



OHIO AUDITOR OF STATE  
**KEITH FABER**





**ASHTABULA COUNTY TECHNICAL AND CAREER CENTER**  
**ASHTABULA COUNTY**  
**JUNE 30, 2024**

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**ASHTABULA COUNTY TECHNICAL AND CAREER CENTER  
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JUNE 30, 2024**

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# OHIO AUDITOR OF STATE KEITH FABER

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## INDEPENDENT AUDITOR'S REPORT

Ashtabula County Technical and Career Center  
Ashtabula County  
1565 State Route 167  
Jefferson, Ohio 44047

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 Ashtabula County Technical and Career Center, Ashtabula County, Ohio (Career Center), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Career Center's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Ashtabula County Technical and Career Center, Ashtabula County, Ohio as of June 30, 2024, and the respective changes in financial position thereof and the respective budgetary comparisons for the General and Other Local Grants fund for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

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

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

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

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

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

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

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

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

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

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

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and schedules of 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 Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule 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 will also issue our report dated December 19, 2024, on our consideration of the Career Center's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Career Center's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Career Center's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State  
Columbus, Ohio

December 19, 2024

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## Ashtabula County Technical and Career Center

### *Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2024 Unaudited*

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As management of the Ashtabula County Technical and Career Center (the Career Center), we offer readers of the Career Center's financial statements this narrative overview and analysis of the financial activities of the Career Center for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with financial statements and notes to the basic financial statements to enhance their understanding of the Career Center's financial performance.

#### **Financial Highlights**

- Net position of governmental activities increased in fiscal year 2024. There was an increase in revenues and expenses for the year, with revenues outpacing expenses resulting in an increase in net position.
- The Career Center is committed to meeting the academic needs of their students. During fiscal year 2024, the Career Center's total expenses increased mainly due to increases in vocational and adult continuing instruction and student intervention services.

#### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Career Center's basic financial statements. The Career Center's basic financial statements are comprised of three components: (1) government-wide statements, (2) fund financial statements, and (3) notes to the basic financial statements.

***Government-wide Financial Statements*** The government-wide financial statements are designed to provide the reader with a broad overview of the Career Center's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Career Center's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Career Center is improving or deteriorating.

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

The government-wide financial statement distinguishes functions of the Career Center that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from those that are primarily supported through user charges (*business-type activities*). The Career Center has no business-type activities. The governmental activities of the Career Center include instruction, support services, extracurricular activities, operation of non-instructional services and interest and fiscal charges.

# Ashtabula County Technical and Career Center

## Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2024 Unaudited

**Fund Financial Statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Career Center, like the State and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. These fund financial statements focus on the Career Center's most significant funds. The Career Center's major governmental funds are the general fund, the other local grants special revenue fund and the permanent improvement capital projects fund. All of the funds of the Career Center are governmental.

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

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

### Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Table 1 provides a comparison of the Career Center's net position for fiscal year 2024 compared to fiscal year 2023.

Table 1  
Net Position  
Governmental Activities

	2024	2023	Change
<b>Assets</b>			
Current and Other Assets	\$19,755,058	\$15,501,577	\$4,253,481
Net OPEB Asset	858,876	1,172,807	(313,931)
Capital Assets	3,524,087	3,562,022	(37,935)
<i>Total Assets</i>	<u>24,138,021</u>	<u>20,236,406</u>	<u>3,901,615</u>
<b>Deferred Outflows of Resources</b>			
Pension	2,466,443	3,005,439	(538,996)
OPEB	483,220	305,566	177,654
<i>Total Deferred Outflows</i>	<u>\$2,949,663</u>	<u>\$3,311,005</u>	<u>(\$361,342)</u>

(continued)

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

Table 1  
Net Position  
Governmental Activities (continued)

	2024	2023	Change
<b>Liabilities</b>			
Current Liabilities	\$2,395,676	\$1,652,908	(\$742,768)
Long-Term Liabilities:			
Due Within One Year	106,715	128,443	21,728
Due in More than One Year:			
Net Pension Liability	12,104,888	12,705,123	600,235
Net OPEB Liability	761,736	692,515	(69,221)
Other Amounts Due in More Than One Year	631,334	605,943	(25,391)
<i>Total Liabilities</i>	<u>16,000,349</u>	<u>15,784,932</u>	<u>(215,417)</u>
<b>Deferred Inflows of Resources</b>			
Property Taxes	4,921,042	3,810,296	(1,110,746)
Pension	1,149,764	1,375,077	225,313
OPEB	1,428,677	1,763,516	334,839
<i>Total Deferred Inflows of Resources</i>	<u>7,499,483</u>	<u>6,948,889</u>	<u>(550,594)</u>
<b>Net Position</b>			
Net Investment in Capital Assets	3,524,087	3,562,022	(37,935)
Restricted for:			
Capital Improvements	5,473,892	1,851,183	3,622,709
OPEB Plan	858,876	239,782	619,094
Other Purposes	687,844	504,312	183,532
Unrestricted (Deficit)	<u>(6,956,847)</u>	<u>(5,343,709)</u>	<u>(1,613,138)</u>
<i>Total Net Position</i>	<u>\$3,587,852</u>	<u>\$813,590</u>	<u>\$2,774,262</u>

The net pension liability (NPL) is the largest liability reported by the Career Center at June 30, 2024. GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the “employment exchange” – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange; however, the Career Center is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

# Ashtabula County Technical and Career Center

## Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2024

Unaudited

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

Net position increased from fiscal year 2023 due to the increase in total assets outpacing the increase in total liabilities. Long-term liabilities decreased mainly due to a decrease in the net pension liability. Current liabilities increased due to more invoices being carried into the new fiscal year, thus increasing accounts payable.

In an effort to promote comparability with other governments, the Career Center updated its calculation of net position restricted for OPEB plans for fiscal year 2024. This change impacted the amounts presented as net position restricted for OPEB plans and unrestricted net position. GASB 100 does not require amounts prior to those presented in the basic financial statements to be updated for a change in accounting principle.

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

Table 2  
Change in Net Position  
Governmental Activities

	2024	2023	Change
<b>Revenues</b>			
<b><i>Program Revenues</i></b>			
Charges for Services and Sales	\$1,391,310	\$1,335,085	\$56,225
Operating Grants and Contributions	5,501,940	4,370,062	1,131,878
Capital Grants and Contributions	1,568,349	221,163	1,347,186
<b><i>Total Program Revenues</i></b>	<b>8,461,599</b>	<b>5,926,310</b>	<b>2,535,289</b>
<b><i>General Revenues</i></b>			
Property Taxes	5,205,826	4,637,683	568,143
Grants and Entitlements not Restricted	8,259,226	6,889,242	1,369,984
Investment Earnings	341,660	95,647	246,013
Miscellaneous	43,810	109,263	(65,453)
<b><i>Total General Revenues</i></b>	<b>13,850,522</b>	<b>11,731,835</b>	<b>2,118,687</b>
<b><i>Total Revenues</i></b>	<b>\$22,312,121</b>	<b>\$17,658,145</b>	<b>\$4,653,976</b>
			(continued)

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

Table 2  
Change in Net Position  
Governmental Activities (continued)

	2024	2023	Change
<b>Program Expenses</b>			
Current:			
Instruction	\$13,231,884	\$11,247,269	(\$1,984,615)
Support Services:			
Pupils and Instructional Staff	2,723,998	2,603,047	(120,951)
Board of Education, Administration, Fiscal and Business	1,797,781	1,833,524	35,743
Operation and Maintenance of Plant	1,235,886	1,200,876	(35,010)
Pupil Transportation	15,132	21,120	5,988
Central	138,141	136,160	(1,981)
Extracurricular Activities	54,194	51,796	(2,398)
Food Service Operations	340,843	282,395	(58,448)
<i>Total Program Expenses</i>	<u>19,537,859</u>	<u>17,376,187</u>	<u>(2,161,672)</u>
<i>Change in Net Position</i>	2,774,262	281,958	2,492,304
Net Position Beginning of Year	<u>813,590</u>	<u>531,632</u>	<u>281,958</u>
<i>Net Position End of Year</i>	<u><u>\$3,587,852</u></u>	<u><u>\$813,590</u></u>	<u><u>\$2,774,262</u></u>

***Governmental Activities***

The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenue generated by a voted levy does not increase solely as a result of inflation. It increases as a result of new construction or collection from a new voted levy. Although Career Centers and other School Districts experience inflationary growth in expenses, tax revenue does not keep pace with the increased expenses due to House Bill 920. 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 and the Career Center would collect the same dollar value the levy generated in the year it passed. The 10 percent rollback on all residential/agricultural property and the 2.5 percent rollback on all owner occupied homes would reduce the amount of taxes paid.

Thus, Career Center's dependence upon property taxes are hampered by a lack of revenue growth and must regularly return to the voters to maintain a constant level of service. Property tax revenues increased during fiscal year 2024.

Overall, the Career Center experienced an increase in program expenses from the prior fiscal year due to changes in assumptions and benefit terms related to pension and OPEB plans. Instruction expenses comprise the largest portion of all program expenses for the Career Center. These expenses pay for teacher salary and benefits, which increase at set levels every year through negotiated agreements.

## Ashtabula County Technical and Career Center

### *Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2024 Unaudited*

The statement of activities shows the cost of program services and the charges for services, grants, and contributions offsetting those services. Table 3 shows, for government activities, the total cost of services and the net cost of services for fiscal year 2024 compared to fiscal year 2023.

Table 3  
Total and Net Cost of Program Services  
Governmental Activities

	2024		2023	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction	\$13,231,884	\$6,548,330	\$11,247,269	\$7,152,581
Support Services:				
Pupils and Instructional Staff	2,723,998	1,854,392	2,603,047	1,738,701
Board of Education, Administration, Fiscal and Business	1,797,781	1,372,607	1,833,524	1,487,515
Operation and Maintenance of Plant	1,235,886	1,151,867	1,200,876	902,380
Pupil Transportation	15,132	15,132	21,120	21,120
Central	138,141	112,992	136,160	112,068
Extracurricular Activities	54,194	6,216	51,796	10,467
Food Service Operations	340,843	14,724	282,395	25,045
<i>Total Expenses</i>	<u>\$19,537,859</u>	<u>\$11,076,260</u>	<u>\$17,376,187</u>	<u>\$11,449,877</u>

The dependence upon general revenues for governmental activities is apparent as local property tax and grants and entitlements account for a majority of total revenues in fiscal year 2024.

