

# Ashland County – West Holmes Joint Vocational School District Ashland County, Ohio

## *Single Audit*

For the Fiscal Year Ended  
June 30, 2024





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Board of Education  
Ashland County-West Holmes Joint Vocational School District  
1783 State Route 60  
Ashland, OH 44805

We have reviewed the *Independent Auditor's Report* of Ashland County-West Holmes Joint Vocational School District, Ashland County, prepared by Rea & Associates, Inc., for the audit period July 1, 2023 through June 30, 2024. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. Ashland County-West Holmes Joint Vocational School District is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio

March 05, 2025

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**ASHLAND COUNTY – WEST HOLMES JOINT VOCATIONAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

June 30, 2024

*Table of Contents*

Independent Auditor's Report.....	1
Management's Discussion and Analysis .....	5
 Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position .....	19
Statement of Activities.....	20
 Fund Financial Statements:	
Balance Sheet – Governmental Funds .....	22
Reconciliation of Total Governmental Fund Balances	
to Net Position of Governmental Activities.....	24
Statement of Revenues, Expenditures and Changes in	
Fund Balances – Governmental Funds .....	26
Reconciliation of the Statement of Revenues, Expenditures and Changes in	
Fund Balances of Governmental Funds to the Statement of Activities .....	28
Statement of Fund Net Position – Proprietary Fund .....	29
Statement of Revenues, Expenses and Changes in Fund	
Net Position – Proprietary Fund .....	30
Statement of Cash Flows – Proprietary Fund .....	31
Notes to the Basic Financial Statements .....	33
 Required Supplementary Information:	
Schedule of Revenues, Expenditures and Changes in Fund Balance –	
Budget (Non-GAAP Basis) and Actual – General Fund.....	74
Schedule of the District's Proportionate Share of the Net	
Pension Liability and District Pension Contributions:	
School Employees Retirement System (SERS) of Ohio .....	75
State Teachers Retirement System (STRS) of Ohio.....	76
Schedule of the District's Proportionate Share of the Net	
OPEB Liability/Asset and District OPEB Contributions:	
School Employees Retirement System (SERS) of Ohio .....	77
State Teachers Retirement System (STRS) of Ohio.....	78
Notes to the Required Supplementary Information.....	79

*(Continued)*

**ASHLAND COUNTY – WEST HOLMES JOINT VOCATIONAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

June 30, 2024

*Table of Contents*

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards .....	85
Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance .....	87
Schedule of Expenditures of Federal Awards .....	90
Notes to the Schedule of Expenditures of Federal Awards .....	91
Schedule of Findings and Questioned Costs .....	92

## Independent Auditor's Report

The Board of Education  
Ashland County-West Holmes Joint Vocational School District  
1783 SR 60  
Ashland, Ohio 44805

### 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 Ashland County-West Holmes Joint Vocational School District, Ashland County, Ohio (the District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District'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 financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Ashland County-West Holmes Joint Vocational School District, Ashland County, Ohio, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof 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 (*Government Auditing Standards*). 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 District 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 District'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 District'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 District'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, pension and other post-employment benefit schedules and the budgetary comparison schedule, as listed in the table of contents, 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

Ashland County-West Holmes Joint Vocational School District

Independent Auditor's Report

Page 3 of 3

supplementary information in accordance with GAAS, 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 District's basic financial statements. The Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations 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 GAAS. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2024 on our consideration of the District's internal control over financial reporting and on 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 District'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 District's internal control over financial reporting and compliance.

*Rea & Associates, Inc.*

Rea & Associates, Inc.

Millersburg, Ohio

December 23, 2024

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**ASHLAND COUNTY-WEST HOLMES JOINT VOCATIONAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

The management's discussion and analysis of the Ashland County-West Holmes Joint Vocational School District (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2024. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the District's financial performance.

