years*

	2024	2023	2022	2021
<b><u>Pension</u></b>				
Contractually Required Contributions	\$199,156	\$168,928	\$174,889	\$169,840
Contributions in Relation to the Contractually Required Contributions	<u>(199,156)</u>	<u>(168,928)</u>	<u>(174,889)</u>	<u>(169,840)</u>
Contribution Deficiency (Excess)	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
 Career Center Covered-Employee Payroll	 \$1,422,543	 \$1,206,629	 \$1,249,207	 \$1,213,143
Contributions as a Percentage of Covered-Employee Payroll	14.00%	14.00%	14.00%	14.00%
 <b><u>OPEB</u></b>				
Contractually Required Contributions (1)	\$0	\$0	\$0	\$0
Contributions in Relation to the Contractually Required Contributions	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Contribution Deficiency (Excess)	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
 Career Center Covered-Employee Payroll	 \$1,422,543	 \$1,206,629	 \$1,249,207	 \$1,213,143
Contributions as a Percentage of Covered-Employee Payroll	0.00%	0.00%	0.00%	0.00%

(1) Excludes surcharge amounts.

2020	2019	2018	2017	2016	2015
\$177,936	\$170,496	\$161,825	\$164,724	\$172,055	\$158,811
(177,936)	(170,496)	(161,825)	(164,724)	(172,055)	(158,811)
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
 \$1,270,971	 \$1,262,936	 \$1,155,893	 \$1,176,600	 \$1,228,964	 \$1,204,939
14.00%	13.50%	13.50%	14.00%	14.00%	13.18%
  \$0	  \$6,315	  \$5,994	  \$0	  \$0	  \$9,881
<u>0</u>	<u>(6,315)</u>	<u>(5,994)</u>	<u>0</u>	<u>0</u>	<u>(9,881)</u>
<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
 \$1,270,971	 \$1,262,936	 \$1,155,893	 \$1,176,600	 \$1,228,964	 \$1,204,939
0.00%	0.50%	0.50%	0.00%	0.00%	0.82%

**TRI-COUNTY CAREER CENTER**  
*Schedule of the Career Center Contributions*  
*State Teachers Retirement System of Ohio*  
*Last Ten Fiscal Years*

	2024	2023	2022	2021
<b><u>Pension</u></b>				
Contractually Required Contributions	\$605,179	\$578,534	\$535,615	\$546,473
Contributions in Relation to the Contractually Required Contributions	<u>(605,179)</u>	<u>(578,534)</u>	<u>(535,615)</u>	<u>(546,473)</u>
Contribution Deficiency (Excess)	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
Career Center Covered-Employee Payroll	\$4,322,707	\$4,132,386	\$3,825,821	\$3,903,379
Contributions as a Percentage of Covered-Employee Payroll	14.00%	14.00%	14.00%	14.00%
<b><u>OPEB</u></b>				
Contractually Required Contributions	\$0	\$0	\$0	\$0
Contributions in Relation to the Contractually Required Contributions	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Contribution Deficiency (Excess)	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
Career Center Covered-Employee Payroll	\$4,322,707	\$4,132,386	\$3,825,821	\$3,903,379
Contributions as a Percentage of Covered-Employee Payroll	0.00%	0.00%	0.00%	0.00%

2020	2019	2018	2017	2016	2015
\$533,309	\$543,499	\$512,556	\$452,073	\$441,155	\$446,747
(533,309)	(543,499)	(512,556)	(452,073)	(441,155)	(446,747)
<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
\$3,809,350	\$3,882,136	\$3,661,114	\$3,229,093	\$3,151,107	\$3,191,050
14.00%	14.00%	14.00%	14.00%	14.00%	14.00%
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0
<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
\$3,809,350	\$3,882,136	\$3,661,114	\$3,229,093	\$3,151,107	\$3,191,050
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**TRI-COUNTY CAREER CENTER**  
*Notes to the Supplementary Information*  
*For the Fiscal Year Ended June 30, 2024*

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**NOTE 1 – SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO**

**Pension**

*Changes in benefit terms:*

2014-2017: There were no changes in benefit terms for the period.