### **Financial Analysis of the Government's Funds**

**Governmental Funds** Information about the Career Center's major funds starts with the balance sheet. These funds are accounted for using the modified accrual basis of accounting. The total governmental fund balance increased from the prior fiscal year. The net change in the governmental fund balance for the year was most significant in the general fund, other local grants special revenue fund and permanent improvement capital projects fund for fiscal year 2024.

A key factor in the decrease of fund balance for the general fund was a result of transfers to the permanent improvement capital projects fund. The transfer out was slightly offset by increases in property tax, intergovernmental and interest revenues due to a larger amount of property tax and intergovernmental monies receipted in for the fiscal year. The decrease in the other local grants special revenue fund was due to increases in student intervention and support services outpacing the increase in grant monies received during fiscal year 2024. The permanent improvement capital projects major fund increase was the result of the transfer in from the general fund plus property tax and contributions and donations revenues exceeding capital outlays.

### **General Fund Budgeting Highlights**

Budgeting is prescribed by the Ohio Revised Code. Essentially, the budget is the Career Center's appropriations which are restricted by the amounts of anticipated revenues certified by the Budget Commission in accordance with the Revised Code. During the course of fiscal year 2024, the Career Center amended its general fund budget numerous times to allow for insignificant amendments. Actual revenues received were slightly lower than the amount certified at the end of the year due to less interest revenue received than anticipated. Actual expenditures were less than final appropriations showing the Career Center working to keep costs below the budget.

## **Ashtabula County Technical and Career Center**

### *Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2024 Unaudited*

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

**Capital Assets** The Career Center's capital asset acquisitions during the fiscal year included land improvements, updated equipment throughout the Career Center for maintenance and instructional purposes and a new school bus. The decrease in capital assets was due to another year of depreciation and deletions exceeding additions. For fiscal year 2024, Ohio law required school districts to expend or otherwise reserve three percent of qualifying revenues and expenditures only for the purpose of capital improvements. For fiscal year 2024, this amounted to \$154,197. Additional information on the Career Center's capital assets and set aside requirement can be found in Notes 13 and 20 of the basic financial statements.

**Long-term Liabilities** For fiscal year 2024, the Career Center reported compensated absences, net pension liabilities and net OPEB liabilities. The Career Center's compensated absences overall liability increased. The net pension liability decreased and the net OPEB liability increased during the fiscal year. Additional information on the Career Center's long-term liabilities can be found in Note 16 of the basic financial statements.

#### **Current Financial Related Activities**

Ashtabula County Technical and Career Center is strong financially. As the preceding information shows, the Career Center heavily depends on its property taxpayers. The Career Center has passed two levies that will allow the continuation of its education programs. The Career Center has a total of 4.11 mills levied, a 3.81 Mill Current Expense Tax Levy and a 0.30 Mill Permanent Improvement Tax Levy, both of which are continuing millage as of June 30, 2024.

With the passage of these levies the Career Center has been able to continue its educational programs. However, financially the future is not without challenges. Some of the challenges include the unpredictable future of the State funding and the struggle to keep a competitive salary scale to retain quality personnel. Thus, management must diligently plan expenses, staying carefully within the Career Center's five-year forecast.

Any increases in property tax revenues, along with increases in State foundation payments, may help to keep up with increased costs. However, personal property tax has been phased out, there will be revenue reimbursement during a "hold-harmless period" and a new Commercial Activity Tax has been instituted. The enrollment is dependent on many factors and the Career Center must work hard to maintain its current enrollment, as they do not have a "captive audience" of automatic students enrolling.

Management needs to plan carefully and prudently to provide the resources to meet student needs over the next several years.

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

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the Career Center's finances and to show the Career Center's accountability for the money it receives. If you have questions about this report or need additional financial information contact Lindsey Elly, Treasurer at Ashtabula County Technical and Career Center, 1565 State Route 167, Jefferson, Ohio 44047.

# Ashtabula County Technical and Career Center

## Statement of Net Position

June 30, 2024

	Governmental Activities
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$13,330,606
Accrued Interest Receivable	24,266
Accounts Receivable	203,448
Intergovernmental Receivable	482,208
Inventory Held for Resale	10,187
Materials and Supplies Inventory	44,856
Prepaid Items	7,118
Property Taxes Receivable	5,652,369
Net OPEB Asset (See Note 22)	858,876
Nondepreciable Capital Assets	153,226
Depreciable Capital Assets, Net	3,370,861
<i>Total Assets</i>	<u>24,138,021</u>
<b>Deferred Outflows of Resources</b>	
Pension	2,466,443
OPEB	483,220
<i>Total Deferred Outflows of Resources</i>	<u>2,949,663</u>
<b>Liabilities</b>	
Accounts Payable	888,436
Accrued Wages and Benefits	1,287,167
Intergovernmental Payable	147,777
Unearned Revenue	72,296
Long-Term Liabilities:	
Due Within One Year	106,715
Due in More Than One Year:	
Net Pension Liability (See Note 21)	12,104,888
Net OPEB Liability (See Note 22)	761,736
Other Amounts Due in More Than One Year	631,334
<i>Total Liabilities</i>	<u>16,000,349</u>
<b>Deferred Inflows of Resources</b>	
Property Taxes	4,921,042
Pension	1,149,764
OPEB	1,428,677
<i>Total Deferred Inflows of Resources</i>	<u>7,499,483</u>
<b>Net Position</b>	
Net Investment in Capital Assets	3,524,087
Restricted for:	
Capital Improvements	5,473,892
OPEB Plan	858,876
Unclaimed Monies	1,968
Nursing Program	54,027
Cosmetology	35,885
Adult Continuing Instruction	112,638
Other Purposes	483,326
Unrestricted (Deficit)	(6,956,847)
<i>Total Net Position</i>	<u><u>\$3,587,852</u></u>

See accompanying notes to the basic financial statements



**Ashtabula County Technical and Career Center**  
*Statement of Activities*  
For the Fiscal Year Ended June 30, 2024

		Program Revenues			Net Revenue/(Expense) and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>Governmental Activities</b>					
Instruction:					
Regular	\$1,396,811	\$14,148	\$0	\$0	(\$1,382,663)
Special	1,043,801	176,744	211,293	0	(655,764)
Vocational	6,287,735	189,885	623,455	1,508,306	(3,966,089)
Adult/Continuing	2,624,465	678,269	1,507,877	0	(438,319)
Student Intervention Services	1,879,072	0	1,773,577	0	(105,495)
Support Services:					
Pupils	1,447,605	0	857,163	0	(590,442)
Instructional Staff	1,276,393	12,443	0	0	(1,263,950)
Board of Education	87,318	0	0	0	(87,318)
Administration	1,163,003	190,367	234,807	0	(737,829)
Fiscal	482,343	0	0	0	(482,343)
Business	65,117	0	0	0	(65,117)
Operation and Maintenance of Plant	1,235,886	11,829	12,147	60,043	(1,151,867)
Pupil Transportation	15,132	0	0	0	(15,132)
Central	138,141	14,385	10,764	0	(112,992)
Extracurricular Activities	54,194	28,431	19,547	0	(6,216)
Food Service Operations	340,843	74,809	251,310	0	(14,724)
<b>Totals</b>	<b>\$19,537,859</b>	<b>\$1,391,310</b>	<b>\$5,501,940</b>	<b>\$1,568,349</b>	<b>(11,076,260)</b>
<b>General Revenues</b>					
Property Taxes Levied for:					
General Purposes					4,726,132
Capital Outlay					479,694
Grants and Entitlements not Restricted to Specific Programs					8,259,226
Investment Earnings and Other Interest					341,660
Miscellaneous					43,810
<b>Total General Revenues</b>					<b>13,850,522</b>
Change in Net Position					2,774,262
<i>Net Position Beginning of Year</i>					<u>813,590</u>
<i>Net Position End of Year</i>					<u><u>\$3,587,852</u></u>

See accompanying notes to the basic financial statements

**Ashtabula County Technical and Career Center**

*Balance Sheet  
Governmental Funds  
June 30, 2024*

	General	Other Local Grants	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$6,489,551	\$291,114	\$4,491,245	\$2,056,728	\$13,328,638
Restricted Assets:					
Equity in Pooled Cash and Cash Equivalents	1,968	0	0	0	1,968
Property Taxes Receivable	5,137,226	0	515,143	0	5,652,369
Accounts Receivable	25,370	0	0	178,078	203,448
Intergovernmental Receivable	40,630	282,564	0	159,014	482,208
Prepaid Items	7,118	0	0	0	7,118
Interfund Receivable	694,371	0	0	0	694,371
Accrued Interest Receivable	24,266	0	0	0	24,266
Inventory Held for Resale	0	0	0	10,187	10,187
Materials and Supplies Inventory	43,649	0	0	1,207	44,856
<i>Total Assets</i>	<u>\$12,464,149</u>	<u>\$573,678</u>	<u>\$5,006,388</u>	<u>\$2,405,214</u>	<u>\$20,449,429</u>
<b>Liabilities</b>					
Accounts Payable	\$86,218	\$316,700	\$276,048	\$209,470	\$888,436
Accrued Wages and Benefits	1,114,575	17,717	0	154,875	1,287,167
Intergovernmental Payable	73,303	51,281	0	23,193	147,777
Interfund Payable	0	628,450	0	65,921	694,371
Unearned Revenue	0	0	0	72,296	72,296
<i>Total Liabilities</i>	<u>1,274,096</u>	<u>1,014,148</u>	<u>276,048</u>	<u>525,755</u>	<u>3,090,047</u>
<b>Deferred Inflows of Resources</b>					
Property Taxes	4,463,921	0	457,121	0	4,921,042
Unavailable Revenue	218,883	16,126	20,514	205,975	461,498
<i>Total Deferred Inflows of Resources</i>	<u>4,682,804</u>	<u>16,126</u>	<u>477,635</u>	<u>205,975</u>	<u>5,382,540</u>
<b>Fund Balances:</b>					
Nonspendable	52,735	0	0	1,207	53,942
Restricted	0	0	4,252,705	1,763,873	6,016,578
Assigned	2,731,658	0	0	0	2,731,658
Unassigned (Deficit)	3,722,856	(456,596)	0	(91,596)	3,174,664
<i>Total Fund Balances (Deficit)</i>	<u>6,507,249</u>	<u>(456,596)</u>	<u>4,252,705</u>	<u>1,673,484</u>	<u>11,976,842</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$12,464,149</u>	<u>\$573,678</u>	<u>\$5,006,388</u>	<u>\$2,405,214</u>	<u>\$20,449,429</u>