**Financial Highlights**

Key financial highlights for 2024 are as follows:

- In total, net position of governmental activities increased \$8,381,549 which represents a 29.00% increase from the 2023 net position.
- General revenues accounted for \$15,623,173 in revenue or 84.41% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$2,885,930 or 15.59% of total revenues of \$18,509,103.
- The District had \$10,127,554 in expenses related to governmental activities; \$2,885,930 of these expenses was offset by program specific charges for services, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$15,623,173 were adequate to provide for these programs.
- The District's major governmental funds are the general fund, the bond retirement fund, the permanent improvement fund, the building fund, and the classroom facilities fund. The general fund had \$10,638,550 in revenues and \$10,165,813 in expenditures and other financing uses. During fiscal year 2024, the general fund's fund balance increased \$472,737 from a balance of \$9,546,107 to \$10,018,844.
- The bond retirement fund had \$1,743,500 in other financing sources and \$1,743,500 in expenditures. During fiscal year 2024, the bond retirement fund's fund balance remained \$0.
- The permanent improvement fund had \$2,124,094 in revenues and \$1,860,657 in expenditures and other financing uses. During fiscal year 2024, the permanent improvement fund's fund balance increased \$263,437 from a balance of \$1,919,584 to \$2,183,021.
- The building fund had \$3,553,682 in revenues and other financing sources and \$5,327,041 in expenditures and other financing uses. During fiscal year 2024, the building fund's fund balance decreased \$1,773,359 from a balance of \$24,144,010 to \$22,370,651.
- The classroom facilities fund had \$7,692,707 in revenues and other financing sources and \$3,876,160 in expenditures and other financing uses. During fiscal year 2024, the classroom facilities fund's fund balance increased \$3,816,547 from a balance of \$10,627,118 to \$14,443,665.

**Using these Basic Financial Statements**

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

**ASHLAND COUNTY-WEST HOLMES JOINT VOCATIONAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

The *statement of net position* and *statement of activities* provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds with all other nonmajor funds presented in total in one column. In the case of the District, the general fund, bond retirement fund, the permanent improvement fund, the building fund, and the classroom facilities fund are by far the most significant funds.

**Reporting the District as a Whole**

***Statement of Net Position and the Statement of Activities***

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2024?" The statement of net position and the statement of activities answer this question. These statements include *all assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenses* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

In the statement of net position and the statement of activities, the governmental activities include the District's programs and services, including instruction, support services, operation and maintenance of plant, pupil transportation, extracurricular activities, and food service operations.

**Reporting the District's Most Significant Funds**

***Fund Financial Statements***

Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's major governmental funds are the general fund, bond retirement fund, the permanent improvement fund, the building fund, and the classroom facilities fund.

***Governmental Funds***

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

**ASHLAND COUNTY-WEST HOLMES JOINT VOCATIONAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

***Proprietary Funds***

The District maintains a proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District's internal service fund accounts for employee benefits self-insurance.

***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.

***Required Supplementary Information***

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budgetary comparison schedule, net pension liability and net OPEB liability/asset.

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**ASHLAND COUNTY-WEST HOLMES JOINT VOCATIONAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**The District as a Whole**

The statement of net position provides the perspective of the District. The table below provides a summary of the District's net position at June 30, 2024 and June 30, 2023.