2018: The following were the most significant changes in benefit terms:

- The cost-of-living adjustment was changed from a fixed 3.00% to a cost-of-living adjustment that is indexed to CPI-W not greater than 2.5% with a floor of 0% beginning January 1, 2018.
- Under HB 49, the Board enacted a three-year COLA suspension for benefit recipients in calendar year 2018, 2019 and 2020.

2019: The following were the most significant changes in benefit terms:

- Under Senate Bill 8, the Board enacted a three-year COLA delay for future benefit recipients commencing benefits on or after April 1, 2018.

2020-2024: There were no changes in benefit terms for the period.

*Changes in assumptions:*

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

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

- Assumed rate of inflation was reduced from 3.25% to 3.00%
- Payroll Growth Assumption was reduced from 4.00% to 3.50%
- Assumed real wage growth was reduced from 0.75% to 0.50%
- Rates of withdrawal, retirement and disability were updated to reflect recent experience.
- Mortality among active members was updated to the following:
  - RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age setback for both males and females. The above rates represent the base rates used.
- Mortality among service retired members, and beneficiaries was updated to the following:
  - RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates.

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

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

- Assumed rate of inflation was reduced from 3.00% to 2.4%
- Payroll Growth Assumption was reduced from 3.5% to 3.25%

**TRI-COUNTY CAREER CENTER**  
*Notes to the Supplementary Information*  
*For the Fiscal Year Ended June 30, 2024*

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**NOTE 1 – SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO (Continued)**

- Mortality among active members was updated to the following:
  - PUB 2010 General Employee Amount Weighted Below Medium Healthy Retiree Mortality Table with fully generational projection and a five year age set-forward for both males and females. The above rates represent the base rates used.
- Mortality among service retired members, and beneficiaries was updated to the following:
  - PUB 2010 General Employee Amount Weighted Below Medium Healthy Retiree Mortality Table with fully generational projection with Scale BB, 105.5% of male rates, and 122.5% of female rates.

2023: The following changes were made to the actuarial assumptions as identified:

- Cost-of-Living Adjustments was increased from 2.00% to 2.50% for calendar year 2023.

2024: The following changes were made to the actuarial assumptions as identified:

- Cost-of-Living Adjustments was increased from 2.00% to 2.50% for calendar year 2024.

**Other Postemployment Benefits**

*Changes in benefit terms:*

2017-2024: There were no changes in benefit terms for the period.

*Changes in assumptions:*

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

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

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

- Discount rate used to measure the total OPEB liability at June 30, 2017 was 3.63 percent.
- Discount rate used to measure total OPEB liability prior to June 30, 2017 was 2.98 percent.

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

**TRI-COUNTY CAREER CENTER**  
*Notes to the Supplementary Information*  
*For the Fiscal Year Ended June 30, 2024*

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**NOTE 1 – SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO (Continued)**

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

- Assumed rate of inflation was reduced from 3.00% to 2.4%
- Payroll Growth Assumption was reduced from 3.5% to 1.75%
  
- Mortality among active members was updated to the following:
  - PUB 2010 General Employee Amount Weighted Below Medium Healthy Retiree Mortality Table with fully generational projection and a five year age set-forward for both males and females. The above rates represent the base rates used.
- Mortality among service retired members, and beneficiaries was updated to the following:
  - PUB 2010 General Employee Amount Weighted Below Medium Healthy Retiree Mortality Table with fully generational projection with Scale BB, 105.5% of male rates, and 122.5% of female rates.

2023: The following changes were made to the actuarial assumptions as identified:

- Cost-of-Living Adjustments was increased from 2.00% to 2.50% for calendar year 2023.

2024: The following changes were made to the actuarial assumptions as identified:

- Cost-of-Living Adjustments was increased from 2.00% to 2.50% for calendar year 2024.

