



OHIO AUDITOR OF STATE
KEITH FABER



**WARREN COUNTY CAREER CENTER
WARREN COUNTY
FOR THE YEAR ENDED JUNE 30, 2025**

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WARREN COUNTY
FOR THE YEAR ENDED JUNE 30, 2025**

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Warren County Career Center
Warren County
3529 N. State Route 48
Lebanon, Ohio 45036

To the Board of Education:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Warren County Career Center, Warren County, Ohio (Career Center), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Career Center's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Warren County Career Center, Warren County, Ohio as of June 30, 2025, and the respective changes in financial position 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.

Emphasis of Matter

As discussed in Note 22 to the financial statements, during 2025, the Career Center adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

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

Supplementary information


Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Career Center's basic financial statements. The and 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 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 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
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

December 18, 2025

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Warren County Career Center, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025

The discussion and analysis of Warren County Career Center's financial performance provides an overall review of the Center's financial activities for the fiscal year ended June 30, 2025. The intent of this discussion and analysis is to look at the Center's financial performance as a whole; readers should also review the notes to the basic financial statements and the basic financial statements to enhance their understanding of the Center's performance.

Financial Highlights

Key financial highlights for 2025 are as follows:

- Net position of governmental activities increased \$4,170,974 which represents a 42% increase from 2024.
- General revenues accounted for \$26,692,973 in revenue or 74% of all revenues. Program specific revenues in the form of charges for services and sales, operating grants and contributions accounted for \$9,548,964 or 26% of total revenues of \$36,241,937.
- The Center had \$32,070,963 in expenses related to governmental activities; \$9,548,964 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$26,692,973 were also used to provide for these programs.

Overview of the Financial Statements

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

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

Government-wide Financial Statements

While this document contains the large number of funds used by the Center to provide programs and activities, the view of the Center as a whole looks at all financial transactions and asks the question, "How did we do financially during 2025?" The Government-wide Financial Statements answers this question. These statements include *all assets and deferred outflows*, and *liabilities and deferred inflows* using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the Center's net position and changes in net position. This change in net position is important because it tells the reader that, for the Center as a whole, the financial position has improved or diminished. The causes of this change may be the result of many factors, both financial and non-financial. Non-financial factors include the Center's property tax base, current property tax laws in

Warren County Career Center, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025

Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

In the Government-wide Financial Statements, the overall financial position of the Center is presented in the following manner:

- **Governmental Activities** – Most of the Center's programs and services are reported here including instruction, support services, operation of non-instructional services, extracurricular activities and interest and fiscal charges.

Fund Financial Statements

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

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

The Career Center as a Whole

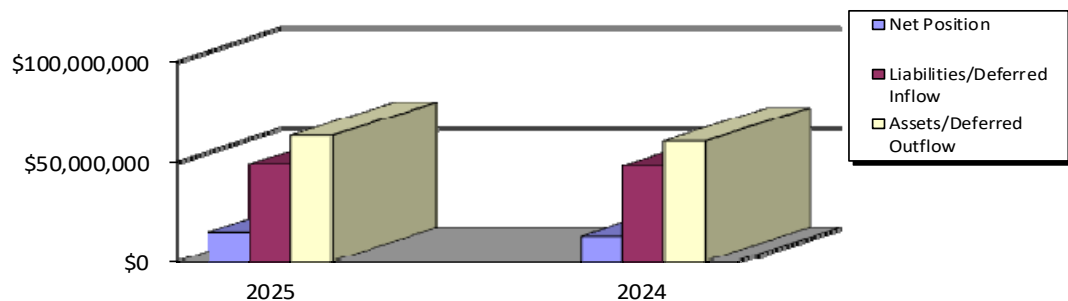
As stated previously, the Statement of Net Position looks at the Center as a whole. Table 1 provides a summary of the Center's net position for fiscal year 2025 compared to fiscal year 2024:

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Warren County Career Center, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025

Table 1
Net Position

	Governmental Activities	
	2025	2024
Assets:		
Current and Other Assets	\$37,100,916	\$32,796,592
Net OPEB Asset	1,517,630	1,480,361
Capital Assets	18,693,934	20,471,781
Total Assets	57,312,480	54,748,734
Deferred Outflows of Resources:		
OPEB	603,272	747,559
Pension	4,822,946	4,469,109
Total Deferred Outflows of Resources	5,426,218	5,216,668
Liabilities:		
Other Liabilities	1,924,154	2,470,413
Long-Term Liabilities	27,707,833	27,277,284
Total Liabilities	29,631,987	29,747,697
Deferred Inflows of Resources:		
Property Taxes	13,970,045	13,868,515
Grants and Other Taxes	191,122	217,004
OPEB	2,169,937	2,201,869
Pension	2,574,862	1,606,795
Total Deferred Inflows of Resources	18,905,966	17,894,183
Net Position:		
Net Investment in Capital Assets	14,171,277	15,390,910
Restricted	3,120,928	3,129,594
Unrestricted	(3,091,460)	(6,196,982)
Total Net Position	\$14,200,745	\$12,323,522



Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2025, the Center's assets and deferred outflows exceeded liabilities and deferred inflows of resources by \$14,200,745.

Warren County Career Center, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025

At year-end, capital assets represented 33% of total assets. Capital assets include land, construction in progress, land improvements, buildings and improvements, vehicles and equipment. Capital assets, net of related debt to acquire the assets at June 30, 2025, were \$14,171,277. These capital assets are used to provide services to the students and are not available for future spending. Although the Center's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the Center's net position, \$3,120,928 represents resources that are subject to external restriction on how they must be used. The external restriction will not affect the availability of fund resources for future use.

Total Assets increased slightly from fiscal year 2024 mainly due to an increase in taxes receivable, and equity in pooled cash and investments during fiscal year 2025. Capital Assets decreased from fiscal year 2024 mainly due to current year depreciation and disposals being more than current year additions. Total Liabilities decreased mainly due to a decrease in unearned revenue.

Table 2 shows the changes in net position for fiscal years 2025 and 2024.

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Warren County Career Center, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025

Table 2
Changes in Net Position

	Governmental Activities	
	2025	2024
Revenues:		
Program Revenues		
Charges for Services	\$2,405,052	\$2,603,898
Operating Grants, Contributions	7,143,912	6,251,302
General Revenues:		
Property Taxes	15,296,818	11,128,864
Grants and Entitlements	10,164,389	8,617,616
Other	1,231,766	1,064,248
Total Revenues	36,241,937	29,665,928
Program Expenses:		
Instruction	19,602,636	16,696,312
Support Services:		
Pupil and Instructional Staff	3,089,947	3,250,955
School Administrative, General		
Administration, Fiscal and Business	3,770,194	3,310,421
Operations and Maintenance	2,992,745	2,969,848
Pupil Transportation	332,252	260,209
Central	1,512,644	1,646,745
Operation of Non-Instructional Services	557,416	589,699
Extracurricular Activities	117,243	99,022
Interest and Fiscal Charges	95,886	103,358
Total Program Expenses	32,070,963	28,926,569
Change in Net Position	4,170,974	739,359
Net Position - Beginning of Year, Restated	10,029,771	11,584,163
Net Position - End of Year	\$14,200,745	\$12,323,522

The Center's revenues are mainly from two sources. Property taxes levied for general purposes and grants and entitlements comprised 70% of the Center's revenues for governmental activities.

The Center depends greatly on property taxes as a revenue source. The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenues generated by a levy will not increase solely as a result of inflation. As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 mill would pay \$35.00 annually in taxes. If three years later the home were reappraised and increased to \$200,000 (and this inflationary increase in value is comparable to other property owners) the effective tax rate would become .5 mills and the owner would still pay \$35.00.

Thus Ohio Schools do not receive additional property tax revenue from an increase in appraisal values and must regularly return to the voters to maintain a constant level of service.

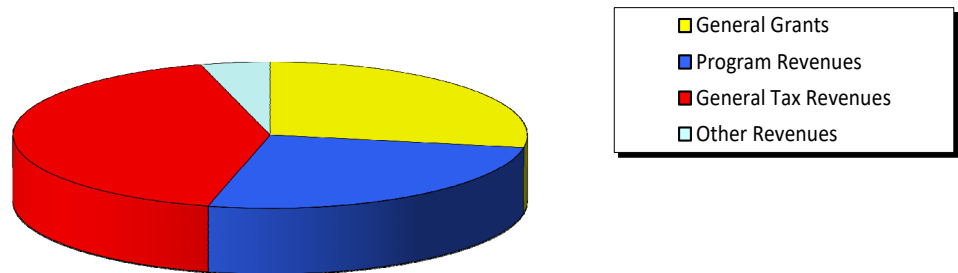
Property taxes made up 42% of revenues for governmental activities for the Center in fiscal year 2025.

Warren County Career Center, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025

The Center's reliance upon tax revenues is demonstrated by the following graph:

Governmental Activities
Revenue Sources

	2025	Percentage
General Grants	\$10,164,389	28%
Program Revenues	9,548,964	26%
General Tax Revenues	15,296,818	42%
Other Revenues	1,231,766	4%
Total Revenue Sources	\$36,241,937	100.0%



Instruction comprises 61% of governmental program expenses. Support services expenses were 36% of governmental program expenses. All other expenses were 3%.

Overall the financial position of the Center improved by \$4,170,974 from 2024 to 2025. Property tax revenue increased from prior year due to an increase in tax advances available from the county auditor. Grants and Entitlements increased in fiscal year 2025 as compared to fiscal year 2024 because the Center received more grant monies in 2025 compared to 2024. Total expenses increased primarily due to an increase in instruction expenses.

Governmental Activities

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

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Warren County Career Center, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2025	2024	2025	2024
Instruction	\$19,602,636	\$16,696,312	(\$12,221,302)	(\$10,132,696)
Support Services:				
Pupil and Instructional Staff	3,089,947	3,250,955	(2,379,273)	(2,555,629)
School Administrative, General				
Administration, Fiscal and Business	3,770,194	3,310,421	(3,209,805)	(2,821,182)
Operations and Maintenance	2,992,745	2,969,848	(2,987,383)	(2,932,238)
Pupil Transportation	332,252	260,209	(331,935)	(259,813)
Central	1,512,644	1,646,745	(1,009,211)	(990,705)
Operation of Non-Instructional Services	557,416	589,699	(209,389)	(219,629)
Extracurricular Activities	117,243	99,022	(77,815)	(56,119)
Interest and Fiscal Charges	95,886	103,358	(95,886)	(103,358)
Total Expenses	<u>\$32,070,963</u>	<u>\$28,926,569</u>	<u>(\$22,521,999)</u>	<u>(\$20,071,369)</u>

The Career Center's Funds

The Center has two major governmental funds: the General Fund and the Permanent Improvement Fund. Assets of the major funds comprised \$35,008,911 (94%) of the total \$37,372,697 governmental fund assets.

General Fund: Fund balance at June 30, 2025 was \$9,484,290, an increase in fund balance of \$1,080,566 from 2024. The fund balance increased due to total revenues being more than total expenses.

Permanent Improvement Fund: Fund balance at June 30, 2025 was \$9,565,119, an increase in fund balance of \$3,935,604 from 2024. The fund balance increased mostly due to an increase in interfund transfers in from 2024 to 2025.

General Fund Budgeting Highlights

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

During the course of fiscal year 2025, the Center amended its General fund budgets; however none were significant. The Center uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management. During the course of the year, the Center revised the Budgets in an attempt to deal with unexpected changes in revenues and expenditures.

For the General Fund, final budget basis revenue was \$29,088,084 compared to original budget estimates of \$27,794,928.

The Center's ending unobligated cash balance for the General Fund was \$8,635,438.

Warren County Career Center, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2025, the Center had \$18,693,934 invested in land, construction in progress, land improvements, vehicles, buildings and improvements, equipment, and leased assets. Table 4 shows fiscal year 2025 balances compared to fiscal year 2024:

Table 4
Capital Assets at Year End
(Net of Depreciation)

	Governmental Activities	
	2025	2024
Land	\$456,000	\$456,000
Land Improvements	552,975	604,156
Buildings and Improvements	14,708,433	14,554,019
Equipment	742,820	617,505
Construction in Progress	0	1,682,900
Vehicles	149,614	175,382
Leased Assets	2,084,092	2,381,819
Total Net Capital Assets	<u>\$18,693,934</u>	<u>\$20,471,781</u>

The decrease in capital assets is due to current year depreciation expense and disposals being more than additions.