<b>Net Position</b>		
	Governmental Activities 2024	Governmental Activities 2023
<b><u>Assets</u></b>		
Current and other assets	\$ 75,243,324	\$ 69,878,750
Net OPEB asset	499,991	659,549
Capital assets, net	<u>9,568,125</u>	<u>6,706,813</u>
Total assets	<u>85,311,440</u>	<u>77,245,112</u>
<b><u>Deferred outflows of resources</u></b>		
Pension	1,404,033	1,695,090
OPEB	<u>285,166</u>	<u>198,464</u>
Total deferred outflows of resources	<u>1,689,199</u>	<u>1,893,554</u>
<b><u>Liabilities</u></b>		
Current liabilities	1,737,961	1,305,771
Long-term liabilities:		
Due within one year	733,863	705,923
Due in more than one year:		
Net pension liability	6,890,242	7,031,773
Net OPEB liability	402,861	360,058
Other amounts	<u>32,534,176</u>	<u>33,247,152</u>
Total liabilities	<u>42,299,103</u>	<u>42,650,677</u>
<b><u>Deferred inflows of resources</u></b>		
Property taxes levied for the next fiscal year	6,045,812	5,698,086
Pension	568,857	871,175
OPEB	<u>801,918</u>	<u>1,015,328</u>
Total deferred inflows of resources	<u>7,416,587</u>	<u>7,584,589</u>
<b><u>Net Position</u></b>		
Net Investment in capital assets	8,246,876	7,889,768
Restricted	21,738,677	18,094,168
Unrestricted	<u>7,299,396</u>	<u>2,919,464</u>
Total net position	<u>\$ 37,284,949</u>	<u>\$ 28,903,400</u>

**ASHLAND COUNTY-WEST HOLMES JOINT VOCATIONAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

The net pension liability is reported pursuant to Governmental Accounting Standards Board (GASB) Statement 68, “Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27.” The net other postemployment benefits (OPEB) liability/asset is reported pursuant to GASB Statement 75, “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.” For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the District’s actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability, and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB and the net OPEB asset.

GASB standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan’s *net pension liability* or *net OPEB liability*. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio’s statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

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

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

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

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

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

**ASHLAND COUNTY-WEST HOLMES JOINT VOCATIONAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2024, the District's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$37,284,949. Of this total, \$21,738,677 is restricted in use.

Current assets increased mainly due to an increase in equity in pooled cash and investments due to current year accumulation of resources for the OFCC project.

Deferred outflows related to pension decreased primarily due to changes in assumptions. See Note 12 for more detail.

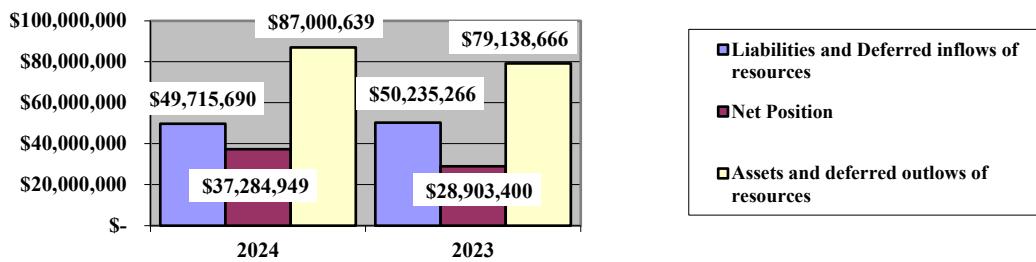
Total assets include a net OPEB asset reported by STRS. See Note 13 for more detail.

At year-end, capital assets represented 11.22% of total assets. Capital assets include land, construction in progress, land improvements, buildings and building improvements, infrastructure, furniture, equipment and vehicles, and intangible right to use assets. Net investment in capital assets at June 30, 2024, was \$8,246,876. These capital assets are used to provide services to the students and are not available for future spending.

Long-term liabilities decreased primarily due to the District making its required debt service payments to pay down its debt. Additionally, the net pension liability decreased. This liability is outside of the control of the District. The District contributes its statutorily required contributions to the pension systems; however, it's the pension systems that collect, hold and distribute pensions and OPEB to District employees, not the District.

A portion of the District's net position, \$21,738,677, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position is \$7,299,396.

**Governmental Activities**



**ASHLAND COUNTY-WEST HOLMES JOINT VOCATIONAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

The table below shows the change in net position for fiscal year 2024 and 2023.