**NOTE 2 - STATE TEACHERS RETIREMENT SYSTEM OF OHIO**

**Pension**

*Changes in benefit terms:*

2017-2024: There were no changes in benefit terms for the period.

*Changes in assumptions:*

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

- Long term expected rate of return was reduced from 7.75% to 7.45%,
- Inflation assumption was lowered from 2.75% to 2.50%,
- Payroll growth assumption was lowered to 3.00%,
- Total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation.
- Healthy and disabled mortality assumptions were updated to the following:
  - RP-2014 mortality tables with generational improvement scale MP-2016. Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

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

**TRI-COUNTY CAREER CENTER**  
*Notes to the Supplementary Information*  
*For the Fiscal Year Ended June 30, 2024*

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**NOTE 2 - STATE TEACHERS RETIREMENT SYSTEM OF OHIO (Continued)**

2022: Long term expected rate of return was reduced from 7.45% to 7.00%.

2023: Projected salary increases beginning rate changed from 12.50% to 8.50%.

2024: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

**Other Postemployment Benefits**

*Changes in benefit terms:*

2017: There were no changes in benefit terms for the period.

2018: The following were the most significant changes in benefit terms:

- The subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1% to 1.9% per year of service.
- Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries
- All remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019.
- Subsequent to the current measurement date, the date for discontinuing remaining Medicare Part B premium reimbursements is extended to January 2020.

2019: The following were the most significant changes in benefit terms:

- The subsidy multiplier for non-Medicare benefit recipients was increased from 1.9% to 1.944% per year of service effective January 1, 2019.
- The non-Medicare frozen subsidy base premium was increased effective January 1, 2019.
- All remaining Medicare Part B premium reimbursements will be discontinued beginning January 2021.

2020: The following were the most significant changes in benefit terms:

- The subsidy multiplier for non-Medicare benefit recipients was increased from 1.944% to 1.984% per year of service effective January 1, 2020.
- The non-Medicare frozen subsidy base premium was increased effective January 1, 2020.
- Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the Medicare Plan.
- Medicare Part B monthly reimbursements elimination date was postponed to January 1, 2021.

2021: The following were the most significant changes in benefit terms:

- The subsidy multiplier for non-Medicare benefit recipients was increased from 1.984% to 2.055% per year of service effective January 1, 2021.
- The non-Medicare frozen subsidy base premium was increased effective January 1, 2021.
- Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the Medicare Plan.
- Medicare Part B monthly reimbursements elimination date was postponed indefinitely.

2022 - 2024: There were no changes in benefit terms for the period.

*Changes in assumptions:*

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

**TRI-COUNTY CAREER CENTER**  
*Notes to the Supplementary Information*  
*For the Fiscal Year Ended June 30, 2024*

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**NOTE 2 - STATE TEACHERS RETIREMENT SYSTEM OF OHIO (Continued)**

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

- Discount rate was increased from 3.26% to 4.13%
- Long term expected rate of return was reduced from 7.75% to 7.45%.
- 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
- 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.

2019: The following were the most significant changes of assumptions that affected total pension liability since the prior measurement date:

- Discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45%
- Valuation year per capita health care costs were updated

2020-2021: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

2022: Discount rate was reduced from 7.45% to 7.00%.

2023: The following were the most significant changes of assumptions that affected total pension liability since the prior measurement date:

- Projected salary increases beginning rate changed from 12.50% to 8.50%.
- Health care cost trend rates were modified for medical and prescription drug costs.