See Note 7 to the basic financial statements for further details on the Center's capital assets.

Debt

At June 30, 2025, the Center had \$2,312,657 in general obligation bonds outstanding, \$278,854 due within one year. Table 5 summarizes debt outstanding:

Table 5
Outstanding Debt, at Year End

	Governmental Activities	
	2025	2024
General Obligation Bonds:		
2024 Energy Loan Fund Agreement	\$1,141,769	\$1,224,823
2021 Ohio Development Services Energy Loan	730,888	846,048
2020 General Obligation Bonds	275,000	325,000
2020 School Energy Conservation Bonds	165,000	195,000
Subtotal Bonds	<u>2,312,657</u>	<u>2,590,871</u>
Total Long-Term Obligations	<u>\$2,312,657</u>	<u>\$2,590,871</u>

**Warren County Career Center, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025**

See Note 12 in the notes to the basic financial statements for further details on the Center's outstanding debt.

Contacting the Center's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the Center's finances and to show the Center's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Office of the Treasurer, Warren County Career Center, 3529 N. SR 48, Lebanon, Ohio 45036.

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Warren County Career Center, Warren County, Ohio
Statement of Net Position
June 30, 2025

	Governmental Activities
Assets:	
Equity in Pooled Cash and Investments	\$21,406,411
Receivables (Net):	
Taxes	15,255,153
Accounts	89,325
Intergovernmental	287,997
Prepays	62,030
Nondepreciable Capital Assets	456,000
Depreciable Capital Assets, Net	18,237,934
Net OPEB Asset	1,517,630
Total Assets	57,312,480
Deferred Outflows of Resources:	
Pension	4,822,946
OPEB	603,272
Total Deferred Outflows of Resources	5,426,218
Liabilities:	
Accounts Payable	71,956
Accrued Wages and Benefits	1,552,011
Accrued Interest Payable	2,119
Unearned Revenue	298,068
Long-Term Liabilities:	
Due Within One Year	1,248,978
Due In More Than One Year	
Net Pension Liability	18,694,704
Net OPEB Liability	609,035
Other Amounts	7,155,116
Total Liabilities	29,631,987
Deferred Inflows of Resources:	
Property Taxes	13,970,045
Grants and Other Taxes	191,122
OPEB	2,169,937
Pension	2,574,862
Total Deferred Inflows of Resources	18,905,966
Net Position:	
Net Investment in Capital Assets	14,171,277
Restricted for:	
Capital Improvements	1,349,662
Food Service	14,545
Net OPEB Asset	1,517,630
Capital Projects	143,047
Other Purposes	96,044
Unrestricted	(3,091,460)
Total Net Position	\$14,200,745

See accompanying notes to the basic financial statements.

Warren County Career Center, Warren County, Ohio
Statement of Activities
For the Fiscal Year Ended June 30, 2025

		Program Revenues		Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities:				
Instruction:				
Regular	\$22,119	\$0	\$99,114	\$76,995
Special	342,206	91,257	0	(250,949)
Vocational	14,939,306	258,339	4,060,150	(10,620,817)
Adult/Continuing	3,215,482	970,645	1,889,969	(354,868)
Other	1,083,523	11,860	0	(1,071,663)
Support Services:				
Pupil	1,709,475	84,643	483,287	(1,141,545)
Instructional Staff	1,380,472	22,507	120,237	(1,237,728)
General Administration	43,386	0	0	(43,386)
School Administration	2,899,827	372,826	156,446	(2,370,555)
Fiscal	777,725	0	0	(777,725)
Business	49,256	21,919	9,198	(18,139)
Operations and Maintenance	2,992,745	0	5,362	(2,987,383)
Pupil Transportation	332,252	0	317	(331,935)
Central	1,512,644	320,588	182,845	(1,009,211)
Operation of Non-Instructional Services	557,416	211,040	136,987	(209,389)
Extracurricular Activities	117,243	39,428	0	(77,815)
Interest and Fiscal Charges	95,886	0	0	(95,886)
Totals	\$32,070,963	\$2,405,052	\$7,143,912	(22,521,999)

General Revenues:

Property Taxes Levied for:

General Purposes	15,296,818
Grants and Entitlements, Not Restricted	10,164,389
Revenue in Lieu of Taxes	191,122
Unrestricted Contributions	12,959
Investment Earnings	903,101
Other Revenues	<u>124,584</u>

Total General Revenues 26,692,973

Change in Net Position 4,170,974

Net Position-Beginning of Year, As Previously Reported 12,323,522

Change in Accounting Principle (2,293,751)

Net Position - Beginning of Year, Restated 10,029,771

Net Position - End of Year \$14,200,745

See accompanying notes to the basic financial statements.

Warren County Career Center, Warren County, Ohio
Balance Sheet
Governmental Funds
June 30, 2025

	General	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Assets:				
Equity in Pooled Cash and Investments	\$9,587,815	\$9,551,961	\$2,266,635	\$21,406,411
Receivables (Net):				
Taxes	15,255,153	0	0	15,255,153
Accounts	89,325	0	0	89,325
Intergovernmental	191,122	0	96,875	287,997
Interfund	258,623	13,158	0	271,781
Prepays	61,754	0	276	62,030
Total Assets	<u>25,443,792</u>	<u>9,565,119</u>	<u>2,363,786</u>	<u>37,372,697</u>
Liabilities:				
Accounts Payable	6,672	0	65,284	71,956
Accrued Wages and Benefits	1,509,764	0	42,247	1,552,011
Compensated Absences	111,027	0	0	111,027
Unearned Revenue	0	0	298,068	298,068
Interfund Payable	0	0	271,781	271,781
Total Liabilities	<u>1,627,463</u>	<u>0</u>	<u>677,380</u>	<u>2,304,843</u>
Deferred Inflows of Resources:				
Property Taxes	14,057,948	0	0	14,057,948
Grants and Other Taxes	191,122	0	96,875	287,997
Accounts	82,969	0	0	82,969
Total Deferred Inflows of Resources	<u>14,332,039</u>	<u>0</u>	<u>96,875</u>	<u>14,428,914</u>
Fund Balances:				
Nonspendable	61,754	0	276	62,030
Restricted	0	0	1,603,298	1,603,298
Assigned	2,209,135	9,565,119	111,461	11,885,715
Unassigned	7,213,401	0	(125,504)	7,087,897
Total Fund Balances	<u>9,484,290</u>	<u>9,565,119</u>	<u>1,589,531</u>	<u>20,638,940</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$25,443,792</u>	<u>\$9,565,119</u>	<u>\$2,363,786</u>	<u>\$37,372,697</u>

See accompanying notes to the basic financial statements.

Warren County Career Center, Warren County, Ohio
Reconciliation of Total Governmental Fund Balance to
Net Position of Governmental Activities
June 30, 2025

Total Governmental Fund Balance		\$20,638,940
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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.

Capital assets used in the operation of Governmental Funds		18,693,934
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Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.

Delinquent Property Taxes	\$87,903	
Intergovernmental	96,875	
Other Receivables	82,969	
		267,747

In the statement of net position interest payable is accrued when incurred; whereas, in the governmental funds interest is reported as a liability only when it will require the use of current financial resources.

(2,119)

Some liabilities reported in the statement of net position do not require the use of current financial resources and, therefore, are not reported as liabilities in governmental funds.

Compensated Absences		(3,770,410)
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Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds.

Deferred outflows of resources related to pensions	4,822,946	
Deferred inflows of resources related to pensions	(2,574,862)	
Deferred outflows of resources related to OPEB	603,272	
Deferred inflows of resources related to OPEB	(2,169,937)	
		681,419

Long-term liabilities and net OPEB assets are not available to pay for current period expenditures and are not due and payable in the current period and, therefore, are not reported in the funds.

Net OPEB Asset	1,517,630	
Net Pension Liability	(18,694,704)	
Net OPEB Liability	(609,035)	
Other Amounts	(4,522,657)	
		(22,308,766)

Net Position of Governmental Activities		\$14,200,745
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See accompanying notes to the basic financial statements.

Warren County Career Center, Warren County, Ohio
Statement of Revenues, Expenditures
and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended June 30, 2025

	General	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Revenues:				
Property and Other Taxes	\$15,584,483	\$0	\$0	\$15,584,483
Tuition and Fees	222,409	0	1,793,994	2,016,403
Investment Earnings	710,301	186,252	6,548	903,101
Intergovernmental	14,271,337	0	2,961,127	17,232,464
Extracurricular Activities	0	0	20,678	20,678
Charges for Services	134,791	0	210,174	344,965
Revenue in Lieu of Taxes	191,122	0	0	191,122
Other Revenues	143,120	0	17,428	160,548
Total Revenues	31,257,563	186,252	5,009,949	36,453,764
Expenditures:				
Current:				
Instruction:				
Regular	22,119	0	0	22,119
Special	340,661	0	0	340,661
Vocational	13,731,302	0	346,307	14,077,609
Adult/Continuing	29,371	0	3,143,536	3,172,907
Other	1,114,240	0	0	1,114,240
Support Services:				
Pupil	1,442,515	0	293,184	1,735,699
Instructional Staff	1,269,967	0	148,534	1,418,501
General Administration	44,736	0	0	44,736
School Administration	2,322,881	0	623,979	2,946,860
Fiscal	821,271	0	0	821,271
Business	0	0	36,113	36,113
Operations and Maintenance	2,357,468	574,648	5,362	2,937,478
Pupil Transportation	309,892	0	700	310,592
Central	634,529	0	576,187	1,210,716
Operation of Non-Instructional Services	76,030	0	513,979	590,009
Extracurricular Activities	98,462	0	18,781	117,243
Capital Outlay	31,565	0	15,999	47,564
Debt Service:				
Principal Retirement	558,214	0	0	558,214
Interest and Fiscal Charges	95,163	0	0	95,163
Total Expenditures	25,300,386	574,648	5,722,661	31,597,695
Excess of Revenues Over (Under) Expenditures	5,957,177	(388,396)	(712,712)	4,856,069
Other Financing Sources (Uses):				
Proceeds from Sale of Assets	22,389	0	0	22,389
Transfers In	0	4,324,000	575,000	4,899,000
Transfers (Out)	(4,899,000)	0	0	(4,899,000)
Total Other Financing Sources (Uses)	(4,876,611)	4,324,000	575,000	22,389
Net Change in Fund Balance	1,080,566	3,935,604	(137,712)	4,878,458
Fund Balance - Beginning of Year	8,403,724	5,629,515	1,727,243	15,760,482
Fund Balance - End of Year	\$9,484,290	\$9,565,119	\$1,589,531	\$20,638,940

See accompanying notes to the basic financial statements.

Warren County Career Center, Warren County, Ohio
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balance of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2025

Net Change in Fund Balance - Total Governmental Funds \$4,878,458

Amounts reported for governmental activities in the
statement of activities are different because:

Governmental funds report capital asset additions 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 of the difference between capital
asset additions and depreciation in the current period.

Capital assets used in governmental activities	\$70,168	
Depreciation Expense	(1,848,015)	
		(1,777,847)

Governmental funds report pension and OPEB contributions as
expenditures. However in the Statement of Activities, the cost
of pension and OPEB benefits earned net of employee contributions are
reported as pension and OPEB expense.

Pension contributions	2,291,600	
Cost of benefits earned net of employee contributions - Pensions	(1,326,091)	
OPEB contributions	17,137	
Cost of benefits earned net of employee contributions - OPEB	376,283	
		1,358,929

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

Delinquent Property Taxes	(287,665)	
Intergovernmental	75,838	
		(211,827)

Repayment of bond principal is an expenditure in the
governmental funds, but the repayment reduces long-term
liabilities in the statement of net position. 558,214

In the statement of activities interest expense is accrued when incurred;
whereas, in governmental funds an interest expenditure is reported
when due. (723)

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

Compensated Absences	(634,230)	

Change in Net Position of Governmental Activities	\$4,170,974	

See accompanying notes to the basic financial statements.