	<b>Change in Net Position</b>	
	Governmental Activities 2024	Governmental Activities 2023
<b>Revenues</b>		
Program revenues:		
Charges for services and sales	\$ 468,370	\$ 619,726
Operating grants and contributions	2,348,046	2,192,386
Capital grants and contributions	69,514	-
General revenues:		
Property taxes	9,234,674	6,861,390
Grants and entitlements	3,577,456	2,958,440
Investment earnings	2,772,138	1,389,529
Other	<u>38,905</u>	<u>34,820</u>
Total revenues	<u>18,509,103</u>	<u>14,056,291</u>
<b>Expenses</b>		
Program expenses:		
Instruction:		
Regular	550,106	544,400
Special	595,879	569,622
Vocational	3,798,546	4,003,121
Adult/continuing	600,561	733,931
Other	26,586	23,701
Support services:		
Pupil	349,981	386,404
Instructional staff	5,151	30,176
Board of education	66,375	60,617
Administration	968,269	997,225
Fiscal	533,563	461,388
Business	550	500
Operations and maintenance of plant	814,050	871,457
Pupil transportation	13,062	3,130
Central	350,458	378,890
Operations of non-instructional services:		
Other non-instructional services	136,815	95,696
Food service operations	187,037	147,780
Extracurricular activities	84,912	64,593
Interest and fiscal charges	<u>1,045,653</u>	<u>1,090,053</u>
Total expenses	<u>10,127,554</u>	<u>10,462,684</u>
Change in net position	8,381,549	3,593,607
Net position at beginning of year	<u>28,903,400</u>	<u>25,309,793</u>
Net position at end of year	<u>\$ 37,284,949</u>	<u>\$ 28,903,400</u>

**ASHLAND COUNTY-WEST HOLMES JOINT VOCATIONAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**Governmental Activities**

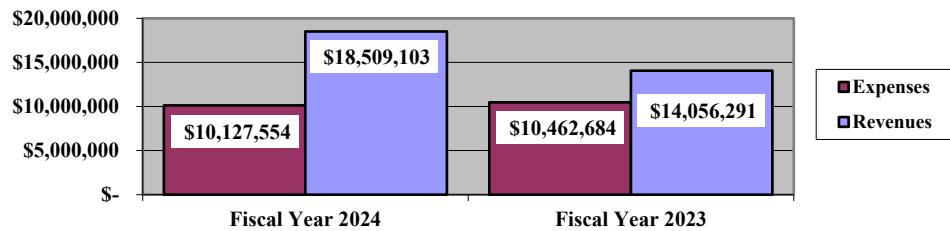
Net position of the District's governmental activities increased \$8,381,549. Total governmental expenses of \$10,127,554 were offset by program revenues of \$2,885,930 and general revenues of \$15,623,173. Program revenues supported 28.50% of the total governmental expenses. Revenues increased from the prior year due to an increase in property taxes. The increase in property taxes is due to an increase in the delinquent amount due to the District reported as revenue.

The primary sources of revenue for governmental activities are derived from property taxes, and unrestricted and restricted grants and entitlements. These revenue sources represent 69.22% of total governmental revenue.

Overall, expenses of the governmental activities decreased \$335,130. The decrease is mainly due to a decrease in vocational instruction expenses, which was due to the District being conservative with its spending on materials and supplies. All other expense remained comparable to the prior year.

The graph below presents the District's governmental activities revenue and expenses for fiscal year 2024 and 2023.

**Governmental Activities - Revenues and Expenses**



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**ASHLAND COUNTY-WEST HOLMES JOINT VOCATIONAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