See accompanying notes to the basic financial statements

**Ashtabula County Technical and Career Center**  
*Reconciliation of Total Governmental Fund Balances to  
Net Position of Governmental Activities  
June 30, 2024*

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<b>Total Governmental Funds Balances</b>	<b>\$11,976,842</b>
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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.	3,524,087
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Other long-term assets are not available to pay for current-period expenditures and therefore are reported as unavailable revenue in the funds:

Delinquent Property Taxes	217,475
Intergovernmental	49,077
Charges for Services	25
Tuition and Fees	<u>194,921</u>

Total	461,498
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Long-term liabilities, such as compensated absences, are not due and payable in the current period and therefore are not reported in the funds.	(738,049)
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The net pension/OPEB liabilities/asset are not due and payable in the current period; therefore, the liabilities/asset and related deferred inflows/outflows are not reported in governmental funds:

Net OPEB Asset	858,876
Deferred Outflows - Pension	2,466,443
Deferred Outflows - OPEB	483,220
Net Pension Liability	(12,104,888)
Net OPEB Liability	(761,736)
Deferred Inflows - Pension	(1,149,764)
Deferred Inflows - OPEB	<u>(1,428,677)</u>

Total	<u>(11,636,526)</u>
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<i>Net Position of Governmental Activities</i>	<u><u>\$3,587,852</u></u>
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See accompanying notes to the basic financial statements

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

	General	Other Local Grants	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Property Taxes	\$4,732,993	\$0	\$486,296	\$0	\$5,219,289
Intergovernmental	8,260,091	2,760,893	60,043	4,274,873	15,355,900
Investment Earnings and Other Interest	341,660	0	0	0	341,660
Charges for Services	120,953	0	0	339,612	460,565
Tuition and Fees	102,886	0	0	713,144	816,030
Extracurricular Activities	0	0	0	28,431	28,431
Rentals	18,546	0	0	0	18,546
Contributions and Donations	1,230	850	0	20,825	22,905
Miscellaneous	42,348	0	0	1,462	43,810
<i>Total Revenues</i>	<u>13,620,707</u>	<u>2,761,743</u>	<u>546,339</u>	<u>5,378,347</u>	<u>22,307,136</u>
<b>Expenditures</b>					
Current:					
Instruction:					
Regular	1,432,090	0	0	0	1,432,090
Special	772,812	0	0	330,586	1,103,398
Vocational	4,894,181	0	0	829,649	5,723,830
Adult/Continuing	0	60,786	0	2,207,148	2,267,934
Student Intervention Services	0	1,866,450	0	12,622	1,879,072
Support Services:					
Pupils	572,765	785,310	0	119,412	1,477,487
Instructional Staff	1,246,937	0	0	39,670	1,286,607
Board of Education	90,873	0	0	0	90,873
Administration	695,157	144,015	0	326,228	1,165,400
Fiscal	479,941	0	10,124	0	490,065
Business	65,308	0	0	194	65,502
Operation and Maintenance of Plant	1,177,974	0	0	11,462	1,189,436
Pupil Transportation	13,166	0	0	0	13,166
Central	71,506	0	0	67,531	139,037
Extracurricular Activities	0	0	0	57,044	57,044
Food Service Operations	7,742	0	0	331,716	339,458
Capital Outlay	0	0	1,107,577	84,178	1,191,755
<i>Total Expenditures</i>	<u>11,520,452</u>	<u>2,856,561</u>	<u>1,117,701</u>	<u>4,417,440</u>	<u>19,912,154</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>2,100,255</u>	<u>(94,818)</u>	<u>(571,362)</u>	<u>960,907</u>	<u>2,394,982</u>
<b>Other Financing Sources (Uses)</b>					
Transfers In	0	0	3,000,000	348,117	3,348,117
Transfers Out	(3,348,117)	0	0	0	(3,348,117)
<i>Total Other Financing Sources (Uses)</i>	<u>(3,348,117)</u>	<u>0</u>	<u>3,000,000</u>	<u>348,117</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>(1,247,862)</u>	<u>(94,818)</u>	<u>2,428,638</u>	<u>1,309,024</u>	<u>2,394,982</u>
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>7,755,111</u>	<u>(361,778)</u>	<u>1,824,067</u>	<u>364,460</u>	<u>9,581,860</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$6,507,249</u>	<u>(\$456,596)</u>	<u>\$4,252,705</u>	<u>\$1,673,484</u>	<u>\$11,976,842</u>

See accompanying notes to the basic financial statements

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

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<b>Net Change in Fund Balances -Total Governmental Funds</b>	<b>\$2,394,982</b>
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*Amounts reported for governmental activities in the  
statement of activities are different because:*

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period:

Capital Asset Additions	403,716
Current Year Depreciation	<u>(400,668)</u>

Total	3,048
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Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.

(40,983)

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

Delinquent Property Taxes	(13,463)
Intergovernmental	(49,290)
Charges for Services	25
Tuition and Fees	<u>67,713</u>

Total	4,985
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Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

(3,663)

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

Pension	1,168,797
OPEB	<u>26,769</u>

Total	1,195,566
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Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liabilities/asset are reported as pension/OPEB expense in the statement of activities:

Pension	(882,245)
OPEB	<u>102,572</u>

Total	<u>(779,673)</u>
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<i>Change in Net Position of Governmental Activities</i>	<u><u>\$2,774,262</u></u>
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See accompanying notes to the basic financial statements

**Ashtabula County Technical and Career Center**  
*Statement of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Fiscal Year Ended June 30, 2024*

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$4,957,260	\$4,814,005	\$4,814,005	\$0
Intergovernmental	6,878,043	8,231,191	8,231,191	0
Interest	100,864	289,368	288,391	(977)
Charges for Services	25,178	71,589	71,726	137
Tuition and Fees	0	2,745	2,745	0
Rentals	18,546	18,546	18,546	0
Contributions and Donations	1,100	1,230	1,230	0
Miscellaneous	49,469	42,064	42,064	0
<i>Total Revenues</i>	<u>12,030,460</u>	<u>13,470,738</u>	<u>13,469,898</u>	<u>(840)</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	1,351,419	1,438,250	1,423,249	15,001
Special	815,001	770,422	770,422	0
Vocational	4,991,394	4,875,608	4,863,933	11,675
Support Services:				
Pupils	466,238	595,929	572,093	23,836
Instructional Staff	1,307,898	1,311,284	1,267,338	43,946
Board of Education	77,831	103,074	102,513	561
Administration	746,027	717,057	705,616	11,441
Fiscal	529,438	475,080	471,640	3,440
Business	70,071	66,720	65,710	1,010
Operation and Maintenance of Plant	1,225,918	1,308,351	1,270,247	38,104
Pupil Transportation	16,689	31,881	22,911	8,970
Central	78,993	76,315	74,777	1,538
Food Service Operations	8,825	9,910	8,413	1,497
<i>Total Expenditures</i>	<u>11,685,742</u>	<u>11,779,881</u>	<u>11,618,862</u>	<u>161,019</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>344,718</u>	<u>1,690,857</u>	<u>1,851,036</u>	<u>160,179</u>
<b>Other Financing Sources (Uses)</b>				
Advances In	0	831,860	831,860	0
Advances Out	0	0	(628,450)	(628,450)
Transfers Out	0	(3,370,566)	(3,366,373)	4,193
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>(2,538,706)</u>	<u>(3,162,963)</u>	<u>(624,257)</u>
<i>Net Change in Fund Balance</i>	<u>344,718</u>	<u>(847,849)</u>	<u>(1,311,927)</u>	<u>(464,078)</u>
<i>Fund Balance Beginning of Year</i>	<u>7,292,749</u>	<u>7,292,749</u>	<u>7,292,749</u>	<u>0</u>
<i>Prior Year Encumbrances Appropriated</i>	<u>148,360</u>	<u>148,360</u>	<u>148,360</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$7,785,827</u>	<u>\$6,593,260</u>	<u>\$6,129,182</u>	<u>(\$464,078)</u>

See accompanying notes to the basic financial statements

**Ashtabula County Technical and Career Center**  
*Statement of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Other Local Grants Fund*  
*For the Fiscal Year Ended June 30, 2024*

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
<b>Revenues</b>				
Intergovernmental	\$2,822,262	\$2,642,613	\$2,642,613	\$0
Contributions and Donations	1,341	850	850	0
<i>Total Revenues</i>	<u>2,823,603</u>	<u>2,643,463</u>	<u>2,643,463</u>	<u>0</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Adult/Continuing	38,438	70,497	70,497	0
Student Intervention Services	1,714,481	1,786,366	1,786,297	69
Support Services:				
Pupils	837,490	796,134	795,880	254
Administration	102,921	153,666	153,666	0
<i>Total Expenditures</i>	<u>2,693,330</u>	<u>2,806,663</u>	<u>2,806,340</u>	<u>323</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>130,273</u>	<u>(163,200)</u>	<u>(162,877)</u>	<u>323</u>
<b>Other Financing Sources (Uses)</b>				
Advances In	0	628,450	628,450	0
Advances Out	0	0	(642,180)	(642,180)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>628,450</u>	<u>(13,730)</u>	<u>(642,180)</u>
<i>Net Change in Fund Balance</i>	<u>130,273</u>	<u>465,250</u>	<u>(176,607)</u>	<u>(641,857)</u>
<i>Fund Balance Beginning of Year</i>	<u>14,648</u>	<u>14,648</u>	<u>14,648</u>	<u>0</u>
<i>Prior Year Encumbrances Appropriated</i>	<u>173,477</u>	<u>173,477</u>	<u>173,477</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$318,398</u>	<u>\$653,375</u>	<u>\$11,518</u>	<u>(\$641,857)</u>

See accompanying notes to the basic financial statements

## **Ashtabula County Technical and Career Center**

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

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### **Note 1 - Description of the Career Center**

Ashtabula County Technical and Career Center (the “Career Center”) is organized under Article VI, Section 2 of the Constitution of the State of Ohio. The Career Center operates under a seven member Board of Education. Membership is comprised of Board Members from the following school districts: Ashtabula Area City (2 representatives), Ashtabula County Educational Service Center (3 representatives), Conneaut Area City (1 representative), and Geneva Area City (1 representative). The Career Center provides job training leading to employment upon graduation from high school. The Career Center fosters cooperative relationships with business and industry, professional organizations, participating Career Centers, and other interested, concerned groups and organizations to consider, plan and implement education programs designed to meet the common needs and interests of students.