Warren County Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Note 1 - Description of the Career Center and Reporting Entity

Warren County Career Center (the "Center") is a distinct political subdivision of the State of Ohio operated under the direction of a seven member Board of Education. The Board of Education is not directly elected. The Board of Education is comprised of members of other elected boards or community members from those political subdivisions who, by charter, also serve as board members of the Warren County Career Center. None of the School Districts that appoint Board members are financially accountable for the Center nor do any appoint a voting majority of the Board.

The Center employs 108 certified, 59 classified, 15 administrative, 5 full time Adult Education along with 91 Adjunct Adult Education instructors who serve approximately 39 preschool students, 5,616 secondary students and 653 adult students and 45 OTC+ students. A vocational school exposes high school and adult students to academic preparation and job training which leads to employment and/or further education upon graduation from high school.

Reporting Entity

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

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

The Center is associated with one jointly governed organization. The organization is:

Jointly Governed Organizations:
Southwest Ohio Computer Association

This organization is discussed in Note 15.

Note 2 - Summary of Significant Accounting Policies

The financial statements of the 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 Center's accounting policies are described below.

Warren County Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the Center. The effect of interfund activity has been removed from these statements. *Governmental activities*, normally are supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or program are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or program. *Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or program and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis Of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Center considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences are recorded only when payment is due.

Property taxes, grants and entitlements, revenue in lieu of taxes, tuition, fees and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered measurable and available only when cash is received by the Center.

Fund Accounting

The Center uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Center employs the use of governmental funds.

Warren County Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Governmental Funds

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

The Center reports the following major governmental funds:

General Fund – The *general fund* is the Center’s primary operating fund. It accounts for all financial resources of the Center, except those required to be accounted for in another fund.

Permanent Improvement Fund – A fund provided to account for all transactions related to the acquiring, constructing, or improving of such permanent improvements

When both restricted and unrestricted resources are available for use, it is the Center’s policy to use the restricted resources first, then unrestricted resources as they are needed.

Cash and Cash Equivalents

To improve cash management, cash received by the Center is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the Center’s records. Each fund’s interest in the pool is presented as equity in pooled cash and investments on the statement of net position and fund balance sheets.

During the current fiscal year and at year-end, investments were limited to governmental sponsored agency securities, treasury notes, money market mutual funds, commercial paper, and CDs.

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 the current fiscal year amounted to \$710,301. Interest revenue credited to the Permanent Improvement amounted to \$186,252. Other governmental funds also received interest of \$6,548.

For purpose of the presentation on the statement of net position and fund balance sheets, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the Center are considered to be cash equivalents.

Inventory (Materials and Supplies)

Inventories are valued at lower of cost (first-in, first-out method) or market and are determined by physical count. Inventories consist of donated food and purchased food and are expensed when used. The balance is reported as a nonspendable fund balance on the governmental balance sheet.

Prepays

Payments made to vendors for services that will benefit periods beyond June 30, 2025 are recorded as

Warren County Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and expenditure/expense is reported in the year in which services are consumed.

Capital Assets

Capital assets, which include land, land improvements, buildings, equipment, and vehicles, are reported on the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if actual amounts were not available. Donated capital assets are recorded at estimated acquisition value at the date of donation. The Center reviewed possible infrastructure assets (roads, bridges, culverts, etc.) which could be required to be capitalized. The Center has no infrastructure assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Land improvements, buildings, equipment, and vehicles of the Center are depreciated using the straight line method over the following estimated useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>
Building and Building Improvements	50 years
Vehicles and Equipment	5 - 15 years

Leased Assets

A leased asset is a lessee's right to use an asset over the life of a lease. The asset is calculated as the initial amount of the lease liability, plus any lease payments made to the lessor before the lease commencement date, plus any initial direct costs incurred, minus any lease incentives received. The amortization period of the leased asset is from the lease commencement date to the earlier of the end of the lease term or the end of the useful life of the asset. At the termination of the lease, the leased asset and associated lease liability are removed from the books of the lessee. The difference between the two amounts is accounted for as a gain or loss at that time.

Interfund Assets/Liabilities

On fund financial statements, receivables and payables resulting from transaction-like activities between the Center's various funds are classified as interfund receivables/payables. These transactions are consolidated in the statement of net position.

Compensated Absences

The Center recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences – vacation and sick leave. The liability for compensated absences

Warren County Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

is reported as incurred in the government-wide financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Accrued Liabilities and Long-Term Obligations

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. Payments made more than sixty days after year-end are considered not to have used current available financial resources. OPEB, net pension liability, and long term notes payable are reported as a liability on the statement of net position. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures in the purchase funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Repayments from funds responsible for particular expenditures to the funds that initially paid for them are not presented on the financial statements.

Fund Balance

The Center reports the following fund balance categories:

Nonspendable – Nonspendable fund balance relates to the value of consumable inventories.

Restricted – Restricted fund balances relate to money received from local, state or federal grants.

Assigned – Assigned fund balances are balances the Center administration have specified the future use.

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

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

Net Position

Net position represents the difference between assets and deferred outflows against liabilities and deferred inflows in the statement of net position. Net investment in capital assets is calculated, net of accumulated depreciation and reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Center

Warren County Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Deferred Outflows/Deferred Inflows of Resources

In addition to assets, the statement 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) until then. For the Center, deferred outflows of resources includes pension and OPEB. These amounts are reported on the government-wide statement of net pension. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 9 and 10.

In addition to liabilities, the statement of net position reports 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 Center, deferred inflows of resources include pension, OPEB, accounts, grants and other taxes, and property taxes. Deferred inflows of resources related to pension and OPEB are reported on the government-wide statement of net position (see Notes 9 and 10). Delinquent property taxes and grants and entitlements received before the eligibility requirements are met are also recorded as deferred inflows of resources. On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred inflows of resources. On the statement of net position, property taxes for which there is an enforceable legal claim as of June 30, 2025, but which were levied to finance fiscal year 2026 operations, have been recorded as a deferred inflow. Grants and other taxes and accounts receivable have been recorded as deferred inflows on the governmental fund financial statements.

Pensions/Other Postemployment Benefits (OPEB)

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

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The entitlement value of donated commodities received during the year is reported in the fund financial statements as an expenditure with a like amount reported as intergovernmental revenue.

Exchange/Non-Exchange Transactions

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

Warren County Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Non-Exchange Transactions

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

Estimates

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

Note 3 – Accountability

At June 30, 2025 the following fund had deficit fund balances:

<u>Fund</u>	<u>Deficit</u>
Other Governmental Funds:	
Perkins Grant	\$86,868
Preschool	3,202
ABLE	35,222

The deficits resulted from adjustments for accrued liabilities. The general fund is liable for any deficit by providing operating transfers when cash is required, not when accruals occur.

Note 4 - Equity in Pooled Cash And Investments

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

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

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

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

Warren County Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

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

Protection of the Center's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

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. Except as noted above, an investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Center, and must be purchased with the expectation that it will be held to maturity.

Warren County Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the Center will not be able to recover deposits or collateral securities that are in the possession of an outside party. As of June 30, 2025, \$357,492 of the Center's bank balance of \$607,492 was exposed to custodial credit risk because it was uninsured and collateralized.

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

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

Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102% of the deposits being secured or a rate set by the Treasurer of State.

Investments

As of June 30, 2025, the Center had the following investments.

	Fair Value	Fair Value Hierarchy	Weighted Average Maturity (Years)
Federal Farm Credit Bank	\$1,298,445	Level 2	1.75
Federal Home Loan Mortgage Corporation	2,623,622	Level 2	1.73
Federal National Mortgage Association	1,339,836	Level 2	2.75
Federal Home Loan Bank	3,196,098	Level 2	2.31
Commercial Paper	363,224	Level 2	0.43
Treasury Notes	1,837,234	Level 2	3.98
Negotiable CDs	1,973,850	Level 2	0.30
Money Market Funds	8,329,679	N/A	0.00
Total Fair Value	<u>\$20,961,988</u>		
Portfolio Weighted Average Maturity			1.38

The Center categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. All investments of the Center are valued using quoted market prices.

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

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Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. It is the Center’s policy to limit its investments that are not obligations of the U.S. Government to investments which have the highest credit quality rating issues by nationally recognized statistical rating organizations. The Center’s investments in Federal Home Loan Mortgage Corporation, Federal Farm Credit Bank, Treasury Notes, Federal Home Loan Bank, and Federal National Mortgage Association were rated AAA by Standard & Poor’s and Fitch ratings and Aaa by Moody’s Investment Service. The Center’s investments in Commercial Paper was rated A-1+ by Standard & Poor’s ratings and P-1 by Moody’s Investment Service. Investments in STAROhio were rated AAAM by Standard & Poor’s. Negotiable CDs and Money Market Funds are not rated.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Center will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The governmental agency notes are exposed to custodial credit risk in that they are uninsured, unregistered, and held by the counterparty’s trust department or agent but not in the Center’s name. The Center has no investment policy dealing with investment custodial risk beyond the requirement in state statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

Concentration of Credit Risk – The Center places no limit on the amount it may invest in any one issuer. The Center’s investment in Federal Home Loan Mortgage Corporation Notes represents 13% of the total investments, the Certificate of Deposit represents 9% of the total investments, Federal Farm Credit Bank represents 6% of the total investments, Treasury Notes represents 9% of the total investments, Money Market Mutual Funds represents 40% of the total investments, the Federal National Mortgage Association represents 6% of total investments, Federal Home Loan Bank represents 15% of total investments, and Commercial Paper represents 2% of total investments.

Note 5 - Property Taxes

Property taxes include amounts levied against real, public utility and tangible personal (business) property. The assessed value, by property classification, upon which taxes collected in 2025 were based, is as follows:

	2024 Second Half Collections		2025 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/residential and other real estate	\$7,205,641	89.66%	\$8,055,171,310	95.37%
Public Utility	830,764	10.34%	391,124,070	4.63%
Total Assessed Value	<u>\$8,036,405</u>	<u>100.00%</u>	<u>\$8,446,295,380</u>	<u>100.00%</u>

Property taxes are levied and assessed on a calendar year basis. First half tax collections are received by the Center in the second half of the fiscal year. Second half distributions occur in a new fiscal year. Property taxes include amounts levied against all real and tangible personal (used in business) property located in the District. Real property taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. All property is required to be revalued every six years.

2025 tangible personal property taxes are levied after April 1, 2024, on the value as of December 31, 2024. Collections are made in 2025. Tangible personal property assessments are six and one quarter.

Warren County Career Center
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For the Fiscal Year Ended June 30, 2025

Real property taxes are payable annually or semi-annually. If paid annually, payment was due by February 27. If paid semi-annually, the first payment (at least one-half of amount billed) was due February 27, with the remainder due on July 24.

The county auditor remits portions of the taxes collected with periodic settlements of real and public utility property taxes in February and August and tangible personal property taxes in June and October to all taxing districts.

The Center received property taxes from the Warren County auditor. The county auditor periodically advances to the Center its portion of the taxes collected. Second-half real property tax payments collected by the county by June 30, 2025 are available to finance current fiscal year operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Note 6 – Receivables

Receivables at June 30, 2025, consisted of property taxes, accounts, interfund, and intergovernmental. 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 intergovernmental receivables follows:

<u>Fund</u>	<u>Amount</u>
General Fund:	\$191,122
Nonmajor Governmental Funds:	
Able Grant Fund	35,222
Perkins Grant	59,196
Preschool	2,457
Total	<u>\$287,997</u>

Note 7 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2025, was as follows:

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	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$456,000	\$0	\$0	\$456,000
Construction in Progress	1,682,900	0	1,682,900	0
<i>Capital Assets, being depreciated:</i>				
Land Improvements	1,231,897	0	0	1,231,897
Buildings and Improvements	30,829,130	1,362,003	0	32,191,133
Furniture, Fixtures and Equipment	7,675,481	391,065	400,258	7,666,288
Vehicles	596,218	0	0	596,218
Totals at Historical Cost	42,471,626	1,753,068	2,083,158	42,141,536
Less Accumulated Depreciation:				
Land Improvements	627,741	51,181	0	678,922
Building Improvements	16,275,111	1,207,589	0	17,482,700
Furniture, Fixtures and Equipment	7,057,976	265,750	400,258	6,923,468
Vehicles	420,836	25,768	0	446,604
Total Accumulated Depreciation	24,381,664	1,550,288	400,258	25,531,694
Governmental Activities Capital Assets, Net	\$18,089,962	\$202,780	\$1,682,900	\$16,609,842
Leased Assets:				
Building	3,275,000	0	0	3,275,000
Total Leased Asset, Being depreciated	3,275,000	0	0	3,275,000
Less: Accumulated Amortization	893,181	297,727	0	1,190,908
Total Leased Asset, net	2,381,819	(297,727)	0	2,084,092
Governmental Activities Capital Assets, Net	\$ 20,471,781	(94,947)	\$1,682,900	\$ 18,693,934

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Vocational	\$1,163,295
Adult Education	117,007
Support Services:	
Instructional Staff	4,630
School Administration	40,597
Business	15,615
Operations and Maintenance	87,280
Pupil Transportation	21,660
Central	394,111
Operation of Non-Instructional Services	3,820
Total Depreciation Expense	\$1,848,015

Warren County Career Center
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For the Fiscal Year Ended June 30, 2025

Note 8 - Risk Management

The 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 the fiscal year 2025, the Center contracted with EPC for general liability insurance with a \$1,000,000 single occurrence limit and a \$3,000,000 aggregate and property carrying a \$5,000 deductible and 100% coinsurance. Vehicles are also covered under a business policy with American Family Home Insurance Company which carries \$1,000 Comprehensive Deductible, \$500 Collision Deductible and a \$1,000,000 limit on liability with \$5,000 deductible for medical and \$1,000,000 Limit for Each Accident, uninsured motorists.