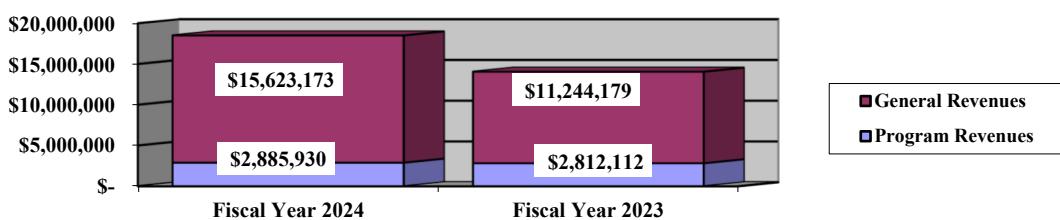
**Governmental Activities**

	Total Cost of Services 2024	Net Cost of Services 2024	Total Cost of Services 2023	Net Cost of Services 2023
<b>Program expenses</b>				
Instruction:				
Regular	\$ 550,106	\$ 549,106	\$ 544,400	\$ 543,400
Special	595,879	189,448	569,622	219,907
Vocational	3,798,546	2,465,141	4,003,121	2,913,130
Adult/continuing	600,561	191,888	733,931	194,309
Other	26,586	26,586	23,701	2,827
Support services:				
Pupil	349,981	179,923	386,404	179,446
Instructional staff	5,151	5,151	30,176	9,853
Board of education	66,375	66,375	60,617	60,617
Administration	968,269	804,741	997,225	840,854
Fiscal	533,563	533,563	461,388	461,388
Business	550	(674)	500	(1,148)
Operations and maintenance of plant	814,050	742,469	871,457	840,412
Pupil transportation	13,062	13,062	3,130	3,130
Central	350,458	335,766	378,890	315,320
Operations of non-instructional services:				
Other non-instructional services	136,815	6,320	95,696	(51,077)
Food service operations	187,037	67,679	147,780	10,001
Extracurricular activities	84,912	19,427	64,593	18,150
Interest and fiscal charges	<u>1,045,653</u>	<u>1,045,653</u>	<u>1,090,053</u>	<u>1,090,053</u>
Total expenses	<u><u>\$ 10,127,554</u></u>	<u><u>\$ 7,241,624</u></u>	<u><u>\$ 10,462,684</u></u>	<u><u>\$ 7,650,572</u></u>

The dependence upon tax and other general revenues for governmental activities is apparent, as 61.42% of instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is 71.50%. The District's taxpayers and State funding are the primary support for District's students.

The graph below presents the District's governmental activities revenue for fiscal year 2024 and 2023.

**Governmental Activities - General and Program Revenues**



**ASHLAND COUNTY-WEST HOLMES JOINT VOCATIONAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**The District's Funds**

The District's governmental funds reported a combined fund balance of \$54,894,754, which is greater than last year's total of \$49,181,991. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2024 and 2023.

	<u>Fund Balance</u> <u>June 30, 2024</u>	<u>Fund Balance</u> <u>June 30, 2023</u>	<u>Change</u>	<u>Percentage</u> <u>Change</u>
General	\$ 10,018,844	\$ 9,546,107	\$ 472,737	4.95 %
Permanent Improvement	2,183,021	1,919,584	263,437	13.72 %
Building	22,370,651	24,144,010	(1,773,359)	(7.34) %
Classroom facilities	14,443,665	10,627,118	3,816,547	35.91 %
Other Governmental	<u>5,878,573</u>	<u>2,945,172</u>	<u>2,933,401</u>	<u>99.60 %</u>
<b>Total</b>	<b><u>\$ 54,894,754</u></b>	<b><u>\$ 49,181,991</u></b>	<b><u>\$ 5,712,763</u></b>	<b><u>11.62 %</u></b>

***General Fund***

The District's general fund balance increased \$472,737.

The table that follows assists in illustrating the financial activities and fund balance of the general fund.