The Career Center was established in 1965 through the consolidation of existing land areas and Career Centers. The Career Center serves Ashtabula County. It is located in Ashtabula County. It is staffed by 47 non-certified employees, 77 certified full-time teaching personnel and 9 administrators who provide services to 2,221 students and many other community members. The Career Center currently operates five instructional buildings and a bus garage.

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

Since the Career Center does not have a separately elected governing board and does not meet the definition of a component unit, it is classified as a stand alone government under the provisions of Governmental Accounting Standards Board Statement 14, “The Financial Reporting Entity.”

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

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

The Career Center is associated with a jointly governed organization, an insurance purchasing pool and two shared risk pools. These organizations are the Northeast Ohio Management Information Network, the Ohio Association of School Business Officials Workers’ Compensation Group Retrospective Rating Program, the Ohio School Plan and the Ashtabula County Schools Council of Governments. These organizations are presented in Notes 18 and 19 to the basic financial statements.



## Ashtabula County Technical and Career Center

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2024*

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

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

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

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

***Government-wide Financial Statements*** The statement of net position and the statement of activities display information about the Career Center as a whole. These statements include the financial activities of the primary government. The statements usually distinguish between those activities of the Career Center that are governmental and those that are considered business-type activities. The Career Center, however, has no business-type activities.

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

***Fund Financial Statements*** During the fiscal year, the Career Center segregates transactions related to certain Career Center functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Career Center at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

#### ***Fund Accounting***

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

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

## Ashtabula County Technical and Career Center

### *Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2024*

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

**Other Local Grants Fund** The other local grants fund is used to account for and report local grant monies received restricted for youth opportunities.

**Permanent Improvement Fund** The permanent improvement fund accounts for and reports property taxes restricted to the acquiring, construction, or improving of such permanent improvements as are authorized by Chapter 5705, Revised Code.

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

### ***Measurement Focus***

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

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

### ***Basis of Accounting***

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

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

## Ashtabula County Technical and Career Center

### *Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2024*

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Nonexchange transactions, in which the Career 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 (See Note 8). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the Career Center must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Career Center on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

***Deferred Outflows/Inflows of Resources*** In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the Career Center deferred outflows of resources are reported on the government-wide statement of net position for pension and OPEB plans. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 21 and 22.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized until that time. For the Career Center, deferred inflows of resources include property taxes, pension, OPEB plans and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2024, but which were levied to finance fiscal year 2025 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the Career Center unavailable revenue includes delinquent property taxes, intergovernmental, charges for services and tuition and fees. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the reconciliation of total governmental fund balances to net position of governmental activities found on page 15. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position (See Notes 21 and 22).

***Expenses/Expenditures*** On the accrual basis of accounting, expenses are recognized at the time they are incurred.

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

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

For purposes of measuring the net pension/OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been

## **Ashtabula County Technical and Career Center**

### *Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2024*

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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.

#### ***Budgetary Data***

All funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution and the certificate of estimated resources, which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the special cost center for all funds. The Treasurer has been given the authority to allocate Board appropriations to the function and object level within all funds without resolution by the Board of Education.

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

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

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

To improve cash management, all cash received by the Career Center is pooled. Monies for all funds are maintained in this pool. Interest in the pool is presented as "equity in pooled cash and cash equivalents" on the basic financial statements.

During fiscal year 2024, investments were limited to commercial paper, STAR Ohio, the State Treasurer's Investment Pool, First American Government Obligations fund, federal farm credit bank bonds, U.S. treasury notes, and negotiable certificates of deposit. Investments are reported at fair value except for commercial paper and STAR Ohio. The Career Center's commercial paper is measured at amortized cost, as it is a highly liquid debt instrument with a remaining maturity at the time of purchase of less than one year.

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

## **Ashtabula County Technical and Career Center**

### *Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2024*

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

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. Investment Earnings/Interest revenue credited to the general fund during fiscal year 2024 amounted to \$341,660 which includes \$175,284 assigned from other Career Center funds.

Investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the Career Center are presented on the financial statements as cash equivalents.

#### ***Restricted Assets***

Assets are reported as restricted when limitations on their use change in nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments or imposed by law through constitutional provisions. Restricted assets in the general fund represent money required by State statute to be set aside for unclaimed monies.

#### ***Inventory***

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

#### ***Prepaid Items***

Payments made to vendors for services that will benefit periods beyond June 30, 2024, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which the services are consumed.

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

The Career Center's only capital assets are general capital assets. General capital assets are those assets related to activities reported in the governmental funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

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

## Ashtabula County Technical and Career Center

### *Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2024*

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

Description	Governmental Activities
	Estimated Lives
Land Improvements	5 years
Buildings and Improvements	10 to 50 years
Furniture, Equipment and Fixtures	15 to 20 years
Vehicles	10 to 20 years

### ***Interfund Balances***

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

### ***Compensated Absences***

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

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are eligible to receive termination benefits and those the Career Center has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year end, taking into consideration any limits specified in the Career Center's termination policy. The Career Center records a liability for accumulated unused sick leave for all employees after ten years of teaching and 5 years of service at the Career Center.

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

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

### ***Net Position***

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Restricted net position

## Ashtabula County Technical and Career Center

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

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for OPEB plans represent the corresponding restricted asset amounts held in trust by the OPEB plan for future benefits. Net position restricted for other purposes include grants and resources restricted for vocational and extracurricular activities.

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

#### ***Fund Balance***

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

***Nonspendable*** The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

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

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

***Assigned*** Amounts in the assigned fund balance classification are intended to be used by the Career Center for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance includes the remaining amount that is not restricted or committed. These amounts are assigned by the Career Center Board of Education. In the general fund, assigned amounts represent intended uses established by the Career Center Board of Education or a Career Center official delegated that authority by State Statute. State statute authorizes the Treasurer to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. The Career Center Board of Education assigned fund balance for classroom support services and to cover a gap between fiscal year 2025’s estimated revenue and appropriated budget.

***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.

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

## **Ashtabula County Technical and Career Center**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2024*

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### ***Unearned Revenues***

Unearned revenue represents amounts under the accrual and modified accrual basis of accounting for which asset recognition criteria have been met, but for which revenue recognition criteria have not yet been met because the amounts have not yet been earned. The Career Center recognizes unearned revenue for intergovernmental revenue from grants received before the eligibility requirements are met.

### ***Internal Activity***

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

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

### ***Estimates***

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

### **Note 3 – Changes in Accounting Principle**

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

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

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

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



## Ashtabula County Technical and Career Center

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

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

### Note 4 - Accountability

The following funds had deficit fund balances at June 30, 2024:

	Amount
<b><i>Special Revenue Funds:</i></b>	
Other Local Grants	(\$456,596)
Pell Grant	(57,357)
Vocational Education - Carl D. Perkins	(32,951)
Able Grant	(1,288)

These deficits are the result of the recognition of payables in accordance with generally accepted accounting principles as well as short-term interfund loans from the general fund needed for operations until the receipt of grant monies. The general fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

### Note 5 – Fund Balance

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

Fund Balances	General	Other Local Grants	Permanent Improvement	Other Governmental Funds	Total
<b><i>Nonspendable</i></b>					
Inventory	\$43,649	\$0	\$0	\$1,207	\$44,856
Prepaid Items	7,118	0	0	0	7,118
Unclaimed Monies	1,968	0	0	0	1,968
<b><i>Total Nonspendable</i></b>	<b>52,735</b>	<b>0</b>	<b>0</b>	<b>1,207</b>	<b>53,942</b>
<b><i>Restricted for</i></b>					
Food Service Operations	0	0	0	79,057	79,057
Adult Education	0	0	0	256,271	256,271
Cosmetology	0	0	0	35,885	35,885
District Managed Activities	0	0	0	8,428	8,428
Nursing Program	0	0	0	20,044	20,044
Student Activity	0	0	0	48,879	48,879
Adult Continuing Instruction	0	0	0	112,638	112,638
Data Communications	0	0	0	1,998	1,998
Capital Improvements	0	0	4,252,705	1,200,673	5,453,378
<b><i>Total Restricted</i></b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,252,705</b>	<b>\$1,763,873</b>	<b>\$6,016,578</b>

continued

# Ashtabula County Technical and Career Center

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2024*

Fund Balances - continued	General	Other Local Grants	Permanent Improvement	Other Governmental Funds	Total
<i>Assigned to</i>					
Purchases on Order - Support Services	\$208,475	\$0	\$0	\$0	\$208,475
Fiscal Year 2025 Appropriations	2,366,425	0	0	0	2,366,425
Classroom support services	156,758	0	0	0	156,758
<i>Total Assigned</i>	2,731,658	0	0	0	2,731,658
<i>Unassigned (Deficit)</i>	3,722,856	(456,596)	0	(91,596)	3,174,664
<i>Total Fund Balances (Deficit)</i>	\$6,507,249	(\$456,596)	\$4,252,705	\$1,673,484	\$11,976,842

## Note 6 - Budgetary Basis of Accounting

While the Career Center is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The statement of revenues, expenditures and changes in fund balance - budget (non-GAAP Basis) and actual are presented for the general fund and major special revenue fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

The major differences between the budget basis and GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Investments are reported at fair value (GAAP basis) rather than cost (budget basis).
3. Advances In and Advances Out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).
4. Budgetary revenues and expenditures of the uniform school supply and rotary – customer service funds are classified to the general fund for GAAP reporting
5. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
6. Encumbrances are treated as expenditures (budget) rather than as restricted, committed or assigned fund balance (GAAP).

## Ashtabula County Technical and Career Center

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2024*

The following tables summarize the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund and other local grants special revenue fund:

	Net Change in Fund Balance	
	General	Other Local Grants
GAAP Basis	(\$1,247,862)	(\$94,818)
Net Adjustment for Revenue Accruals	57,195	(118,280)
Beginning Fair Value Adjustment for Investments	(60,635)	0
Ending Fair Value Adjustment for Investments	18,946	0
Advances In	831,860	628,450
Perspective Difference:		
Uniform School Supply	1,074	0
Rotary - Customer Service	1,642	0
Net Adjustment for Expenditure Accruals	7,508	329,817
Advances Out	(628,450)	(642,180)
Adjustment for Encumbrances	(293,205)	(279,596)
Budget Basis	<u>(\$1,311,927)</u>	<u>(\$176,607)</u>

### Note 7 - Deposits and Investments

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

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

Inactive deposits are public deposits that the Board has identified as not required for use within the current 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 Career Center can be deposited or invested in the following securities:

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

## Ashtabula County Technical and Career Center

### *Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2024*

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

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

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

### **Deposits**

***Custodial Credit Risk*** Custodial credit risk for deposits is the risk that in the event of a bank failure, the Career Center will not be able to recover deposits or collateral securities that are in the possession of an outside party. At June 30, 2024, \$1,895,438 of the Career Center's total bank balance (including investments) of \$13,669,551 was exposed to custodial credit risk because those deposits were uninsured and collateralized. The Career Center's financial institution participates in the Ohio Pooled Collateral System (OPCS) and was approved for a reduced collateral floor of 50 percent resulting in the uninsured and uncollateralized balance.