2024: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

**TRI COUNTY CAREER CENTER  
ATHENS COUNTY**

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

<b>FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title</b>	<b>Federal AL Number</b>	<b>Pass Through Entity Identifying Number</b>	<b>Federal Expenditures</b>
<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	\$16,171
Cash Assistance:			
School Breakfast Program	10.553	2024	76,413
COVID-19 National School Lunch Program	10.555	2024	18,154
National School Lunch Program	10.555	2024	229,537
Cash Assistance Subtotal			324,104
Total Child Nutrition Cluster			<u>340,275</u>
Total U. S. Department of Agriculture			340,275
<b><u>U.S. DEPARTMENT OF TREASURY</u></b>			
<i>Passed-Through Ohio Facilities Construction Commission</i>			
COVID-19: Coronavirus State and Local Fiscal Recovery Funds	21.027	2022/2023/2024	<u>18,480</u>
Total U.S. Department of Treasury			18,480
<b><u>APPALACHIAN REGIONAL COMMISSION</u></b>			
<i>Passed-Through Muskingum University</i>			
Appalachian Area Development	23.002	PW-21441-TA-23	<u>5,835</u>
Total Appalachian Regional Commission			5,835
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>			
<i>Direct from Federal Government:</i>			
Federal Pell Grant Program	84.063	2023	11,911
		2024	<u>106,959</u>
Total Federal Pell Grant Program			118,870
COVID-19: Education Stabilization Fund			
<i>Passed Through Ohio Department of Education and Workforce</i>			
Governors Emergency Education Relief Fund	84.425C	2023	19,900
American Rescue Plan – Elementary and Secondary School Emergency Relief –Homeless Children and Youth	84.425W	2024	<u>1,866</u>
Total COVID-19: Education Stabilization Fund			21,766
Career and Technical Education - Basic Grants to States	84.048	2023	30,201
		2024	<u>265,223</u>
Total Career and Technical Education - Basic Grants to States			295,424
Total U.S. Department of Education			436,060

TRI COUNTY CAREER CENTER  
ATHENS COUNTY

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

**U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES**  
*Passed Through Athens County Department of Job and Family Services*

Temporary Assistance for Needy Families Program (477 Cluster)	93,558	2023	6,796
		2024	8,417
Total Temporary Assistance for Needy Families Program (477 Cluster)			<u>15,213</u>
Total U.S. Department of Health and Human Services			<u>15,213</u>
<b>Total Expenditures of Federal Awards</b>			<b><u>\$815,863</u></b>

The accompanying notes are an integral part of this Schedule.

**TRI-COUNTY CAREER CENTER  
ATHENS COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
2 CFR 200.510(b) (6)  
FOR THE FISCAL 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 Tri-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 assets, 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 that benefited from the use of those donated food commodities.

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65 East State Street  
Columbus, Ohio 43215  
ContactUs@ohioauditor.gov  
800-282-0370

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

Tri-County Career Center  
Athens County  
15676 State Route 691  
Nelsonville, Ohio 45764

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 Tri-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 February 24, 2025.

***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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings as item 2024-001 that we consider to be a material weakness.

Tri-County Career Center  
Athens County  
Independent Auditor's Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Required By *Government Auditing Standards*  
Page 2

### ***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*.

### ***Career Center's Response to Findings***

*Government Auditing Standards* requires the auditor to perform limited procedures on the Career Center's response to the finding identified in our audit and described in the accompanying Schedule of Findings and Corrective Action Plan. The Career Center's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### ***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

February 24, 2025



65 East State Street  
Columbus, Ohio 43215  
ContactUs@ohioauditor.gov  
800-282-0370

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

Tri-County Career Center  
Athens County  
15676 State Route 691  
Nelsonville, Ohio 45764

To the Board of Education:

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

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

We have audited the Tri-County Career Center, Athens County, Ohio (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 Tri-County Career Center's major federal program for the year ended June 30, 2024. Tri-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, the 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.