	<u>2024</u> <u>Amount</u>	<u>2023</u> <u>Amount</u>	<u>Increase</u> <u>(Decrease)</u>	<u>Percentage</u> <u>Change</u>
<b><u>Revenues</u></b>				
Taxes	\$ 4,649,800	\$ 3,520,678	\$ 1,129,122	32.07 %
Intergovernmental	5,175,040	4,228,080	946,960	22.40 %
Investment income	697,702	426,197	271,505	63.70 %
Tuition and fees	1,000	1,000	-	- %
Charges for services	69,136	146,723	(77,587)	(52.88) %
Other revenues	<u>45,872</u>	<u>68,724</u>	<u>(22,852)</u>	<u>(33.25) %</u>
<b>Total</b>	<b><u>\$ 10,638,550</u></b>	<b><u>\$ 8,391,402</u></b>	<b><u>\$ 2,247,148</u></b>	<b><u>26.78 %</u></b>
<b><u>Expenditures</u></b>				
Instruction	\$ 4,783,628	\$ 4,890,118	\$ (106,490)	(2.18) %
Support services	2,684,768	2,443,401	241,367	9.88 %
Operation of non-instructional services	136,815	95,696	41,119	42.97 %
Extracurricular activities	20,406	11,051	9,355	84.65 %
Facilities acquisition and construction	32,229	62,667	(30,438)	(48.57) %
Debt service	<u>7,967</u>	<u>12,128</u>	<u>(4,161)</u>	<u>(34.31) %</u>
<b>Total</b>	<b><u>\$ 7,665,813</u></b>	<b><u>\$ 7,515,061</u></b>	<b><u>\$ 150,752</u></b>	<b><u>2.01 %</u></b>

Taxes increased \$1,129,122 or 32.07% due to increased collections and fluctuations in amounts available for advance at fiscal year-end. Investment income increased \$271,505 or 63.70% due to high interest rates on the District's investments. Intergovernmental revenue increased due to increased amounts received from the State of Ohio in the form of foundation payments. All other revenues remain comparable to the prior year or changed an insignificant amount.

**ASHLAND COUNTY-WEST HOLMES JOINT VOCATIONAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Instruction expenditures decreased due to decreased vocational instruction expenditures. Support services increased due to fluctuations in personnel costs. All other expenditures remained comparable to the prior fiscal year or changed an insignificant amount.

***Bond Retirement Fund***

The bond retirement fund had \$1,743,500 in other financing sources and \$1,743,500 in expenditures. During fiscal year 2024, the bond retirement fund's fund balance remained \$0.

***Permanent Improvement Fund***

The permanent improvement fund had \$2,124,094 in revenues and \$1,860,657 in expenditures and other financing uses. During fiscal year 2024, the permanent improvement fund's fund balance increased \$263,437 from a balance of \$1,919,584 to \$2,183,021.

***Building Fund***

The building fund had \$3,553,682 in revenues and other financing sources and \$5,327,041 in expenditures and other financing uses. During fiscal year 2024, the building fund's fund balance decreased \$1,773,359 from a balance of \$24,144,010 to \$22,370,651.

***Classroom Facilities Fund***

The classroom facilities fund had \$7,692,707 in revenues and other financing sources and \$3,876,160 in expenditures and other financing uses. During fiscal year 2024, the classroom facilities fund's fund balance increased \$3,816,547 from a balance of \$10,627,118 to \$14,443,665.

***General Fund Budgeting Highlights***

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

For the general fund, original and final budgeted revenues and other financing sources were \$10,220,626 and \$10,560,626, respectively. Actual revenues and other financing sources for fiscal year 2024 were \$10,611,629. This represents a \$51,003 increase over final budgeted revenues and other financing sources.

General fund original and final appropriations (appropriated expenditures including other financing uses) were \$8,620,421 and \$10,270,421, respectively. The actual budget basis expenditures and other financing uses for fiscal year 2024 totaled \$10,058,237, which was \$212,184 less than the final budget appropriations, due to controls on spending.

***Capital Assets and Debt Administration***

***Capital Assets***

At the end of fiscal year 2024, the District had \$9,568,125 invested in land, construction in progress, land improvements, buildings and building improvements, infrastructure, furniture, equipment and vehicles, and intangible right to use assets. This entire amount is reported in governmental activities. The table on the following page shows fiscal year 2024 balances compared to 2023.