The Career 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 Career 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 percent of the deposits being secured; or

## Ashtabula County Technical and Career Center

### Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

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

### Investments

As of June 30, 2024, the Career Center had the following investments:

Measurement/Investment	Measurement Amount	Maturity	Standard & Poor's	Percent of Total Investments
Amortized Cost:				
Commercial Paper	\$976,340	Less than one year	A-1 - A-1+	11.58 %
Net Asset Value (NAV) Per Share:				
STAR Ohio	4,066,079	46.5 Days	AAAm	N/A
Fair Value - Level One Inputs:				
First American Government Obligations Fund	22,632	Less than one year	AAAm	N/A
Fair Value - Level Two Inputs:				
Federal Farm Credit Bank Bonds	198,525	Less than three years	AA+	N/A
US Treasury Notes	295,937	Less than four years	N/A	N/A
Negotiable Certificates of Deposit	1,170,031	Less than one year	N/A	13.88
Negotiable Certificates of Deposit	1,701,413	Less than five years	N/A	20.18
Total Fair Value - Level Two Inputs	3,365,906			
Total Investments	\$8,430,957			

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

**Interest Rate Risk** The Career Center 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 Career Center, and that an investment must be purchased with the expectation that it will be held to maturity.

**Credit Risk** Investments of the Career Center carry ratings as indicated in the previous table. The negotiable certificates of deposit are not rated. The Career Center does not have an investment policy that addresses credit risk beyond the requirements in State statutes. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized statistical rating organization, the money market mutual fund be rated in the highest category at the time of purchase by at least one nationally recognized statistical rating organization, and that the commercial paper be rated in the highest category at the time of purchase by at least two nationally recognized statistical rating organizations.

## Ashtabula County Technical and Career Center

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2024*

### Note 8 - Property Taxes

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

Property taxes include amounts levied against all real and public utility property located in the Career Center's district. Real property tax revenues received in calendar year 2024 represent the collection of calendar year 2023 taxes. Real property taxes received in calendar year 2024 were levied after April 1, 2023, on the assessed values as of January 1, 2023, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenues received in calendar year 2024 represent the collection of calendar year 2023 taxes. Public utility real and tangible personal property taxes received in calendar year 2024 became a lien on December 31, 2022, were levied after April 1, 2023, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

The Career Center receives property taxes from Ashtabula County. The County Auditor periodically advances to the Career Center its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2024, are available to finance fiscal year 2024 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property and public utility property taxes which are measurable as of June 30, 2024, and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations are reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows of resources – property taxes. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

The amount available as an advance at June 30, 2024 was \$476,344 in the general fund and \$37,507 in the permanent improvement capital projects fund. The amount available as an advance at June 30, 2023 was \$557,356 in the general fund and \$74,391 in the permanent improvement capital projects fund.

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

	2023 Second Half Collections		2024 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$1,890,788,360	91.32 %	\$2,447,118,170	92.84 %
Public Utility Personal	179,622,620	8.68	188,596,880	7.16
Total	<u>\$2,070,410,980</u>	<u>100.00 %</u>	<u>\$2,635,715,050</u>	<u>100.00 %</u>
Full Tax Rate per \$1,000 of Assessed Valuation	\$4.11		\$4.11	

## Ashtabula County Technical and Career Center

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

### Note 9 – Tax Abatements

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

<u>Overlapping Government</u>	<u>Amount of Fiscal Year 2024 Taxes Abated</u>
<i>Community Reinvestment Areas:</i>	
City of Ashtabula	\$3,949
City of Conneaut	856
<i>Enterprise Zone Tax Exemptions:</i>	
City of Ashtabula	5,390
Total	<u>\$10,195</u>

### Note 10 - Interfund Transactions

#### *Interfund Balances*

The Career Center had the following interfund balances at June 30, 2024:

	<u>Interfund Payable</u>	<u>Interfund Receivable</u>
		<u>General</u>
Major Fund:		
Other Local Grants		<u>\$628,450</u>
Other Governmental Funds:		
Remotedx Grant		2,348
Vocational Education - Carl D. Perkins		<u>63,573</u>
<i>Total Other Governmental Funds</i>		<u>65,921</u>
Total		<u>\$694,371</u>

The interfund receivables and payables were due to the timing of the receipt of grant monies. The general fund provides temporary funding of the program until the grant dollars are received. All interfund receivables will be repaid within one year.

## Ashtabula County Technical and Career Center

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

### Interfund Transfers

Transfers made during the fiscal year ended June 30, 2024, were as follows:

	Transfers From
Transfers To	General
<i>Major Fund:</i>	
Permanent Improvement	\$3,000,000
<i>Other Governmental Funds:</i>	
Adult Education	306,265
LPN Programs	41,852
<i>Total Other Governmental Funds</i>	<u>348,117</u>
<i>Total Transfers</i>	<u>\$3,348,117</u>

The general fund transfers to all funds were to provide additional resources for current operations.

### Note 11 - Receivables

Receivables at June 30, 2024, consisted of interest, accounts (charges for services and tuition and fees), intergovernmental revenues, and taxes. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current fiscal year guarantee of Federal funds. All receivables, except for delinquent property taxes, are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

A summary of the principal items of intergovernmental receivables follows:

	Amounts
<i>Governmental Activities</i>	
Other Local Grants	\$282,564
Vocational Education - Carl D. Perkins	135,272
Youth Opportunities Grant	40,600
Adult Basic Education	20,939
Remotedx Grant	2,348
Ashtabula County Educational Service Center	455
Ohio Department of Education and Workforce	30
<i>Total Intergovernmental Receivables</i>	<u>\$482,208</u>

### Note 12 - Contingencies

#### Grants

The Career Center received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions



## Ashtabula County Technical and Career Center

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

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, the effect of any such disallowed claims on the overall financial position of the Career Center at June 30, 2024, if applicable, cannot be determined at this time.

### ***School Foundation***

Career Center foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education and Workforce (DEW) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, all DEW adjustments for fiscal year 2024 have been finalized.

### ***Litigation***

The Career Center is not party to legal proceedings as of June 30, 2024.

## **Note 13 – Capital Assets**

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

	Balance 06/30/23	Additions	Deductions	Balance 06/30/24
<b>Governmental Activities</b>				
<b><i>Capital Assets not being Depreciated:</i></b>				
Land	\$153,226	\$0	\$0	\$153,226
<b><i>Capital Assets being Depreciated:</i></b>				
Land Improvements	333,875	7,614	0	341,489
Buildings and Improvements	7,578,942	0	0	7,578,942
Furniture, Equipment and Fixtures	5,191,306	301,524	(57,681)	5,435,149
Vehicles	524,101	94,578	(11,035)	607,644
<b><i>Total Capital Assets being Depreciated</i></b>	<b>13,628,224</b>	<b>403,716</b>	<b>(68,716)</b>	<b>13,963,224</b>
<b>Less Accumulated Depreciation:</b>				
Land Improvements	(198,155)	(5,602)	0	(203,757)
Buildings and Improvements	(5,776,741)	(150,439)	0	(5,927,180)
Furniture, Equipment and Fixtures	(3,804,200)	(212,491)	18,264	(3,998,427)
Vehicles	(440,332)	(32,136)	9,469	(462,999)
<b><i>Total Accumulated Depreciation</i></b>	<b>(10,219,428)</b>	<b>(400,668) *</b>	<b>27,733</b>	<b>(10,592,363)</b>
<b><i>Total Capital Assets being Depreciated, Net</i></b>	<b>3,408,796</b>	<b>3,048</b>	<b>(40,983)</b>	<b>3,370,861</b>
<b><i>Governmental Activities Capital Assets, Net</i></b>	<b>\$3,562,022</b>	<b>\$3,048</b>	<b>(\$40,983)</b>	<b>\$3,524,087</b>

## Ashtabula County Technical and Career Center

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2024*

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

Instruction:	
Regular	\$381
Special	1,432
Vocational	233,281
Adult/Continuing	56,224
Support Services:	
Instructional Staff	23,418
Administration	23,156
Fiscal	187
Operation and Maintenance of Plant	58,342
Pupil Transportation	400
Food Service Operations	3,847
Total Depreciation Expense	<u>\$400,668</u>

### Note 14 - Risk Management

#### *Property and Liability*

The Career Center is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2024, the Career Center contracted with Ohio School Plan for various types of insurance. Coverage is as follows:

Coverage	Amount
Blanket Building and Contents (\$1,000 Deductible)	\$56,058,664
Fleet Insurance	5,000,000
General Liability - per Occurrence	5,000,000
Aggregate	7,000,000
Excess Liability	5,000,000

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

#### *Employee Medical Benefits*

The Career Center participates in the Ashtabula County Schools Council of Governments, a shared risk pool (Note 19) to provide employee medical/surgical, prescription drug, dental and vision benefits. Rates are set through an annual calculation process. The Career Center pays a monthly contribution which is placed in a common fund from which the claim payments are made for all participating districts. The Career Center's Board of Education pays \$867 for single coverage and \$2,181, monthly, for family coverage for all employees.

#### *Workers' Compensation*

For fiscal year 2024, the Career Center participated in the Ohio Association of School Business Officials Workers' Compensation Group Retrospective Rating Program (GRP), an insurance purchasing pool (Note 19). The intent of the GRP is to achieve the benefit of a reduced premium for the Career Center by virtue of its

## **Ashtabula County Technical and Career Center**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2024*

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grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Sheakley provides administrative, cost control and actuarial services to the GRP.

### **Note 15 – Other Employee Benefits**

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

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Each employee is entitled to fifteen (15) days sick leave with pay each year under contract and accrues sick leave at the rate of one and one-fourth (1-1/4) days for each calendar month under contract. Sick leave may be accumulated to a maximum based upon negotiated agreements. Certified staff accumulate sick leave to a maximum of 360 days; severance pay is based upon an incremental scale up to a maximum of 90 days. Classified staff who are members of the teamsters union accumulate sick leave to a maximum of 235 days; severance is paid up to a maximum of 100 days. Non-union school employees of the Career Center who served at least 10 years in any political subdivision at the time of their retirement shall receive pay for one-quarter of their unused sick leave to a maximum of 200 days or payment of 50 days. Employees, who have 10 years of service and have accumulated more than 200 days, shall be paid for one-tenth of their remaining unused and un-reimbursed sick leave to a maximum of 80 days or payment of 8 days pay.