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

The Center provided an option for medical/surgical benefits (PPO administered by Anthem for health care coverage) and prescription coverage through CVS Caremark. The Center paid the following amounts:

For the PPO plan, the Center paid for Secondary Instruction staff \$2,473.38 per month for a family plan, \$1,779.87 for an employee and kids plan, or \$962.17 for single coverage and all other staff the Center paid \$2,803.16 per month for a family plan, \$2,017.19 for an employee and kids plan, or \$1,090.46 for single coverage for medical and prescription insurance through Anthem—Blue Access which represents eighty-five percent of the total premium.

For the HDHP plan, the Center paid for Secondary Instruction staff \$2,154.27 per month for a family plan, \$1,550.26 for an employee and kids plan, or \$838.07 for single coverage and all other staff the Center paid \$2,154.27 per month for a family plan, \$1,550.26 for an employee and kids plan, or \$838.07 for single coverage for medical and prescription insurance through Anthem – Blue Access which represents eighty-five percent of the total premium.

The Center paid \$15.62 for family coverage and \$6.71 for single coverage per month to EPC Vision Benefit Plan, which represents eighty-five percent of the premium required.

Dental insurance was provided by Delta Dental. The Center paid \$99.45 for family coverage and \$34.28 for single coverage for the in-network (HMO), which represents eighty-five percent of the total premium. The Center paid \$4.73 to EPC for Sun Life Insurance Company.

Note 9 - Defined Benefit Pension Plans

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

Net Pension Liability/Net OPEB Liability (Asset)

Pensions and OPEB are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions/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 pension/OPEB liability (asset) represent the Center's proportionate share of each pension/OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of

Warren County Career Center
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service, net of each pension/OPEB plan's fiduciary net position. The net pension/OPEB liability (asset) calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting these estimates annually.

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

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

The remainder of this note includes the required pension disclosures. See Note 10 for the required OPEB disclosures.

Plan Description - School Employees Retirement System (SERS)

Plan Description

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

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Age and service requirements for retirement are as follows:

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

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

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

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost-of-living adjustment (COLA) on the first anniversary date of the benefit. New benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. The COLA is indexed to the percentage increase in the CPI-W, not to exceed 2.5 percent and with a floor of 0 percent. A three-year COLA suspension was in effect for all benefit recipients for the years 2018, 2019, and 2020. The Retirement Board approved a 2.5 percent COLA for calendar year 2024.

Funding Policy

Plan members are required to contribute 10 percent of their annual covered salary and the 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, 2025, the allocation to pension, death benefits, and Medicare B was 14.0 percent. For fiscal year 2025, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The Center's contractually required contribution to SERS was \$396,358 for fiscal year 2025. Of this amount \$33,650 is reported as accrued wages and benefits.

Plan Description - State Teachers Retirement System (STRS)

Plan Description

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

Warren County Career Center
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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. The calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of credited service. Effective August 1, 2023, any member can retire with unreduced benefits with 34 years of services credit at any age; or five years of service credit and age 65. Effective June 1, 2025 - July 1, 2027, any member can retire with unreduced benefits with 33 years of service credit at any age; or five years of service credit and age 65. Effective on or after August 1, 2027, any member can retire with unreduced benefits with 34 years of service credit at any age; or five years of service credit and age 65.

In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent upon a determination by its actuary that it was necessary to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of living increases are not affected by this change. Effective July 1, 2022, an ad-hoc COLA of 3 percent of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2023 as long as they retired prior to July 1, 2018. Effective July 1, 2023, a permanent 1 percent COLA of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2024 as long as they retired prior to July 1, 2019.

Eligibility changes for DB Plan members who retire with actuarially reduced benefits effective August 1, 2023, can retire with 29 years of service credit at any age; or five years of service credit and age 60. Effective June 1, 2025 - July 1, 2027, retirement eligibility for reduced benefits is 28 years of service credit at any age; or five years of service credit and age 60. Effective on or after August 1, 2027, retirement eligibility for reduced benefits is 29 years of service credit at any age; or five years of service credit and age 60.

The DC Plan allows members to place all their member contributions and 11.09 percent of the 14 percent employer contributions into an investment account. The member determines how to allocate the member and employer money among various investment choices offered by STRS. The remaining 2.91 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

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

New members who choose the DC plan or Combined Plan will have another opportunity to reselect a permanent plan during their fifth year of membership. Members may remain in the same plan or transfer to another STRS plan. The optional annuitization of a member's defined contribution account or the

Warren County Career Center
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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 to apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. Eligible survivors of members who die before service retirement may qualify for monthly benefits. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy

Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The 2025 employer and employee contribution rate of 14 percent was equal to the statutory maximum rates. For 2025, the full employer contribution was allocated to pension.

The Center's contractually required contribution to STRS was \$1,895,242 for fiscal year 2025. Of this amount \$68,090 is reported as accrued wages and benefits.

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

The net pension liability (asset) was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Center's proportion of the net pension liability was based on the Center's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the Net Pension Liability:			
Current Measurement Date	0.06449990%	0.08000965%	
Prior Measurement Date	<u>0.07027040%</u>	<u>0.07611650%</u>	
Change in Proportionate Share	<u>-0.00577050%</u>	<u>0.00389315%</u>	
Proportionate Share of the Net Pension Liability	\$3,299,555	\$15,395,149	\$18,694,704
Pension Expense	\$133,435	\$1,192,656	\$1,326,091

At June 30 2025, reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	SERS	STRS	Total
<u>Deferred Outflows of Resources</u>			
Differences between expected and actual experience	\$125,974	\$969,492	\$1,095,466
Changes of assumptions	29,517	709,493	739,010
Changes in proportionate share and difference between employer contributions and proportionate share of contributions	0	696,870	696,870
Contributions subsequent to the measurement date	396,358	1,895,242	2,291,600
Total Deferred Outflows of Resources	<u>\$551,849</u>	<u>\$4,271,097</u>	<u>\$4,822,946</u>
<u>Deferred Inflows of Resources</u>			
Differences between expected and actual experience	\$0	\$8,430	\$8,430
Changes of assumptions	0	534,044	534,044
Net difference between projected and actual earnings on pension plan investments	206,385	1,323,670	1,530,055
Changes in proportionate share and difference between employer contributions and proportionate share of contributions	357,278	145,055	502,333
Total Deferred Inflows of Resources	<u>\$563,663</u>	<u>\$2,011,199</u>	<u>\$2,574,862</u>

\$2,291,600 reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date was recognized as a reduction of the net pension liability in the year ending June 30, 2026. 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
2026	(\$318,988)	(\$718,575)	(\$1,037,563)
2027	69,057	1,524,612	1,593,669
2028	(97,553)	(279,202)	(376,755)
2029	(60,688)	(162,179)	(222,867)
Total	<u>(\$408,172)</u>	<u>\$364,656</u>	<u>(\$43,516)</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

Warren County Career Center
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incorporate the potential effects of legal or contractual funding limitations. Future benefits for all current plan members were projected through 2137.

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2024, and compared with June 30, 2023, are presented below:

	June 30, 2024	June 30, 2023
Inflation	2.40%	2.40%
Future Salary Increases, including inflation	3.25% to 13.58%	3.25% to 13.58%
COLA or Ad Hoc COLA	2.0%, on or after April 1, 2018, COLAs for future retirees will be delayed for three years following commencement	2.0%, on or after April 1, 2018, COLAs for future retirees will be delayed for three years following commencement
Investment Rate of Return	7.0% net of system expenses	7.0% net of system expenses
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)	Entry Age Normal (Level Percent of Payroll)

Mortality rates were based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.2 percent for males and set forward 2 years and adjusted 81.35 percent for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

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

The long-term return expectation for the Pension Plan Investments has been determined by using a building-block approach and assumes a time horizon, as defined in SERS' Statement of Investment Policy. ORC 3309.15 and the SERS Board-adopted Investment Policy govern investment activity. 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 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. As of June 30, 2024:

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Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (geometric)
Cash	3 %	0.97 %
US Equity	22	4.68
Non-US Equity Developed	12	4.96
Non-US Equity Emerging	6	5.66
Fixed Income/Global Bonds	18	2.38
Private Equity	14	7.10
Real Estate	13	3.64
Infrastructure	7	4.80
Private Debt/Private Credit	5	5.86
Total	100 %	

Discount Rate

The total pension liability for 2024 was calculated using the discount rate of 7 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 20-year amortization period of the unfunded actuarial accrued liability. The actuarially determined contribution rate for fiscal year 2024 was 14 percent. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7 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 2024 was 9.31 percent.

Sensitivity of the 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 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 percent), or one percentage point higher (8 percent) than the current rate.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	\$5,047,862	\$3,299,555	\$1,827,574

Changes Between the Measurement Date and the Report Date

The pension information is measured as of June 30, 2024 (measurement date) and used for the fiscal year ending June 30, 2025 (reporting date). There were no changes between the measurement date and the reporting date.

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Actuarial Assumptions – STRS

Key methods and assumptions used in the June 30, 2024, actuarial valuation compared to those used in the June 30, 2023, actuarial valuation are presented below:

	June 30, 2024	June 30, 2023
Inflation	2.50%	2.50%
Salary increases	From 2.50% to 8.50% based on service	From 2.50% to 8.50% based on service
Investment Rate of Return	7 percent, net of investment expenses, including inflation	7% net of investments expense, including inflation
Discount Rate of Return	7 percent	7%
Payroll Increases	3 percent	3%
Cost-of-Living Adjustments (COLA)	0.0%, effective July 1, 2017	0.0%, effective July 1, 2017

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

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

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

Asset Class	Target Allocation *	Long-Term Expected Rate of Return **
Domestic Equity	26.00%	6.90%
International Equity	22.00	7.70
Alternatives	19.00	9.10
Fixed Income	22.00	4.50
Real Estate	10.00	5.10
Liquidity Reserves	1.00	2.40
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 2.4 percent, and is net of investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Discount Rate

The discount rate used to measure the total pension liability was 7 percent as of June 30, 2024. The projection of cash flows used to determine the discount rate assumes that member and employer

Warren County Career Center
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contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2024. Therefore, the long-term expected rate of return on pension plan investments of 7 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2024.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table presents the Center's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7 percent, as well as what the 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 percent) or one-percentage-point higher (8 percent) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	\$24,835,074	\$15,395,149	\$7,410,595

Changes Between the Measurement Date and the Report Date

At the April 2025 STRS Board meeting, they approved the following change:

1. Beginning July 1, 2025, approve a 1.5% cost-of-living increase be paid to eligible benefit recipients on their anniversary date in fiscal year 2026; and
2. Temporarily make thirty-two years of service credit the minimum requirement for unreduced benefits and adjust the years of service credit required for reduced retirement benefits to twenty-seven or more years of service credit at any age for the period effective June 1, 2025 through May 1, 2030, then temporarily make thirty-three years of service credit the minimum requirement for unreduced benefits and adjust the years of service credit required for reduced retirement benefits to twenty-eight or more years of service at any age from June 1, 2030 through May 1, 2032, with a return to a minimum of thirty-four years of service credit (twenty-nine years or more for reduced retirement benefits) effective June 1, 2032 going forward.