**ASHLAND COUNTY-WEST HOLMES JOINT VOCATIONAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**Capital Assets at June 30  
(Net of Depreciation)**

	Governmental Activities	
	2024	2023
Land	\$ 50,000	\$ 50,000
Construction in progress	3,784,714	686,104
Land improvements	76,442	80,701
Buildings and building improvements	4,567,644	4,775,774
Infrastructure	6,621	6,928
Furniture, fixtures, and vehicles	1,066,543	1,081,448
Intangible leased assets	<u>16,161</u>	<u>25,858</u>
<b>Total</b>	<b><u>\$ 9,568,125</u></b>	<b><u>\$ 6,706,813</u></b>

The overall increase in capital assets of \$2,861,312 is due to additions of \$3,264,653 exceeding depreciation/amortization expense of \$344,693 and disposals net of accumulated depreciation of \$58,648 in the fiscal year.

See Note 9 to the basic financial statements for additional information on the District's capital assets.

***Debt Administration***

The following table summarizes the outstanding debt at fiscal year for 2024 and 2023.

**Outstanding Debt, at Year End**

	Governmental Activities 2024	Governmental Activities 2023
Series 2022 General Obligation Bonds	\$ 29,650,000	\$ 30,235,000
Lease payable	<u>16,535</u>	<u>25,941</u>
<b>Total</b>	<b><u>\$ 29,666,535</u></b>	<b><u>\$ 30,260,941</u></b>

See Note 10 to the basic financial statements for additional information on the District's long-term obligations.

**Current Financial Related Activities**

The District is fiscally sound and ended the 2024 fiscal year in strong financial position. However, it is a fact that school districts across the state face many financial challenges. The first challenge is that although the District had the resources necessary to meet operating expenses in fiscal year 2024, it is fiscal responsibility that the District's management continues to operate the District within its financial means, in order to avoid operating deficits. According to the District's current five-year forecast, projections indicate a balanced budget year over year. In 2022 the state of Ohio legislature approved a new school funding formula to provide more funds from the State to support the operation of the district for the 2022 and 2023 school years. This formula was planned to be phased in over 6 years and for the 2024 and 2025 school years, the funding formula was updated and continues to provide additional funds to support the operational and vocational expenses of the district. The District is growing in enrollment and over the next few years is expected to realize financial growth related to the growth in enrollment as well as growth in local tax revenues directly related to real estate market conditions and associated reappraisals.

**ASHLAND COUNTY-WEST HOLMES JOINT VOCATIONAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Additionally, the district had received certified valuations for increased revenue related to the installation of the Rover Pipeline, which has since been appealed by owners. While the current uncertainty related to these issues does not pose a threat to the finances of the district, but rather continues to place a hold on potential growth of new programs and offerings. The question of growth will force District management to evaluate revenue options that will provide a balance for a financially stable District, students that are receiving the services they deserve and taxpayers that are willing to support the needs of both.

The District's management must continue to provide the resources necessary to meet student needs while diligently planning expenses and staying within the five-year plan. The five-year plan is utilized by management to manage resources effectively and efficiently. Additional revenues ideally are not to be treated as a windfall to supplement current programs but as an opportunity to extend the life of the five-year plan by means of creating additional in-demand programs that best serve student and community needs as well as providing opportunity to expand revenue growth.

**Contacting the District's Financial Management**

This financial report is designed to provide our citizens taxpayers, and investors and creditors with a general overview of the District's finances and to show that the District is accountable for the money it receives. If you have questions about this report or need additional financial information contact Ms. Julie Smith, Treasurer/CFO, Ashland County-West Holmes Joint Vocational School District, 1783 State Route 60, Ashland, OH 44805.