Classified employees earn ten (10) to twenty (20) days of vacation per year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Non-union classified staff, teamsters and secretaries receive an additional day of vacation for each year beyond 19 years of service. Administrative personnel earn 20 to 25 days of vacation leave annually.

#### ***Insurance***

Life insurance is offered to employees through the Minnesota Life Company. Certified and classified employees are covered as follows:

- \$35,000 for Teamsters Union employees at \$4.13 per month;
- \$35,000 for Administration, Non-union employees and Teachers at \$4.13 per month.

#### ***Health Insurance Benefits***

The Career Center provides employee medical and surgical insurance, prescription drug, dental and vision insurance through the Ashtabula County Schools Council of Governments.

## Ashtabula County Technical and Career Center

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

### Note 16 - Long-Term Obligations

Changes in long-term obligations of the Career Center during fiscal year 2024 were as follows:

	Balance 6/30/23	Additions	Deductions	Balance 6/30/24	Amounts Due in One Year
<b>Governmental Activities</b>					
Net Pension Liability:					
SERS	\$2,636,250	\$0	\$41,457	\$2,594,793	\$0
STRS	10,068,873	0	558,778	9,510,095	0
Total Net Pension Liability	12,705,123	0	600,235	12,104,888	0
Net OPEB Liability:					
SERS	692,515	69,221	0	761,736	0
Compensated Absences	734,386	132,106	128,443	738,049	106,715
<i>Total Long-Term Obligations</i>	<u>\$14,132,024</u>	<u>\$201,327</u>	<u>\$728,678</u>	<u>\$13,604,673</u>	<u>\$106,715</u>

There is no repayment schedule for the net pension liability and net OPEB liability; however, employer pension and OPEB contributions are made from the following funds: the general fund and the food service, adult education, other local grants, Licensed Practical Nurse program, ABLE grant and Carl Perkins grant special revenue funds. For additional information related to the net pension and net OPEB liabilities see Notes 21 and 22. Compensated absences will be paid from the general fund and the food service, adult education, other local grants, Licensed Practical Nurse program and ABLE grant special revenue funds.

### Note 17 – Encumbrances

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

General	\$293,205
Other Local Grants	279,596
Permanent Improvement	310,714
Other Governmental Funds	289,067
Total	<u>\$1,172,582</u>

### Note 18 - Jointly Governed Organization

**Northeast Ohio Management Information Network (NEOMIN)** – The North East Ohio Management Information Network (NEOMIN) is a jointly governed organization among 30 school districts in Trumbull and Ashtabula Counties. The jointly governed 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 school districts. Each of the districts supports NEOMIN based upon a per pupil charge. The Career Center paid \$36,929 to NEOMIN during fiscal year 2024.

## **Ashtabula County Technical and Career Center**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2024*

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The Governing Board consists of ten members: the Trumbull and Ashtabula County superintendents (permanent members), three superintendents from Ashtabula County participating school districts, three superintendents from Trumbull County participating school districts, and a principal and treasurer (non-voting members who must be employed by a participating school district, the fiscal agent or NEOMIN). The Board exercises total control over the operations of NEOMIN including budgeting, appropriating, contracting and designating management. The degree of control exercised by a participating school district is limited to its representation on the Governing Board. To obtain a copy of NEOMIN's financial statements, contact the Trumbull Career and Technical Center, 528 Educational Highway, Warren, Ohio 44483.

### **Note 19 – Public Entity Risk Pools**

#### ***Insurance Purchasing Pool***

The Career Center participates in a group rating program for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. The Ohio Association of School Business Officials Workers' Compensation Group Retrospective Rating Program (GRP) was established through the Ohio Association of School Business Officials (OASBO) as a group purchasing pool. The Executive Director of the OASBO, or his designee, serves as coordinator of the GRP. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

#### ***Shared Risk Pools***

*Ohio School Plan* – The Career Center participates in the Ohio School Plan (OSP), a shared risk pool. The Ohio School Plan (OSP) is created and organized pursuant to and as authorized by Section 2744.081 of the Ohio Revised Code. The OSP is an unincorporated, non-profit association of its members and an instrumentality for each member for the purpose of enabling members of the Plan to provide for a formalized, joint insurance purchasing program to maintain adequate insurance protection, risk management programs and other administrative services. The OSP's business and affairs are conducted by a thirteen member Board of directors consisting of District superintendents and treasurers, as well as the president of Love Insurance Agency and a partner of the Hylant Group. Hylant Group is the Administrator of the OSP and is responsible for processing claims. Harcum-Shuett Insurance Agency is the sales and marketing representative, which establishes agreements between OSP and member schools.

The Career Center has contracted with the Ashtabula County Schools Council of Governments (the Council) to provide employee medical/surgical, prescription drug, dental and vision benefits. The Council is organized under Chapter 167 of the Ohio Revised Code and is comprised of seven Ashtabula County school districts. Rates are set by the Council's board of directors. The Career Center pays a monthly contribution, which is placed in a common fund from which claim payments are made for all participating school districts. Claims are paid for all participants regardless of claims flow. The Council is a separate and independent entity governed by its own set of by-laws and constitution. All assets and liabilities are the responsibility of the Council. The program is operated as a full indemnity program with no financial liability (other than monthly premiums) or risk to the Career Center. The Council shall pay the run out of all claims for a withdrawing Member. Any Member which withdraws from the Council pursuant to the Council Agreement shall have no claim to the Council's assets.

## Ashtabula County Technical and Career Center

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

### Note 20 - Set-Aside Calculation

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

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

	Capital Improvements
Set-aside Cash Balance as of June 30, 2023	\$0
Current Year Set-aside Requirement	154,197
Current Year Offsets	(583,222)
Qualifying Expenditures	(613,494)
Totals	(\$1,042,519)
Set-aside Balance Carried Forward to Future Fiscal Years	\$0
Set-aside Balance as of June 30, 2024	\$0

The Career Center had current year offsets and qualifying disbursements and offsets during the fiscal year that reduced the capital improvements set-aside amounts below zero. The negative set-aside balance for the capital improvements may not be used to reduce the set-aside requirements of future years. This negative balance is therefore not presented as being carried forward to future years.

### Note 21 – Defined Benefit Pension Plans

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

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

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

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

## Ashtabula County Technical and Career Center

### Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

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

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

The proportionate share of each plan's unfunded benefits is presented as a *net OPEB asset* or long-term *net pension/OPEB liability* on the accrual basis of accounting. Any liability for the contractually required pension/OPEB contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting. The remainder of this note includes the required pension disclosures. See Note 22 for the required OPEB disclosures.

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

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

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.

## **Ashtabula County Technical and Career Center**

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

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

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

The Career Center's contractually required contribution to SERS was \$288,746 for fiscal year 2024. Of this amount, \$18,837 is reported as an intergovernmental payable.

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

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

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

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. 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, a one-time ad-hoc COLA of 3 percent of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2023 as long as they retired prior to July 1, 2018. Effective July 1, 2023, a one-time ad-hoc COLA of 1 percent of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2024 as long as they retired prior to July 1, 2019. Pursuant to Ohio Revised Code 3307.67(E) the STRS Ohio Retirement Board may adjust the COLA upon a determination by the board's actuary that a change will not materially impair the fiscal integrity of the system or is necessary to preserve the fiscal integrity of the system. Eligibility changes will be phased in until August 1, 2023, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 34 years of service credit at any age.



## **Ashtabula County Technical and Career Center**

### *Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2024*

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

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

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

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

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. 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 2024 employer and employee contribution rate of 14 percent was equal to the statutory maximum rates. For 2024, the full employer contribution was allocated to pension.

The Career Center's contractually required contribution to STRS was \$880,051 for fiscal year 2024. Of this amount \$141,017 is reported as an intergovernmental payable.

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

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

# Ashtabula County Technical and Career Center

## *Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2024*

	SERS	STRS	Total
Proportion of the Net Pension Liability:			
Current Measurement Date	0.04696020%	0.04416124%	
Prior Measurement Date	0.04874020%	0.04529382%	
Change in Proportionate Share	<u>-0.00178000%</u>	<u>-0.00113258%</u>	
Proportionate Share of the Net			
Pension Liability	\$2,594,793	\$9,510,095	\$12,104,888
Pension Expense	\$242,612	\$639,633	\$882,245

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

	SERS	STRS	Total
<b>Deferred Outflows of Resources</b>			
Differences between expected and actual experience	\$111,530	\$346,718	\$458,248
Changes of assumptions	18,380	783,208	801,588
Changes in proportionate share and difference between Career Center contributions and proportionate share of contributions	37,810	0	37,810
Career Center contributions subsequent to the measurement date	<u>288,746</u>	<u>880,051</u>	<u>1,168,797</u>
Total Deferred Outflows of Resources	<u>\$456,466</u>	<u>\$2,009,977</u>	<u>\$2,466,443</u>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$0	\$21,104	\$21,104
Changes of assumptions	0	589,531	589,531
Net difference between projected and actual earnings on pension plan investments	36,472	28,502	64,974
Changes in proportionate share and difference between Career Center contributions and proportionate share of contributions	<u>69,470</u>	<u>404,685</u>	<u>474,155</u>
Total Deferred Inflows of Resources	<u>\$105,942</u>	<u>\$1,043,822</u>	<u>\$1,149,764</u>

\$1,168,797 reported as deferred outflows of resources related to pension resulting from Career Center contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

# Ashtabula County Technical and Career Center

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

Fiscal Year Ending June 30:	SERS	STRS	Total
2025	\$32,710	(\$235,351)	(\$202,641)
2026	(123,158)	(464,735)	(587,893)
2027	150,293	890,902	1,041,195
2028	1,933	(104,712)	(102,779)
Total	<u>\$61,778</u>	<u>\$86,104</u>	<u>\$147,882</u>

## ***Actuarial Assumptions – SERS***

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

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

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

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

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

Mortality rates were based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years

## Ashtabula County Technical and Career Center

### Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

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

The long-term return expectation for the Pension Plan Investments has been determined by using a building-block approach and assumes a time horizon, as defined in SERS' *Statement of Investment Policy*. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating an arithmetic weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. As of June 30, 2023:

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

**Discount Rate** The total pension liability for 2023 was calculated using the discount rate of 7.00 percent. The discount rate determination did not use a municipal bond rate. The projection of cash flows used to determine the discount rate assumed that employers would contribute the actuarially determined contribution rate of projected compensation over the remaining 21-year amortization period of the unfunded actuarial accrued liability. The actuarially determined contribution rate for fiscal year 2023 was 14 percent. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.00 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability. The annual money weighted rate of return, calculated as the internal rate of return on pension plan investments, for fiscal year 2023 was 6.90 percent.