Any effect on the net pension liability is unknown.

Note 10 - Defined Benefit OPEB Plans

See Note 9 for a description of the net OPEB liability (asset).

Plan Description - School Employees Retirement System (SERS)

Health Care Plan Description

The Center contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. The following types of credit purchased after January 29, 1981, do not count toward health care coverage eligibility: military, federal, out-of-state, municipal, private school, exempted, and early retirement incentive credit. In addition to age

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and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Annual Comprehensive Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

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

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

Funding Policy

State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2025, no allocation was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2025, 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 2025, the Center's surcharge obligation was \$17,137.

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 Center's contractually required contribution to SERS was \$17,137 for fiscal year 2025.

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. Health care premiums were reduced by a Medicare Part B premium credit beginning in 2023. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

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Medicare Part D is a federal program to help cover the costs of prescription drugs for Medicare beneficiaries. This program allows STRS Ohio to recover part of the cost for providing prescription coverage since all eligible STRS Ohio health care plans include creditable prescription drug coverage.

Funding Policy

Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. All benefit recipients pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2025, STRS did not allocate any employer contributions to post-employment health care.

Net OPEB Liabilities (Assets), OPEB Expense (Income), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability (asset) was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of that date. The Center's proportion of the net OPEB liability (asset) was based on the 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:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the Net OPEB Liability/Asset:			
Current Measurement Date	0.05979750%	0.08000965%	
Prior Measurement Date	<u>0.06540680%</u>	<u>0.07611650%</u>	
Change in Proportionate Share	<u>-0.00560930%</u>	<u>0.00389315%</u>	
Proportionate Share of the:			
Net OPEB Liability	\$609,035	\$0	\$609,035
Net OPEB (Asset)	\$0	(\$1,517,630)	(\$1,517,630)
OPEB Expense	(\$57,358)	(\$318,925)	(\$376,283)

At June 30 2025, reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

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	SERS	STRS	Total
<u>Deferred Outflows of Resources</u>			
Differences between expected and actual experience	\$0	\$65,974	\$65,974
Changes of assumptions	261,397	186,799	448,196
Net difference between projected and actual earnings on OPEB plan investments	2,974	0	2,974
Changes in proportionate share and difference between employer contributions and proportionate share of contributions	62,518	6,473	68,991
Contributions subsequent to the measurement date	17,137	0	17,137
Total Deferred Outflows of Resources	<u>\$344,026</u>	<u>\$259,246</u>	<u>\$603,272</u>
<u>Deferred Inflows of Resources</u>			
Differences between expected and actual experience	\$656,698	\$163,552	\$820,250
Changes of assumptions	279,768	684,441	964,209
Net difference between projected and actual earnings on OPEB plan investments	0	65,162	65,162
Changes in proportionate share and difference between employer contributions and proportionate share of contributions	297,900	22,416	320,316
Total Deferred Inflows of Resources	<u>\$1,234,366</u>	<u>\$935,571</u>	<u>\$2,169,937</u>

\$17,137 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date was recognized as a reduction of the net OPEB liability (adjustment to net OPEB asset) in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30:	SERS	STRS	Total
2026	(\$172,255)	(\$232,057)	(\$404,312)
2027	(142,415)	(104,498)	(246,913)
2028	(124,841)	(133,213)	(258,054)
2029	(111,768)	(124,310)	(236,078)
2030	(110,873)	(101,152)	(212,025)
Thereafter	(245,325)	18,905	(226,420)
Total	<u>(\$907,477)</u>	<u>(\$676,325)</u>	<u>(\$1,583,802)</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.

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

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

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2024, compared with June 30, 2023, are presented below:

	June 30, 2024	June 30, 2023
Inflation	2.40%	2.40%
Future Salary Increases, including inflation	3.25% to 13.58%	3.25% to 13.58%
Investment Rate of Return	7.00% net of investment expense	7.00% net of investment expense
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)	Entry Age Normal (Level Percent of Payroll)
Fiduciary Net Position is Projected to be Depleted	2059	2048
Municipal Bond Index Rate:		
Measurement Date	3.93%	3.86%
Prior Measurement Date	3.86%	3.69%
Single Equivalent Interest Rate,		
Measurement Date	4.88%	4.27%
Prior Measurement Date	4.27%	4.08%
Health Care Cost Trend Rate:		
Medical Trend Assumption		
Measurement Date	7.00% to 4.40%	6.75% to 4.40%
Prior Measurement Date	6.75% to 4.40%	7.00% to 4.40%

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

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

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2016 through 2020, and was adopted by the Board on April 15, 2021. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a long-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.00 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The 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. As of June 30, 2024:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (geometric)
Cash	3.00 %	0.97 %
US Equity	22.00	4.68
Non-US Equity Developed	12.00	4.96
Non-US Equity Emerging	6.00	5.66
Fixed Income/Global Bonds	18.00	2.38
Private Equity	14.00	7.10
Real Estate	13.00	3.64
Infrastructure	7.00	4.80
Private Debt/Private Credit	5.00	5.86
Total	100.00 %	

Discount Rate

The discount rate used to measure the total OPEB liability at June 30, 2024, was 4.88 percent. The discount rate used to measure total OPEB liability prior to June 30, 2024, was 4.27 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the contribution rate of 1.50 percent of projected covered payroll each year, which includes a 1.50 percent payroll surcharge and no contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be depleted in 2059 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, 2023, and the June 30, 2024, total OPEB liability. The Municipal Bond Index Rate is the single rate that will generate a present value of benefit payments equal to the sum of the present value determined by the long-term expected rate of return, and the present value determined by discounting those benefits after the date of depletion. The Municipal Bond Index Rate was 3.93 percent at June 30, 2024, and 3.86 percent at June 30, 2023.

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Sensitivity of the 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 (3.88%) and higher (5.88%) than the current discount rate (4.88%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.0% decreasing to 3.4%) and higher (8.0% decreasing to 5.4%) than the current rate.

	1% Decrease (3.88%)	Current Discount Rate (4.88%)	1% Increase (5.88%)
District's proportionate share of the net OPEB liability	\$812,126	\$609,035	\$447,651
	1% Decrease (6.00% decreasing to 3.40%)	Current Trend Rate (7.00% decreasing to 4.40%)	1% Increase (8.00% decreasing to 5.40%)
District's proportionate share of the net OPEB liability	\$411,685	\$609,035	\$868,435

Changes Between the Measurement Date and the Report Date

The OPEB information is measured as of June 30, 2024 (measurement date) and used for the fiscal year ending June 30, 2025 (reporting date). There were no changes between the measurement date and the reporting date.

Actuarial Assumptions – STRS

Key methods and assumptions used in the June 30, 2024, actuarial valuation compared to the prior year are presented below:

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	June 30, 2024	June 30, 2023
Projected salary increases	Varies by service from 2.50% to 8.50%	Varies by service from 2.50% to 8.50%
Investment Rate of Return	7.00%, net of investment expenses, including inflation	7.00%, net of investment expenses, including inflation
Payroll Increases	3.00%	3.00%
Discount Rate of Return	7.00%	7.00%
Health Care Cost Trends		
Medical		
Pre-Medicare	7.50% initial 3.94% ultimate	7.50% initial 4.14% ultimate
Medicare	(112.22%) initial 3.94% ultimate	(10.94%) initial 4.14% ultimate
Prescription Drug		
Pre-Medicare	8.00% initial 3.94% ultimate	(11.95%) initial 4.14% ultimate
Medicare	(15.14%) initial 3.94% ultimate	1.33% initial 4.14% ultimate

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

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

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

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

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<u>Asset Class</u>	<u>Target Allocation *</u>	<u>Long-Term Expected Rate of Return **</u>
Domestic Equity	26.00%	6.90%
International Equity	22.00	7.70
Alternatives	19.00	9.10
Fixed Income	22.00	4.50
Real Estate	10.00	5.10
Liquidity Reserves	1.00	2.40
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 2.4 percent, and is net of investment expenses. Over a 30-year period, STRS investment consultant indicates that the above target allocations should generate a return above the actual rate of return, without net value added by management.

Discount Rate

The discount rate used to measure the total OPEB liability was 7.00 percent as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed STRS continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2024. Therefore, the long-term expected rate of return on health care plan investments of 7.00 percent was applied to all periods of projected health care costs to determine the total OPEB liability as of June 30, 2024.

Sensitivity of the Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate

The following table represents the net OPEB asset as of June 30, 2024, calculated using the current period discount rate assumption of 7 percent, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6 percent) or one percentage point higher (8 percent) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
District's proportionate share of the net OPEB asset	(\$1,233,934)	(\$1,517,630)	(\$1,764,508)

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
District's proportionate share of the net OPEB asset	(\$1,781,184)	(\$1,517,630)	(\$1,200,672)

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Changes Between the Measurement Date and the Report Date

At the May 2025 STRS Board meeting, the Board approved the following change: Increasing the health care subsidy for twenty-seven years of service to the maximum subsidy minus the subsidy for three years of service for anyone who retires between August 1, 2023, and July 1, 2032, effective June 1, 2025 through July 1, 2032. After that the maximum subsidy for Healthcare Plan participants who retire August 1, 2032 or later will align with the eligibility for unreduced pensions, and all others eligible for subsidies receive one less year of subsidy for each year below the minimum years of service required to receive unreduced subsidy at any age. Any effect on the net OPEB asset is unknown.

Note 11 - Compensated Absences

The criteria for determining vested vacation and sick leave components are derived from negotiated agreements and State laws. Eligible classified employees may earn up to ten to twenty days of vacation per year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees upon termination of employment. Teachers do not earn vacation time. Teachers, administrators and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 285 days. Upon retirement, payment shall be made for accrued but unused sick days on the basis of 25 percent of member's actual accumulated sick leave days to a maximum of 70 days.

Note 12 - Long-Term Liabilities

The changes in the Center's long-term obligations (non-current liabilities) during the year consist of the following:

	Restated Beginning Balance	Additions	Deductions	Ending Balance	Due In One Year
Governmental Activities:					
General Obligation Bonds:					
2024 Energy Loan Fund Agreement	\$1,224,823	\$0	\$83,054	\$1,141,769	\$83,262
2020 GO Bonds	325,000	0	50,000	275,000	50,000
2020 School Energy Conservative Bonds	195,000	0	30,000	165,000	30,000
2021 Ohio Development Services Agency Energy Loan	846,048	0	115,160	730,888	115,592
Subtotal Bonds and Notes	2,590,871	0	278,214	2,312,657	278,854
Leased Liability	2,490,000	0	280,000	2,210,000	285,000
Compensated Absences	3,138,180	743,257 *	0	3,881,437	685,124
Subtotal Bonds, Notes and Other Amounts	8,219,051	743,257	558,214	8,404,094	1,248,978
Net Pension Liability	20,274,443	0	1,579,739	18,694,704	0
Net OPEB Liability	1,077,541	0	468,506	609,035	0
Total Long-Term Obligations	<u>\$29,571,035</u>	<u>\$743,257</u>	<u>\$2,606,459</u>	<u>\$27,707,833</u>	<u>\$1,248,978</u>

*-net change

2021 Ohio Development Services Agency Energy Loan – On February 25, 2021 the Center issued \$1,188,952 in energy loans to finance capital improvements for the energy conservation project. The loan will mature on September 1, 2031.

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2020 GO Bonds – On May 15, 2020, the Center issued \$500,000 in general obligation bonds to finance capital improvements for the energy conservation project. The bonds will mature on December 1, 2029 and have an interest rate of 2.330%.

2020 School Energy Conservation Bonds – On May 15, 2020 the Center issued \$300,000 in bonds to finance the energy conservation project. The bonds will mature on December 1, 2029 and have an interest rate of 2.390%.

2023 Ohio Department of Development ELF Loan – On September 8, 2023 the Center issued \$1,224,823 in energy loans to finance capital improvements for energy efficiency upgrades to the main facilities in the Center. The loan will mature on September 1, 2038.

The Center is subject to a debt limit that is 9 percent of the full assessed valuation of taxable real property. At June 30, 2025 that amount was \$8,446,295,380. As of June 30, 2025, the total outstanding debt applicable to the limit was \$2,312,657 which is 0.30 percent of the total debt limit.