Tri-County career Center  
Athens County  
Independent Auditor's Report on Compliance with Requirements  
Applicable to the Major Federal Program and on Internal Control Over  
Compliance Required by the Uniform Guidance  
Page 3

Our 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

February 24, 2025

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TRI-COUNTY CAREER CENTER  
ATHENS COUNTY

SCHEDULE OF FINDINGS  
2 CFR § 200.515  
JUNE 30, 2024

1. SUMMARY OF AUDITOR'S RESULTS

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

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

FINDING NUMBER 2024-001

**Material Weakness – Financial Reporting**

In our audit engagement letter, as required by AU-C Section 210, Terms of Engagement, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16. Governmental Accounting Standards Board (GASB) Cod. 1100 paragraph .101 states a governmental accounting system must make it possible both: (a) to present fairly and with full disclosure the funds and activities of the governmental unit in conformity with generally accepted accounting principles, and (b) to determine and demonstrate compliance with finance-related legal and contractual provisions.

**TRI-COUNTY CAREER CENTER  
ATHENS COUNTY**

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

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

**FINDING NUMBER 2024-001  
(Continued)**

**Material Weakness – Financial Reporting (Continued)**

The annual financial report filed in the Hinkle System required audit adjustment for mispostings and compilation errors as follows:

- Certain receipts were classified incorrectly in the Adult Education Fund resulting in an increase to Federal and State Subsidies of \$16,036, a decrease in Tuition of \$15,601, and a decrease in Sales of \$435.
- Variances were identified related to Capital Assets in the Adult Education Fund resulting in a decrease in Depreciable Capital Assets, Net of \$27,374, an increase in Materials and Supplies of \$13,066, an increase in Depreciation of \$10,253, an increase in Loss on Sale of Capital Assets of \$4,055, an increase in Unrestricted Net Position of \$27,374, and a decrease in Investment of Capital Assets Net Position of \$27,374. Further, in the Governmental Activities, variances identified and the accrual of a contract payable in the wrong period resulted in a decrease in Contracts Payable of \$470,706, a decrease in Non-depreciable Capital Assets of \$470,706, an increase in Depreciable Capital Assets, Net of \$30,377, a decrease in Food Service of \$21,480, a decrease in Fiscal expense of \$2,628, a decrease in Administrative expense of \$6,269, an increase in Unrestricted net position of \$443,332, and a decrease in Investment in Capital Assets net position of \$443,332. In the modified accrual statements, this resulted in a decrease to Contracts Payable and Operation and Maintenance of Plant in the Career Technical Construction Fund.
- Receivable calculations contained errors resulting in a decrease in Intergovernmental Receivable and Deferred Inflow- Unavailable Revenue of \$60,350 in the Other Governmental Funds.
- The fund balance classification of Capital Projects Fund (fund 70) was not in accordance with GASB 54 as no formal resolution was passed stating the specific purpose of the funding resulting in an increase in Assigned fund balance and decrease in Committed fund Balance in Other Governmental Funds.

In addition to the items identified above, the Career Center's Notes to the Basic Financial Statements also required adjustment to account for these audit adjustments. These misstatements were caused by mistakes which were not identified during the review process. As a result, significant adjustments with which the Career Center's management agrees, were made to the financial statements and are reflected in the accompanying financial statements.

To ensure the Career Center's financial statements and notes to the financial statements are complete and accurate, the Treasurer, or other designated Career Center employee, should review the basic financial statements prior to filing those statements in the Hinkle System.

**Officials' Response: See Corrective Action Plan.**

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

**None**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS [AND QUESTIONED COSTS]**

**2 CFR 200.511(b)**

**JUNE 30, 2024**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2023-001	Material Weakness relating to Financial Reporting due to audit adjustments	Not Corrected	The Treasurer will monitor the work on the GAAP financial statements.

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## **CORRECTIVE ACTION PLAN**

**2 CFR § 200.511(c)**

**JUNE 30, 2024**

**Finding Number:**

2024-001

**Planned Corrective Action:**

The Treasurer will use more caution in the future when compiling records for the GAAP financial report, and review of the GAAP financial report.

**Anticipated Completion Date:**

May 1, 2025

**Responsible Contact Person:**

Treasurer/CFO Rodney Schilling

# OHIO AUDITOR OF STATE KEITH FABER



TRI-COUNTY CAREER CENTER

ATHENS COUNTY

## AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 2/27/2025

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

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