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Career Center's proportionate share of the net pension liability	\$3,829,782	\$2,594,793	\$1,554,550

## Ashtabula County Technical and Career Center

### Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

#### Actuarial Assumptions – STRS

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

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

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

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

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

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

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

**Discount Rate** The discount rate used to measure the total pension liability was 7.00 percent as of June 30, 2023. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' fiduciary net position was projected to

## Ashtabula County Technical and Career Center

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

be available to make all projected future benefit payments to current plan members as of June 30, 2023. Therefore, the long-term expected rate of return on pension plan investments of 7.00 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2023.

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Career Center's proportionate share of the net pension liability	\$14,624,422	\$9,510,095	\$5,184,775

### Note 22 - Defined Benefit OPEB Plans

See Note 21 for a description of the net OPEB liability (asset).

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

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

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

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Active employee members do not contribute to the Health Care Plan. The SERS Retirement Board established

## **Ashtabula County Technical and Career Center**

### *Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2024*

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the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

Funding Policy – State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2024, no allocation was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2024, this amount was \$30,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2024, the Career Center's surcharge obligation was \$26,769.

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The Career Center's contractually required contribution to SERS was \$26,769 for fiscal year 2024, which is reported as an intergovernmental payable.

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

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

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

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

# Ashtabula County Technical and Career Center

## Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

	SERS	STRS	Total
Proportion of the Net OPEB Liability/Asset:			
Current Measurement Date	0.04623730%	0.04416124%	
Prior Measurement Date	0.04932400%	0.04529382%	
Change in Proportionate Share	<u>-0.00308670%</u>	<u>-0.00113258%</u>	
Proportionate Share of the:			
Net OPEB Liability	\$761,736	\$0	\$761,736
Net OPEB (Asset)	\$0	(\$858,876)	(\$858,876)
OPEB Expense	(\$48,285)	(\$54,287)	(\$102,572)

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

	SERS	STRS	Total
<b>Deferred Outflows of Resources</b>			
Differences between expected and actual experience	\$1,587	\$1,339	\$2,926
Changes of assumptions	257,565	126,526	384,091
Net difference between projected and actual earnings on OPEB plan investments	5,904	1,533	7,437
Changes in proportionate Share and difference between Career Center contributions and proportionate share of contributions	55,421	6,576	61,997
Career Center contributions subsequent to the measurement date	<u>26,769</u>	<u>0</u>	<u>26,769</u>
Total Deferred Outflows of Resources	<u>\$347,246</u>	<u>\$135,974</u>	<u>\$483,220</u>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$392,855	\$131,000	\$523,855
Changes of assumptions	216,340	566,673	783,013
Changes in Proportionate Share and difference between Career Center contributions and proportionate share of contributions	<u>118,701</u>	<u>3,108</u>	<u>121,809</u>
Total Deferred Inflows of Resources	<u>\$727,896</u>	<u>\$700,781</u>	<u>\$1,428,677</u>

\$26,769 reported as deferred outflows of resources related to OPEB resulting from Career Center contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability or an increase to the net OPEB asset in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:



## Ashtabula County Technical and Career Center

### Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

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	SERS	STRS	Total
Fiscal Year Ending June 30:			
2025	(\$113,525)	(\$253,872)	(\$367,397)
2026	(101,620)	(114,766)	(216,386)
2027	(68,869)	(43,161)	(112,030)
2028	(47,492)	(58,904)	(106,396)
2029	(34,122)	(53,870)	(87,992)
Thereafter	(41,791)	(40,234)	(82,025)
Total	(\$407,419)	(\$564,807)	(\$972,226)

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#### **Actuarial Assumptions – SERS**

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

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

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

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2023, are presented as follows:

## Ashtabula County Technical and Career Center

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2024*

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

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

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 SERS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 21.

## Ashtabula County Technical and Career Center

### Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

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

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

	1% Decrease (3.27%)	Current Discount Rate (4.27%)	1% Increase (5.27%)
Career Center's proportionate share of the net OPEB liability	\$973,714	\$761,736	\$594,579

  

	1% Decrease (5.75% decreasing to 3.40%)	Current Trend Rate (6.75% decreasing to 4.40%)	1% Increase (7.75% decreasing to 5.40%)
Career Center's proportionate share of the net OPEB liability	\$559,620	\$761,736	\$1,029,563

### Actuarial Assumptions – STRS

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

# Ashtabula County Technical and Career Center

## Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

	June 30, 2023	June 30, 2022
Projected salary increases	Varies by service from 2.5 percent to 8.5 percent	Varies by service from 2.5 percent to 8.5 percent
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation	7.00 percent, net of investment expenses, including inflation
Payroll Increases	3 percent	3 percent
Discount Rate of Return	7.00 percent	7.00 percent
Health Care Cost Trends		
Medical		
Pre-Medicare	7.50 percent initial 4.14 percent ultimate	7.50 percent initial 3.94 percent ultimate
Medicare	-10.94 percent initial 4.14 percent ultimate	-68.78 percent initial 3.94 percent ultimate
Prescription Drug		
Pre-Medicare	-11.95 percent initial 4.14 percent ultimate	9.00 percent initial 3.94 percent ultimate
Medicare	1.33 percent initial 4.14 percent ultimate	-5.47 percent initial 3.94 percent ultimate

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

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

The STRS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 21.

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

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

## Ashtabula County Technical and Career Center

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

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>
Career Center's proportionate share of the net OPEB (asset)	(\$726,925)	(\$858,876)	(\$973,789)

  

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
Career Center's proportionate share of the net OPEB (asset)	(\$979,122)	(\$858,876)	(\$714,040)

### Note 23 - COVID-19

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

### Note 24 – Related Party Transactions

34 CFR § 668.23(d)(1), requires Student Financial Assistance (SFA) recipients, in part, to include in their financial statements a detailed description of related parties. The Career Center has no related party transactions to disclose.

**Ashtabula County Technical and 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 \**

	2024	2023	2022
Career Center's Proportion of the Net Pension Liability	0.04696020%	0.04874020%	0.04667480%
Career Center's Proportionate Share of the Net Pension Liability	\$2,594,793	\$2,636,250	\$1,722,165
Career Center's Covered Payroll	\$1,946,200	\$1,747,700	\$1,736,243
Career Center's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	133.33%	150.84%	99.19%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	76.06%	75.82%	82.86%

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

See accompanying notes to the required supplementary information

2021	2020	2019	2018	2017	2016	2015
0.04870000%	0.04608030%	0.04384140%	0.04289040%	0.04280430%	0.04484530%	0.04587600%
\$3,221,120	\$2,757,064	\$2,510,879	\$2,562,607	\$3,132,880	\$2,558,917	\$2,321,758
\$1,543,236	\$1,692,467	\$1,460,015	\$1,381,450	\$1,359,414	\$1,322,179	\$1,344,550
208.73%	162.90%	171.98%	185.50%	230.46%	193.54%	172.68%
68.55%	70.85%	71.36%	69.50%	62.98%	69.16%	71.70%

**Ashtabula County Technical and 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 Eight Fiscal Years (1) \**

	2024	2023	2022
Career Center's Proportion of the Net OPEB Liability	0.04623730%	0.04932400%	0.04767900%
Career Center's Proportionate Share of the Net OPEB Liability	\$761,736	\$692,515	\$902,366
Career Center's Covered Payroll	\$1,946,200	\$1,747,700	\$1,736,243
Career Center's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	39.14%	39.62%	51.97%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	30.02%	30.34%	24.08%

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

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

See accompanying notes to the required supplementary information



2021	2020	2019	2018	2017
0.04819280%	0.04569620%	0.04402680%	0.04341720%	0.04329930%
\$1,047,388	\$1,149,163	\$1,221,423	\$1,165,204	\$1,234,190
\$1,543,236	\$1,692,467	\$1,460,015	\$1,381,450	\$1,359,414
67.87%	67.90%	83.66%	84.35%	90.79%
18.17%	15.57%	13.57%	12.46%	11.49%

**Ashtabula County Technical and 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 \**

	2024	2023	2022
Career Center's Proportion of the Net Pension Liability	0.04416124%	0.04529382%	0.04681081%
Career Center's Proportionate Share of the Net Pension Liability	\$9,510,095	\$10,068,873	\$5,985,184
Career Center's Covered Payroll	\$5,994,200	\$5,905,686	\$5,810,493
Career Center's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	158.65%	170.49%	103.01%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.00%	78.90%	87.80%

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

See accompanying notes to the required supplementary information

2021	2020	2019	2018	2017	2016	2015
0.04675936%	0.04685028%	0.04684272%	0.04735482%	0.04836231%	0.04748618%	0.05057587%
\$11,314,100	\$10,360,658	\$10,299,663	\$11,249,240	\$16,188,323	\$13,123,791	\$12,301,802
\$5,730,193	\$5,495,029	\$5,350,979	\$5,246,414	\$5,116,057	\$4,944,314	\$5,102,886
197.45%	188.55%	192.48%	214.42%	316.42%	265.43%	241.08%
75.50%	77.40%	77.30%	75.30%	66.80%	72.10%	74.70%

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

	2024	2023	2022
Career Center's Proportion of the Net OPEB Asset/Liability	0.04416124%	0.04529382%	0.04681081%
Career Center's Proportionate Share of the Net OPEB Liability (Asset)	(\$858,876)	(\$1,172,807)	(\$986,966)
Career Center's Covered Payroll	\$5,994,200	\$5,905,686	\$5,810,493
Career Center's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	-14.33%	-19.86%	-16.99%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	168.50%	230.70%	174.70%

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

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

See accompanying notes to the required supplementary information

2021	2020	2019	2018	2017
0.04675936%	0.04685028%	0.04684272%	0.04735482%	0.04836231%
(\$821,795)	(\$775,954)	(\$752,716)	\$1,847,610	\$2,586,429
\$5,730,193	\$5,495,029	\$5,350,979	\$5,246,414	\$5,116,057
-14.34%	-14.12%	-14.07%	35.22%	50.56%
182.10%	174.70%	176.00%	47.10%	37.30%