Leased liability will be paid from the General Fund. Compensated absences will be paid from the fund from which the person is paid which is typically the General Fund. Notes payable will be paid from the General fund. There is no repayment schedule for the net pension liability and net OPEB liability; however, employer pension and OPEB contributions are made from the fund benefitting from their service.

Fiscal Year Ending June 30	General Obligation Bonds		
	Principal	Interest	Total
2026	\$278,854	\$14,030	\$292,884
2027	284,497	11,795	296,292
2028	290,140	9,445	299,585
2029	290,787	6,971	297,758
2030	296,435	4,497	300,932
2031-2035	572,226	6,832	579,058
2036-2039	299,718	1,501	301,219
Total	<u>\$2,312,657</u>	<u>\$55,071</u>	<u>\$2,367,728</u>

Note 13 - Lease Liability – Leased Assets

The Center entered into a lease agreement with the City of Middletown and Miami University for the building known as the WCCC Atrium Campus located at 5757 Innovation Dr. Middletown, Ohio 45005. Annual rent payments for the lease are the bond payments issued to construct the building. The term of the lease is 20 years.

During the period, there were no outflows of resources recognized for variable payments not previously included in the measurement of the lease liability. Also, there were no outflows of resources recognized for other payments, such as residual value guarantees or termination penalties, not previously included in the measurement of the lease liability during the period. There were no commitments under leases before the commencement of the lease term.

Principal and interest amounts for the next five years and thereafter are as follows:

Warren County Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	\$285,000	\$71,568	\$356,568
2027	295,000	62,113	357,113
2028	305,000	52,048	357,048
2029	315,000	41,648	356,648
2030	325,000	30,666	355,666
2031-2032	685,000	26,181	711,181
	<u>\$2,210,000</u>	<u>\$284,224</u>	<u>\$2,494,224</u>

Note 14 - Interfund Transactions

Interfund balances at June 30, 2025, consist of the following individual receivables and payables and transfers in the governmental balance sheet (such amounts are removed from consolidated columns in the statement of net position):

	Interfund		Transfers	
	Receivable	Payable	In	Out
General Fund	\$258,623	\$0	\$0	\$4,899,000
Permanent Improvement	13,158	0	4,324,000	0
Other Governmental	0	271,781	575,000	0
Total All Funds	<u>\$271,781</u>	<u>\$271,781</u>	<u>\$4,899,000</u>	<u>\$4,899,000</u>

The interfund payables are expected to be repaid within one year. The Center is continuing to evaluate the user charges in adult education major fund to bring revenue generation in line with expenditures. The transfers are routine in nature with the majority of the money being transferred to the permanent improvement capital projects fund for the Center's share of the roof replacement cost.

Note 15 - Jointly Governed Organization

The Center is a participant in the Southwest Ohio Computer Association (SWOCA), which is a computer consortium. SWOCA is an association of public schools and educational service centers within the boundaries of Butler, Preble, and Warren Counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member Centers. The governing board of SWOCA consists of the superintendent (or the superintendent's designee) from each member district. The Center paid \$169,446 for services provided during the fiscal year. Financial information can be obtained from the fiscal agent, Butler Tech, 3603 Hamilton- Middletown Road, Hamilton, Ohio 45011.

Note 16 - Statutory Reserves

As stated in H.B. 412, the Center is required to maintain through reserves for capital acquisitions. A reserve represents resources whose use is limited because of contractual or statutory restrictions.

Warren County Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

	Capital Improvements
Set Aside Reserve Balance as of June 30, 2024	\$0
Current Year Set Aside Requirements	313,109
Qualified Disbursements	(692,570)
Set Aside Balance as of June 30, 2025	(379,461)

Although the Center had qualifying disbursements during the year that reduced the capital acquisition below zero, the amount is not carried forward to the next fiscal year.

Note 17 – Fund Balance Allocation

The Center has chosen to present to the consolidated summary of fund balance classification on the financial statements. The detail of those fund balance classifications are outlined below:

Fund Balances	General	Permanent Improvement	Non-Major Funds	Total
Nonspendable on:				
Prepays	\$61,754	\$0	\$276	\$62,030
Total Nonspendable	61,754	0	276	62,030
Restricted for:				
Student Activity	0	0	75,783	75,783
Pell Grant	0	0	16,476	16,476
Classroom Facilities Maintenance	0	0	1,349,662	1,349,662
Building	0	0	143,047	143,047
Student Scholarships	0	0	816	816
Other Grants	0	0	2,969	2,969
Food Service	0	0	14,545	14,545
Total Restricted	0	0	1,603,298	1,603,298
Assigned to:				
Encumbrances	820,831	0	0	820,831
Adult Education	0	0	111,461	111,461
Budgetary Resources	1,326,049	0	0	1,326,049
Permanent Improvement	0	9,565,119	0	9,565,119
Public School Funds	62,255	0	0	62,255
Total Assigned	2,209,135	9,565,119	111,461	11,885,715
Unassigned	7,213,401	0	(125,504)	7,087,897
Total Fund Balance	\$9,484,290	\$9,565,119	\$1,589,531	\$20,638,940

Warren County Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Note 18 – Contingencies

Grants

The Center received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Center at June 30, 2025.

Litigation

As of June 30, 2025, the Center did not have any pending litigation.

Note 19 – Center Foundation

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, additional ODE adjustments for fiscal year 2025 are not finalized. As a result, the impact of future FTE adjustments on the fiscal year 2025 financial statements is not determinable, at this time. Management believes this may result in either an additional receivable to, or a liability of, the Center.

Note 20 – Tax Abatements entered Into By Other Governments

Other governments entered into property tax abatement agreements with property owners under the Ohio Community Reinvestment Area (“CRA”) and Enterprise Zone Agreement (“EZA”) programs with the taxing districts of the Center. The CRA program is a directive incentive tax exemption program benefiting property owners who renovate or construct new buildings. Under this program, the other governments designated areas to encourage revitalization of the existing housing stock and the development of new structures. The EZA program is an economic development tool administered by municipal and county governments that provides real and personal property tax exemptions to businesses making investments in the community. Within the taxing districts of the Center, Warren County has entered into CRA and EZA agreements. Under these agreements the Center’s property taxes were reduced by \$149,160.

Note 21 – Related Party Disclosures

The Center has evaluated its financial transactions, arrangements, and relationships in accordance with the requirements of the U.S. Department of Education (34 CFR §668.23(d)(1)) and Auditor of State Technical Bulletin 2025-001, which extend beyond the disclosure requirements of GASB Codification Section 2250, Related Party Transactions.

Management has determined that, for the fiscal year ended June 30, 2025, the Center had no related party relationships, related entities, related party transactions, or related party outstanding balances that are required to be disclosed. Accordingly, no related party disclosures are presented in these financial statements.

Warren County Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Note 22 – Implementation of New Accounting Principles

New Accounting Principles

For fiscal year 2025, the Center implemented Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences, GASB Statement No. 102, Certain Risk Disclosures, and GASB Implementation Guide No. 2025-1.

GASB Statement No. 102 addresses the variety of risks that state and local governments face that could negatively affect the level of service they provide or their ability to meet obligations as they come due. Although governments are required to disclose information about their exposure to some of those risks, essential information about other risks that are prevalent among state and local governments is not routinely disclosed because it is not explicitly required. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The implementation of GASB Statement No. 102 did not have an effect on the financial statements of the Center.

GASB Implementation Guide No. 2025-1 includes providing clarity on a range of accounting issues for state and local governments. These topics under GASB Implementation Guide No. 2025-1 provisions were implemented and did not have an effect on the financial statements of the Center.

GASB Statement No. 101 sets out to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The implementation of GASB Statement No. 101 had the following effect on net position as reported June 30, 2024, by opinion unit affected:

	<u>Government-Wide</u>
	Governmental
	<u>Activities</u>
Net Position-Beginning of Year, as Previously Presented	\$12,323,522
Change in Accounting Principal- Adoption of GASB 101	<u>(2,293,751)</u>
Net Position-Beginning of Year, as Restated or Adjusted	<u><u>\$10,029,771</u></u>

REQUIRED SUPPLEMENTARY INFORMATION

Warren County Career Center
Required Supplementary Information
Schedule of the Career Center's Proportionate Share of the Net Pension Liability
School Employees Retirement System of Ohio
Last Ten Fiscal Years (1)

Year	Career Center's Proportion of the Net Pension Liability	Career Center's Proportionate Share of the Net Pension Liability	Career Center's Covered Payroll	Career Center's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2025	0.06449990%	\$3,299,555	\$2,703,079	122.07%	78.52%
2024	0.07027040%	3,882,802	2,787,814	139.28%	76.06%
2023	0.07557600%	4,087,738	2,823,193	144.79%	75.82%
2022	0.07569590%	2,792,959	2,612,829	106.89%	82.86%
2021	0.07341530%	4,855,843	2,573,779	188.67%	68.55%
2020	0.06806270%	4,072,311	2,334,933	174.41%	70.85%
2019	0.06266290%	3,588,820	2,018,059	177.84%	71.36%
2018	0.05904460%	3,527,784	1,973,286	178.78%	69.50%
2017	0.06015550%	4,402,828	1,868,207	235.67%	62.98%
2016	0.06311340%	3,601,312	1,863,703	193.23%	69.16%

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

See accompanying notes to the required supplementary information.

Warren County Career Center
Required Supplementary Information
Schedule of the Career Center's Contributions for Net Pension Liability
School Employees Retirement System of Ohio
Last Ten Fiscal Years

Year	Career Center's Contractually Required Contribution	Career Center's Contributions in Relation to the Contractually Required Contributions	Career Center's Contribution Deficiency (Excess)	Career Center's Covered Payroll	Career Center's Contributions as a Percentage of Covered Payroll
2025	\$396,358	(\$396,358)	\$0	\$2,831,129	14.00%
2024	378,431	(378,431)	0	2,703,079	14.00%
2023	390,294	(390,294)	0	2,787,814	14.00%
2022	395,247	(395,247)	0	2,823,193	14.00%
2021	365,796	(365,796)	0	2,612,829	14.00%
2020	360,329	(360,329)	0	2,573,779	14.00%
2019	315,216	(315,216)	0	2,334,933	13.50%
2018	272,438	(272,438)	0	2,018,059	13.50%
2017	276,260	(276,260)	0	1,973,286	14.00%
2016	261,549	(261,549)	0	1,868,207	14.00%

See accompanying notes to the required supplementary information

Warren County Career Center
Required Supplementary Information
Schedule of the Career Center's Proportionate Share of the Net Pension Liability
State Teachers Retirement System of Ohio
Last Ten Fiscal Years (1)

Year	Career Center's Proportion of the Net Pension Liability	Career Center's Proportionate Share of the Net Pension Liability	Career Center's Covered Payroll	Career Center's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2025	0.08000965%	\$15,395,149	\$12,044,264	127.82%	82.55%
2024	0.07611650%	16,391,641	11,205,986	146.28%	80.02%
2023	0.07671419%	17,053,661	10,920,429	156.16%	78.88%
2022	0.07814193%	9,991,147	10,500,421	95.15%	87.78%
2021	0.07543612%	18,252,857	10,088,829	180.92%	75.48%
2020	0.07479353%	16,540,140	9,582,907	172.60%	77.40%
2019	0.07250718%	15,942,701	9,061,000	175.95%	77.30%
2018	0.07050611%	16,748,878	7,796,686	214.82%	75.30%
2017	0.07152652%	23,942,082	7,951,907	301.09%	66.80%
2016	0.06972967%	19,271,241	7,273,407	264.95%	72.10%

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

See accompanying notes to the required supplementary information.