**Ashtabula County Technical and Career Center**

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

	2024	2023	2022
<b>Net Pension Liability:</b>			
Contractually Required Contribution	\$288,746	\$272,468	\$244,678
Contributions in Relation to the Contractually Required Contribution	(288,746)	(272,468)	(244,678)
Contribution Deficiency (Excess)	\$0	\$0	\$0
Career Center Covered Payroll (1)	\$2,062,471	\$1,946,200	\$1,747,700
Pension Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%
<b>Net OPEB Liability:</b>			
Contractually Required Contribution (2)	\$26,769	\$22,553	\$29,586
Contributions in Relation to the Contractually Required Contribution	(26,769)	(22,553)	(29,586)
Contribution Deficiency (Excess)	\$0	\$0	\$0
OPEB Contributions as a Percentage of Covered Payroll	1.30%	1.16%	1.69%
Total Contributions as a Percentage of Covered Payroll (2)	15.30%	15.16%	15.69%

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

(2) Includes Surcharge

See accompanying notes to the required supplementary information

2021	2020	2019	2018	2017	2016	2015
\$243,074	\$216,053	\$228,483	\$197,102	\$193,403	\$190,318	\$174,263
(243,074)	(216,053)	(228,483)	(197,102)	(193,403)	(190,318)	(174,263)
\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$1,736,243	\$1,543,236	\$1,692,467	\$1,460,015	\$1,381,450	\$1,359,414	\$1,322,179
14.00%	14.00%	13.50%	13.50%	14.00%	14.00%	13.18%
\$28,557	\$19,878	\$29,196	\$29,288	\$23,170	\$21,574	\$29,776
(28,557)	(19,878)	(29,196)	(29,288)	(23,170)	(21,574)	(29,776)
\$0	\$0	\$0	\$0	\$0	\$0	\$0
1.64%	1.29%	1.73%	2.01%	1.68%	1.59%	2.25%
15.64%	15.29%	15.23%	15.51%	15.68%	15.59%	15.43%

**Ashtabula County Technical and Career Center**

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

	2024	2023	2022
<b>Net Pension Liability:</b>			
Contractually Required Contribution	\$880,051	\$839,188	\$826,796
Contributions in Relation to the Contractually Required Contribution	(880,051)	(839,188)	(826,796)
Contribution Deficiency (Excess)	\$0	\$0	\$0
Career Center Covered Payroll	\$6,286,079	\$5,994,200	\$5,905,686
Pension Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%

**Net OPEB Liability (Asset) (1)**

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

See accompanying notes to the required supplementary information



2021	2020	2019	2018	2017	2016	2015
\$813,469	\$802,227	\$769,304	\$749,137	\$734,498	\$716,248	\$692,204
(813,469)	(802,227)	(769,304)	(749,137)	(734,498)	(716,248)	(692,204)
\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$5,810,493	\$5,730,193	\$5,495,029	\$5,350,979	\$5,246,414	\$5,116,057	\$4,944,314
14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

## Ashtabula County Technical and Career Center

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

#### **Net Pension Liability**

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

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

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

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

Beginning in 2022, amounts reported use mortality rates based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females. Mortality among disabled members 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.

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

##### **Changes in Assumptions - STRS**

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

# Ashtabula County Technical and Career Center

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

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

### Investment rate of return:

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

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

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

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

### Changes in Benefit Term – STRS

For 2024, demographic assumptions were changed based on the actuarial experience study for the period July 1, 2015, through June 30, 2021.

## Ashtabula County Technical and Career Center

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

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

#### Net OPEB Liability (Asset)

##### Changes in Assumptions – SERS

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

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

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

##### Municipal Bond Index Rate:

Fiscal year 2024	3.86 percent
Fiscal year 2023	3.69 percent
Fiscal year 2022	1.92 percent
Fiscal year 2021	2.45 percent
Fiscal year 2020	3.13 percent
Fiscal year 2019	3.62 percent
Fiscal year 2018	3.56 percent
Fiscal year 2017	2.92 percent

##### Single Equivalent Interest Rate, net of plan investment expense, including price inflation

Fiscal year 2024	4.27 percent
Fiscal year 2023	4.08 percent
Fiscal year 2022	2.27 percent
Fiscal year 2021	2.63 percent
Fiscal year 2020	3.22 percent
Fiscal year 2019	3.70 percent
Fiscal year 2018	3.63 percent
Fiscal year 2017	2.98 percent

##### Changes in Assumptions – STRS

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

## **Ashtabula County Technical and Career Center**

### *Notes to Required Supplementary Information*

*For the Fiscal Year Ended June 30, 2024*

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assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

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

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

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

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

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

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

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

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

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

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

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

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**ASHTABULA COUNTY TECHNICAL AND CAREER CENTER  
ASHTABULA COUNTY**

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

<b>FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title</b>	<b>Federal AL Number</b>	<b>Pass Through Entity Identifying Number</b>	<b>Total Federal Expenditures</b>
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>			
<i>Passed Through Ohio Department of Education and Workforce:</i>			
Child Nutrition Cluster:			
National School Breakfast Program	10.553	2023	\$36,855
COVID-19 National School Lunch Program	10.555	2023	20,066
National School Lunch Program	10.555	2023	190,267
Non-Cash Food Commodities	10.555	2023	11,566
<b>Sub-Total - Child Nutrition Cluster</b>			<b>258,754</b>
COVID-19 - State Pandemic Electronic Benefit Transfer (P-EBT)	10.649	2023	289
<b>Total U.S. Department of Agriculture</b>			<b>259,043</b>
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>			
<i>Direct Programs:</i>			
Student Financial Assistance Cluster:			
Pell Grants	84.063	2023	256,405
Direct Student Loans	84.268	2023	379,827
<b>Sub-Total - Student Financial Assistance Cluster</b>			<b>636,232</b>
<i>Passed Through the Ohio Department of Education and Workforce:</i>			
COVID-19 - Governor's Emergency Education Relief (GEER)	84.425C	2023	10,724
COVID-19 - American Rescue Plan - Homeless Children and Youth	84.425W	2023	12,622
<b>Sub-Total - Education Stabilization Fund</b>			<b>23,346</b>
<i>Direct Programs:</i>			
Rural Education Grant	84.358	2023	159
<b>Sub-Total - Rural Education</b>			<b>159</b>
<i>Passed Through the Ohio Board of Regents:</i>			
Aspire Instructional - Adult Education - Basic Grants to States	84.002A	2023	2,845
Aspire Instructional - Adult Education - Basic Grants to States	84.002A	2024	153,682
<b>Sub-Total - Aspire Instructional</b>			<b>156,527</b>
<i>Passed Through the Ohio Department of Education and Workforce:</i>			
Career and Technical Education - Basic Grants to States - Carl D. Perkins - Secondary	84.048A	2023	68,125
Career and Technical Education - Basic Grants to States - Carl D. Perkins - Secondary	84.048A	2024	283,525
Career and Technical Education - Basic Grants to States - Carl D. Perkins - Adult	84.048A	2024	143,641
<b>Sub-Total - Carl D. Perkins</b>			<b>495,291</b>
<b>Total U.S Department of Education</b>			<b>1,311,555</b>
<b><u>U.S. DEPARTMENT OF TREASURY</u></b>			
<i>Passed Through the Ohio Department of Budget and Management:</i>			
COVID-19 State and Local Fiscal Recovery Funds (SLFRF)	21.027	2023	84,178
<b>Total U.S Department of Treasury</b>			<b>84,178</b>
<b><u>U.S. DEPARTMENT OF HEALTH &amp; HUMAN SERVICES</u></b>			
<i>Passed through the Ohio Department of Job &amp; Family Services</i>			
Temporary Assistance for Needy Families (TANF) - Youth Summer Program	93.558	2024	349,183
TANF - Life Skills Program	93.558	2024	99,984
<b>Sub-Total - TANF</b>			<b>449,167</b>
Child Support Services Research (CSSR) - Key Opportunities Grant	93.564	2024	137,994
<b>Total U.S Department of Health &amp; Human Services</b>			<b>587,161</b>
<b>Totals</b>			<b>\$2,241,937</b>

*The accompanying notes to this schedule are an integral part of this schedule.*

**ASHTABULA COUNTY TECHNICAL AND CAREER CENTER  
ASHTABULA COUNTY**

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

**NOTE A – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Ashtabula County Technical and Career Center (the Career Center) under programs of the federal government for the year ended June 30, 2024. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Career Center, it is not intended to and does not present the financial position 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 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE D - CHILD NUTRITION CLUSTER**

The Career Center commingles cash receipts from the U.S. Department of Agriculture with similar State grants. When reporting expenditures on this Schedule, the 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 programs that benefitted from the use of those donated food commodities.

**NOTE F – FEDERAL DIRECT STUDENT LOANS PROGRAM**

The amount included on the Schedule represents new loans advanced during the fiscal year ended June 30, 2024. The Career Center is not a direct lender of Federal Direct Student Loans. The amount represents the value of new Federal Direct Student Loans awarded and disbursed to the Career Center's students during the year as follows:

Federal Subsidized Stafford Loans	\$130,258
Federal Unsubsidized Stafford Loans	208,424
<b>Total Direct Student Loans</b>	<b><u>\$338,682</u></b>



# OHIO AUDITOR OF STATE KEITH FABER



65 East State Street  
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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

Ashtabula County Technical and Career Center  
Ashtabula County  
1565 State Route 167  
Jefferson, Ohio 44047

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 Ashtabula County Technical and Career Center, Ashtabula County, Ohio (the Career Center) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Career Center's basic financial statements and have issued our report thereon dated December 19, 2024.

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

In planning and performing our audit of the financial statements, we considered the Career Center's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our 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  
Auditor of State  
Columbus, Ohio

December 19, 2024



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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**

Ashtabula County Technical and Career Center  
Ashtabula County  
1565 State Route 167  
Jefferson, Ohio 44047

To the Board of Education:

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

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

We have audited Ashtabula County Technical and Career Center's, Ashtabula 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 Ashtabula County Technical and Career Center's major federal program for the year ended June 30, 2024. Ashtabula County Technical and 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, Ashtabula County Technical and Career Center complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2024.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



Keith Faber  
Auditor of State  
Columbus, Ohio

December 19, 2024

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**ASHTABULA COUNTY TECHNICAL AND CAREER CENTER  
ASHTABULA COUNTY**

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

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

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

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

None

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

None

# OHIO AUDITOR OF STATE KEITH FABER



**ASHTABULA COUNTY TECHNICAL AND CAREER CENTER**

**ASHTABULA 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 12/31/2024**

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

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