Warren County Career Center
Required Supplementary Information
Schedule of the Career Center's Contributions for Net Pension Liability
State Teachers Retirement System of Ohio
Last Ten Fiscal Years

Year	Career Center's Contractually Required Contribution	Career Center's Contributions in Relation to the Contractually Required Contributions	Career Center's Contribution Deficiency (Excess)	Career Center's Covered Payroll	Career Center's Contributions as a Percentage of Covered Payroll
2025	\$1,895,242	(\$1,895,242)	\$0	13,537,443	14.00%
2024	1,686,197	(1,686,197)	0	12,044,264	14.00%
2023	1,568,838	(1,568,838)	0	11,205,986	14.00%
2022	1,528,860	(1,528,860)	0	10,920,429	14.00%
2021	1,470,059	(1,470,059)	0	10,500,421	14.00%
2020	1,412,436	(1,412,436)	0	10,088,829	14.00%
2019	1,341,607	(1,341,607)	0	9,582,907	14.00%
2018	1,268,540	(1,268,540)	0	9,061,000	14.00%
2017	1,091,536	(1,091,536)	0	7,796,686	14.00%
2016	1,113,267	(1,113,267)	0	7,951,907	14.00%

See accompanying notes to the required supplementary information

Warren County Career Center
Required Supplementary Information
Schedule of the Career Center's Proportionate Share of the Net OPEB Liability
School Employees Retirement System of Ohio
Last Nine Fiscal Years (1) (2)

Year	Career Center's Proportion of the Net OPEB Liability	Career Center's Proportionate Share of the Net OPEB Liability	Career Center's Covered Payroll	Career Center's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2025	0.05979750%	\$609,035	\$2,703,079	22.53%	44.50%
2024	0.06540680%	1,077,541	2,787,814	38.65%	30.02%
2023	0.07122030%	999,940	2,823,193	35.42%	30.34%
2022	0.07081240%	1,340,183	2,612,829	51.29%	24.08%
2021	0.06999370%	1,521,192	2,573,779	59.10%	18.17%
2020	0.06475880%	1,628,548	2,334,933	69.75%	15.57%
2019	0.06022600%	1,670,832	2,018,059	82.79%	13.57%
2018	0.05663520%	1,519,940	1,973,286	77.03%	12.46%
2017	0.05719827%	1,630,362	1,868,207	87.27%	11.49%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2017 is not available.

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

See accompanying notes to the required supplementary information.

Warren County Career Center
Required Supplementary Information
Schedule of the Career Center's Contributions for Net OPEB Liability
School Employees Retirement System of Ohio
Last Ten Fiscal Years (1)

Year	Career Center's Contractually Required Contribution (2)	Career Center's Contributions in Relation to the Contractually Required Contributions	Career Center's Contribution Deficiency (Excess)	Career Center's Covered Payroll	Career Center's Contributions as a Percentage of Covered Payroll
2025	\$17,137	(\$17,137)	\$0	\$2,831,129	0.61%
2024	8,859	(8,859)	0	2,703,079	0.33%
2023	10,580	(10,580)	0	2,787,814	0.38%
2022	15,532	(15,532)	0	2,823,193	0.16%
2021	12,062	(12,062)	0	2,612,829	0.46%
2020	15,692	(15,692)	0	2,573,779	0.61%
2019	27,806	(27,806)	0	2,334,933	1.19%
2018	27,769	(27,769)	0	2,018,059	1.38%
2017	15,689	(15,689)	0	1,973,286	0.80%
2016	12,797	(12,797)	0	1,868,207	0.68%

(1) Includes surcharge.

See accompanying notes to the required supplementary information.

Warren County Career Center
Required Supplementary Information
Schedule of the Career Center's Proportionate Share of the Net OPEB (Asset)/Liability
State Teachers Retirement System of Ohio
Last Nine Fiscal Years (1) (2)

Year	Career Center's Proportion of the Net OPEB (Asset)/Liability	Career Center's Proportionate Share of the Net OPEB (Asset)/Liability	Career Center's Covered Payroll	Career Center's Proportionate Share of the Net OPEB (Asset)/Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB (Asset)/Liability
2025	0.08000965%	(\$1,517,630)	\$12,044,264	(12.60%)	158.01%
2024	0.07611650%	(1,480,361)	11,205,986	(13.21%)	168.52%
2023	0.07671419%	(1,986,385)	10,920,429	(18.19%)	230.73%
2022	0.07814193%	(1,647,559)	10,500,421	(15.69%)	174.73%
2021	0.07543612%	(1,325,789)	10,088,829	(13.14%)	182.13%
2020	0.07479353%	(1,238,760)	9,582,907	(12.93%)	174.74%
2019	0.07250718%	(1,165,116)	9,061,000	(12.86%)	176.00%
2018	0.07050611%	2,750,888	7,796,686	35.28%	47.10%
2017	0.07152652%	3,825,257	7,951,907	48.10%	37.30%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2017 is not available.

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

See accompanying notes to the required supplementary information.

Warren County Career Center
Required Supplementary Information
Schedule of the Career Center's Contributions for Net OPEB (Asset)/Liability
State Teachers Retirement System of Ohio
Last Ten Fiscal Years

Year	Career Center's Contractually Required Contribution	Career Center's Contributions in Relation to the Contractually Required Contributions	Career Center's Contribution Deficiency (Excess)	Career Center's Covered Payroll	Career Center's Contributions as a Percentage of Covered Payroll
2025	\$0	\$0	\$0	\$13,537,443	0.00%
2024	0	0	0	12,044,264	0.00%
2023	0	0	0	11,205,986	0.00%
2022	0	0	0	10,920,429	0.00%
2021	0	0	0	10,500,421	0.00%
2020	0	0	0	10,088,829	0.00%
2019	0	0	0	9,582,907	0.00%
2018	0	0	0	9,061,000	0.00%
2017	0	0	0	7,796,686	0.00%
2016	0	0	0	7,951,907	0.00%

See accompanying notes to the required supplementary information.

Warren County Career Center, Warren County, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2025

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$13,641,250	\$14,275,908	\$14,670,138	\$394,230
Revenue in lieu of taxes	177,718	185,986	191,122	5,136
Tuition and Fees	125,191	131,015	134,633	3,618
Investment Earnings	466,294	487,988	501,464	13,476
Intergovernmental	13,270,419	13,887,824	14,271,337	383,513
Other Revenues	114,056	119,363	122,659	3,296
Total Revenues	27,794,928	29,088,084	29,891,353	803,269
Expenditures:				
Current:				
Instruction:				
Regular	22,162	24,877	24,347	530
Special	312,601	350,886	343,417	7,469
Vocational	12,501,706	14,032,838	13,734,130	298,708
Other	963,666	1,081,690	1,058,665	23,025
Support Services:				
Pupil	1,299,998	1,459,213	1,428,152	31,061
Instructional Staff	1,347,401	1,512,422	1,480,228	32,194
General Administration	41,490	46,571	45,580	991
School Administration	2,125,197	2,385,478	2,334,700	50,778
Fiscal	764,783	858,449	840,176	18,273
Operations and Maintenance	2,552,886	2,865,548	2,804,551	60,997
Pupil Transportation	292,189	327,974	320,993	6,981
Central	586,912	658,793	644,770	14,023
Operation of Non-Instructional Services	73,124	82,080	80,333	1,747
Extracurricular Activities	95,174	106,830	104,556	2,274
Capital Outlay	356,885	400,594	392,067	8,527
Debt Service:				
Principal Retirement	253,249	284,265	278,214	6,051
Interest and Fiscal Charges	13,345	14,980	14,661	319
Total Expenditures	23,602,768	26,493,488	25,929,540	563,948
Excess of Revenues Over (Under) Expenditures	4,192,160	2,594,596	3,961,813	1,367,217
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	20,819	21,787	22,389	602
Advances (Out)	(161,117)	(180,850)	(177,000)	3,850
Transfers (Out)	(4,551,328)	(5,108,747)	(5,000,000)	108,747
Total Other Financing Sources (Uses)	(4,691,626)	(5,267,810)	(5,154,611)	113,199
Net Change in Fund Balance	(499,466)	(2,673,214)	(1,192,798)	1,480,416
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	9,828,236	9,828,236	9,828,236	0
Fund Balance - End of Year	\$9,328,770	\$7,155,022	\$8,635,438	\$1,480,416

See accompanying notes to the required supplementary information.

Warren County Career Center
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2025

Note 1 – Budgetary Process

All funds, except custodial funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriations 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 amount that the Board of Education may appropriate. The appropriation resolution is Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Board. The legal level of control has been established by Board at the fund level. Any budgetary modifications at this level may only be made by resolution of the Board of Education.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Career Center Treasurer. The amounts reported as the original budgeted amounts on the budgetary schedules reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary schedules reflect the amounts on the final amended certificate of estimated resources issued during the fiscal year 2025.

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

While the 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 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis) presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget 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. Outstanding year end encumbrances are treated as expenditures (budget basis) rather than 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.

The following tables summarize the adjustments necessary to reconcile the GAAP and budgetary basis statements for major funds with required budgetary supplemental information. Only the general and major special revenue funds are reported for comparison.

Warren County Career Center
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2025

Net Change in Fund Balance

	<u>General</u>
GAAP Basis	\$1,080,566
Revenue Accruals	(1,366,210)
Expenditure Accruals	194,747
Transfers Out	(101,000)
Advances Out	(177,000)
Encumbrances	(823,291)
Funds Budgeted Elsewhere	(610)
Budget Basis	<u><u>(\$1,192,798)</u></u>

Note 2 - Net Pension Liability

School Employees Retirement System (SERS)

Changes in Benefit Terms:

2025: Effective August 1, 2024, HB 33 established a Contribution-Based Benefit Cap (CBBC). Under this provision, a member's retirement allowance (and any survivor benefit derived from that allowance) will be limited if the calculated benefit under the statutory formula exceeds the CBBC amount.

2023-2024: There were no changes in benefit terms since the prior measurement period.

2022: Cost of Living Adjustments (COLA) increased from 0.50% to 2.50%.

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

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

2018: SERS changed from a fixed 3.00% annual increase to a Cost of Living Adjustments (COLA) based on the changed in the Consumer Price Index Index (CPI-W), with a cap of 2.50% and a floor of 0.00%.

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

Changes in Assumptions:

2023-2025: The following changes of assumptions affected the total pension liability since the prior measurement date:

- (1) Cost of Living Adjustments (COLA) was increased from 2.00% to 2.50% for calendar years 2025, 2024 and 2023.

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

- (1) The assumed rate of inflation was reduced from 3.00% to 2.40%,
- (2) Payroll growth assumption was reduced from 3.50% to 1.75%,
- (3) Assumed real wage growth was increased from 0.50% to 0.85%,
- (4) Cost of Living Adjustments (COLA) was reduced from 2.50% to 2.00%,
- (5) The discount rate was reduced from 7.50% to 7.00%,
- (6) Rates of withdrawal, compensation, participation, spouse coverage assumption, retirement, and

Warren County Career Center
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2025

- disability were updated to reflect recent experience, and,
- (7) Mortality among active members, service retirees and beneficiaries, and disabled members were updated.

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

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

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

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

State Teachers Retirement System (STRS)

Changes in Benefit Terms:

2025: In March 2024, the Board adopted a change in the service retirement eligibility requirements for both unreduced and actuarially reduced benefits. This change is effective for retirements beginning June 1, 2024. The change allows for unreduced retirement at 34 years of service indefinitely (was previously set to increase to 35 years beginning August 1, 2029). The change also allows for an actuarially reduced retirement at any age with 29 years of service.

2019-2024: There were no changes in benefit terms from the amounts reported for these fiscal years.

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

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

Changes in Assumptions:

2025: Retirement rates were extended to younger ages intended to ensure that the ranges in retirement eligibility impacted participants at such ages. Demographic assumptions were changed based on the actuarial experience study for the period July 1, 2015 through June 30, 2021.

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

2023: The following changes of assumptions affected the total pension liability since the prior

Warren County Career Center
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2025

measurement date:

- (1) Post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table:
 - a. Adjusted 110.0% for males, projected forward generationally using mortality improvement scale MP-2020
- (2) Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table:
 - a. Adjusted 95.0% for females, projected forward generationally using mortality improvement scale MP-2020
- (3) Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disable Annuitant Table:
 - a. Projected forward generationally using mortality improvement scale MP-2020
- (4) Projected salary increases changed from 2.50% to 12.50% to 2.50% to 8.50%

2022: There were changes in assumptions since the prior measurement date, which the discount rate was adjusted to 7.00% from 7.45%.

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

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

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

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

Note 3 - Net OPEB (Asset)/Liability

School Employees Retirement System (SERS)

Changes in Benefit Terms:

2025: The SERS Board increased the minimum compensation used for determining the health care surcharge from \$25,000 to \$30,000.

2024: Effective January 1, 2024, the non-Medicare disability health care subsidy amounts will change to reflect amounts equal to that of service retirees by years of service.

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

Changes in Assumptions:

2025: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

Warren County Career Center
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2025

- (1) Discount Rate:
 - Prior Measurement Date 4.27%
 - Measurement Date 4.88%
- (2) Municipal Bond Index Rate:
 - Prior Measurement Date 3.86%
 - Measurement Date 3.93%
- (3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:
 - Prior Measurement Date 4.27%
 - Measurement Date 4.88%
- (4) Health care trend rates were updated.
- (5) Fiduciary Net Position projected depletion changed from 2048 to 2059.

2024: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

- (1) Discount Rate:
 - Prior Measurement Date 4.08%
 - Measurement Date 4.27%
- (2) Municipal Bond Index Rate:
 - Prior Measurement Date 3.69%
 - Measurement Date 3.86%
- (3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:
 - Prior Measurement Date 4.08%
 - Measurement Date 4.27%
- (4) The assumption for percent of pre-Medicare eligible retirees who choose the Wraparound plan increased from 10% to 20%.
- (5) The health care trend assumption on retiree premiums was updated to not apply trend to the \$35 surcharge.
- (6) The morbidity factors were updated based on the Society of Actuaries' June 2013 research report Health Care Costs—From Birth to Death by Dale Yamamoto and from the ASOP 6 practice note developed by the American Academy of Actuaries.
- (7) An assumption was added to assume that 15% of pre-65 retirees who waive will elect coverage upon Medicare eligibility.

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

- (1) Discount Rate:
 - Prior Measurement Date 2.27%
 - Measurement Date 4.08%
- (2) Municipal Bond Index Rate:
 - Prior Measurement Date 1.92%
 - Measurement Date 3.69%
- (3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:
 - Prior Measurement Date 2.27%
 - Measurement Date 4.08%
- (4) Health care trend rates were updated.

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

- (1) Discount Rate:

Warren County Career Center
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2025

- | | | |
|--|------------------------|-------|
| | Prior Measurement Date | 2.63% |
| | Measurement Date | 2.27% |
- (2) Investment Rate of Return:
- | | | |
|--|------------------------|-------|
| | Prior Measurement Date | 7.50% |
| | Measurement Date | 7.00% |
- (3) Assumed Rate of Inflation:
- | | | |
|--|------------------------|-------|
| | Prior Measurement Date | 3.00% |
| | Measurement Date | 2.40% |
- (4) Payroll Growth Assumption:
- | | | |
|--|------------------------|-------|
| | Prior Measurement Date | 3.50% |
| | Measurement Date | 1.75% |
- (5) Assumed Real Wage Growth:
- | | | |
|--|------------------------|-------|
| | Prior Measurement Date | 0.50% |
| | Measurement Date | 0.85% |
- (6) Municipal Bond Index Rate:
- | | | |
|--|------------------------|-------|
| | Prior Measurement Date | 2.45% |
| | Measurement Date | 1.92% |
- (7) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:
- | | | |
|--|------------------------|-------|
| | Prior Measurement Date | 2.63% |
| | Measurement Date | 2.27% |
- (8) Rates of withdrawal, retirement and disability were updated to reflect recent experience.
- (9) Rate of health care participation for future retirees and spouses was updated to reflect recent.
- (10) Mortality among active members was updated to the following:
- a. PUB-2010 General Amount Weighted Below Median Employee mortality table.
- (11) Mortality among service retired members was updated to the following:
- a. PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females.
- (12) Mortality among beneficiaries was updated to the following:
- a. PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5% for males and adjusted 122.5% for females.
- (13) Mortality among disabled member was updated to the following:
- a. PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females.
- (14) Mortality rates are projected using a fully generational projection with Scale MP-2020.

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

- (1) Discount Rate:
- | | | |
|--|------------------------|-------|
| | Prior Measurement Date | 3.22% |
| | Measurement Date | 2.63% |
- (2) Municipal Bond Index Rate:
- | | | |
|--|------------------------|-------|
| | Prior Measurement Date | 3.13% |
| | Measurement Date | 2.45% |
- (3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:
- | | | |
|--|------------------------|-------|
| | Prior Measurement Date | 3.22% |
|--|------------------------|-------|

Warren County Career Center
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2025

Measurement Date	2.63%
------------------	-------

2020: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

- (1) Discount Rate:

Prior Measurement Date	3.70%
Measurement Date	3.22%
- (2) Municipal Bond Index Rate:

Prior Measurement Date	3.62%
Measurement Date	3.13%
- (3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:

Prior Measurement Date	3.70%
Measurement Date	3.22%

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

- (1) Discount Rate:

Prior Measurement Date	3.63%
Measurement Date	3.70%
- (2) Municipal Bond Index Rate:

Prior Measurement Date	3.56%
Measurement Date	3.62%
- (3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:

Prior Measurement Date	3.63%
Measurement Date	3.70%

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

- (1) Discount Rate:

Fiscal Year 2018	3.63%
Fiscal Year 2017	2.98%
- (2) Municipal Bond Index Rate:

Fiscal Year 2018	3.56%
Fiscal Year 2017	2.92%
- (3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:

Fiscal Year 2018	3.63%
Fiscal Year 2017	2.98%

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

- (1) The assumed rate of inflation was reduced from 3.25% to 3.00%,
- (2) Payroll growth assumption was reduced from 4.00% to 3.50%,
- (3) Assumed real wage growth was reduced from 0.75% to 0.50%,
- (4) Rates of withdrawal, retirement and disability were updated to reflect recent experience,
- (5) Mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females,

Warren County Career Center
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2025

- (6) Mortality among service retired members, and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, and
- (7) Mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

State Teachers Retirement System (STRS)

Changes in Benefit Terms:

2025: Healthcare trends were updated to reflect emerging claims and recoveries experience as well as benefit changes effective January 1, 2025. The larger Medicare trends for Years 2027 and 2028 reflect the assumed impact of the expiration of current Medicare Advantage contract on December 31, 2028.

2024: Healthcare trends were updated to reflect emerging claims and recoveries experience as well as benefit changes effective January 1, 2024. The change in the subsidy percentage and the base amount for all retiree Non-Medicare Eligible (NME) participants, from 2.2% per year in last year's valuation to 2.5% per year, capped at 75%, as well as the unfreezing of the NME subsidy, the removal of the 6% cap on the year over year subsidy increase for Medicare Eligible (ME) participants, the changes in deductible and office visits copays for Aetna's Medicare Advantage plan, and updates in the medical and PBM vendor contracts. In addition, there were benefit changes related to the change in eligibility for unreduced Pension benefits.

2023: Salary increase rates were updated based on the actuarial experience study for the period July 1, 2015 through June 30, 2021 and were changed from age based to service based. Healthcare trends were updated to reflect emerging claims and recoveries experience.

2022: The non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055% to 2.100%. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D subsidy was updated to reflect it is expected to be negative in CY2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

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

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

2019: The subsidy multiplier for non-Medicare benefit recipients was increased from 1.900% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased effective January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020. The Board is extending the current Medicare Part B partial

Warren County Career Center
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2025

reimbursement program for one year. Under this program, benefit recipients currently enrolled in the STRS Ohio Health Care Program and Medicare Part B receive \$29.90 per month to reimburse a portion of the Medicare Part B premium. The reimbursement was set to be reduced to \$0 beginning January 1, 2020. This impacts about 85,000 benefit recipients.

2018: The subsidy multiplier for non-Medicare benefit recipients was reduced from 2.10% to 1.90% per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2019.

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

Changes in Assumptions:

2025: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for this fiscal year.

2024: Healthcare trends were updated to reflect emerging claims and recoveries experience as well as benefit changes effective January 1, 2024. The change in the subsidy percentage and the base amount for all retiree Non-Medicare Eligible (NME) participants, from 2.2% per year in last year's valuation to 2.5% per year, capped at 75%, as well as the unfreezing of the NME subsidy, the removal of the 6% cap on the year over year subsidy increase for Medicare Eligible (ME) participants, the changes in deductible and office visits copays for Aetna's Medicare Advantage plan, and updates in the medical and PBM vendor contracts. In addition, there were benefit changes related to the change in eligibility for unreduced Pension benefits.

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

2022: There were changes in assumptions since the prior measurement date, which the discount rate was adjusted to 7.00% from 7.45%.

2021: There were changes in assumptions during the measurement year, which decreased the total OPEB liability by approximately \$0.26 billion. The assumption changes included changes in healthcare costs and trends.

2020: There were changes in assumptions during the measurement year, which increased the total OPEB liability by approximately \$0.04 billion. The assumption changes included changes in healthcare costs and trends.

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

2018: The discount rate was increased from 3.26% to 4.13% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB) and the long term expected rate of return was reduced from 7.75% 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 based on current data and the percentage of future disabled

Warren County Career Center
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2025

retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

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

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**WARREN COUNTY CAREER CENTER
WARREN COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025**

Federal Grant/ Pass Through Grantor Program Title	Assistance Listing Number	Pass Through Entity Number	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
<i>Passed Through Ohio Department of Education and Workforce:</i>			
Child Nutrition Cluster:			
Cash Assistance:			
School Breakfast Program	10.553	3L70	\$19,399
Non-Cash Assistance (Food Distribution):			
National School Lunch Program	10.555	3L60	13,057
Cash Assistance:			
National School Lunch Program	10.555	3L60	102,831
Total National School Lunch Program			115,888
Total Child Nutrition Cluster			135,287
Total U.S. Department of Agriculture			135,287
U.S. DEPARTMENT OF EDUCATION			
<i>Direct Program:</i>			
Student Financial Assistance Cluster:			
Federal Pell Grant Program	84.063	N/A	243,549
Federal Direct Student Loans	84.268	N/A	389,710
Total Student Financial Assistance Cluster			633,259
<i>Direct Program:</i>			
COVID - 19 HEERF Fund for the Improvement of Postsecondary Education (FIPSE) Formula Grant	84.425N	N/A	15,469
<i>Passed Through Ohio Department of Education:</i>			
COVID-19 American Rescue Plan Elementary and Secondary School Emergency Relief - Homeless Children and Youth	84.425W	N/A	16,085
Total Education Stabilization Fund			31,554
<i>Passed Through Ohio Department of Education and Workforce:</i>			
Adult Education - Basic Grants to States	84.002	3120	362,407
Career & Technical Education - Basic Grants to State	84.048	3L90	391,530
Total U.S. Department of Education			1,418,750
Total Expenditures of Federal Awards			\$1,554,037

See accompanying notes to the Schedule of Expenditures of Federal Awards.

**WARREN COUNTY CAREER CENTER
WARREN COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Warren County Career Center (the Career Center) under programs of the federal government for the fiscal year ended June 30, 2025. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Career Center, it is not intended to and does not present the financial position or changes in net position of the Career Center.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

The Career Center has elected not to use the 15-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 entitlement value. The Career Center allocated donated food commodities to the respective program that benefitted from the use of those donated food commodities.

OHIO AUDITOR OF STATE KEITH FABER

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

Warren County Career Center
Warren County
3529 N. State Route 48
Lebanon, Ohio 45036

To the Board of Education:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Warren County Career Center, Warren County, Ohio (the Career Center) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Career Center's basic financial statements and have issued our report thereon dated December 18, 2025, wherein we noted the Career Center adopted new accounting guidance in Governmental Accounting Standards Board Statement 101, *Compensated Absences*.

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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Career Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Career Center's internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

KEITH FABER
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

December 18, 2025



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

Warren County Career Center
Warren County
3529 N. State Route 48
Lebanon, Ohio 45036

To the Board of Education:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Warren County Career Center's, Warren County, (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 Warren County Career Center's major federal program for the year ended June 30, 2025. Warren 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, Warren County Career Center complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2025.

Basis for Opinion on the Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

Warren County Career Center

Warren Name

Independent Auditor's Report on Compliance with Requirements

Applicable to the Major Federal Program and on Internal Control Over Compliance

and on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Page 3

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

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

KEITH FABER
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

December 18, 2025

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**WARREN COUNTY CAREER CENTER
WARREN COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2025**

1. SUMMARY OF AUDITOR'S RESULTS

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

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

OHIO AUDITOR OF STATE KEITH FABER



WARREN COUNTY CAREER CENTER

WARREN COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 12/23/2025

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