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**ASHLAND COUNTY WEST HOLMES JOINT VOCATIONAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

**STATEMENT OF NET POSITION  
JUNE 30, 2024**

	<b>Governmental Activities</b>
<b>Assets:</b>	
Equity in pooled cash and investments	\$ 54,927,179
Cash with fiscal agent	1,038,708
Receivables:	
Property taxes	11,874,285
Accounts	3,193
Accrued interest	82,996
Intergovernmental	7,281,201
Prepayments	29,327
Materials and supplies inventory	4,551
Inventory held for resale	1,884
Net OPEB asset	499,991
Capital assets:	
Nondepreciable capital assets	3,834,714
Depreciable capital assets, net	<u>5,733,411</u>
Capital assets, net	<u>9,568,125</u>
Total assets	<u>85,311,440</u>
<b>Deferred outflows of resources:</b>	
Pension	1,404,033
OPEB	<u>285,166</u>
Total deferred outflows of resources	<u>1,689,199</u>
<b>Liabilities:</b>	
Accounts payable	32,906
Contracts payable	455,450
Retainage payable	55,409
Accrued wages and benefits payable	736,969
Intergovernmental payable	137,520
Pension and postemployment benefits payable	110,217
Accrued interest payable	91,397
Unearned revenue	12,441
Claims payable	105,652
Long-term liabilities:	
Due within one year	733,863
Due in more than one year:	
Net pension liability	6,890,242
Net OPEB liability	402,861
Other amounts due in more than one year	<u>32,534,176</u>
Total liabilities	<u>42,299,103</u>
<b>Deferred inflows of resources:</b>	
Property taxes levied for the next fiscal year	6,045,812
Pension	568,857
OPEB	<u>801,918</u>
Total deferred inflows of resources	<u>7,416,587</u>
<b>Net position:</b>	
Net investment in capital assets	8,246,876
Restricted for:	
Capital projects	19,338,130
OPEB	499,991
Classroom facilities maintenance	1,566,165
Adult education programs	96,294
State funded programs	69,308
Food service operations	56,952
Student activities	74,427
Other purposes	37,410
Unrestricted	<u>7,299,396</u>
Total net position	<u>\$ 37,284,949</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**ASHLAND COUNTY WEST HOLMES JOINT VOCATIONAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

**STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<b>Expenses</b>	<b>Program Revenues</b>			<b>Net (Expense) Revenue and Changes in Net Position</b>
		<b>Charges for Services and Sales</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	
<b>Governmental activities:</b>					
Instruction:					
Regular	\$ 550,106	\$ 1,000	\$ -	\$ -	\$ (549,106)
Special	595,879	-	406,431	-	(189,448)
Vocational	3,798,546	-	1,333,405	-	(2,465,141)
Adult/continuing	600,561	210,927	197,746	-	(191,888)
Other	26,586	-	-	-	(26,586)
Support services:					
Pupil	349,981	-	170,058	-	(179,923)
Instructional staff	5,151	-	-	-	(5,151)
Board of education	66,375	-	-	-	(66,375)
Administration	968,269	37,705	125,823	-	(804,741)
Fiscal	533,563	-	-	-	(533,563)
Business	550	-	1,224	-	674
Operations and maintenance	814,050	320	1,747	69,514	(742,469)
Pupil transportation	13,062	-	-	-	(13,062)
Central	350,458	-	14,692	-	(335,766)
Operation of non-instructional services:					
Food service operations	187,037	97,917	82,800	-	(6,320)
Other non-instructional services	136,815	69,136	-	-	(67,679)
Extracurricular activities	84,912	51,365	14,120	-	(19,427)
Interest and fiscal charges	1,045,653	-	-	-	(1,045,653)
<b>Totals</b>	<b>\$ 10,127,554</b>	<b>\$ 468,370</b>	<b>\$ 2,348,046</b>	<b>\$ 69,514</b>	<b>(7,241,624)</b>

**General revenues:**

Property taxes levied for:

General purposes	6,055,311
Capital outlay	2,657,308
Classroom facilities maintenance	522,055
Grants and entitlements not restricted to specific programs	3,577,456
Investment earnings	2,513,042
Increase on fair value on investments	259,096
Miscellaneous	38,905
<b>Total general revenues</b>	<b>15,623,173</b>

Change in net position	8,381,549
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<b>Net position at beginning of year</b>	<b>28,903,400</b>
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<b>Net position at end of year</b>	<b>\$ 37,284,949</b>
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SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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**ASHLAND COUNTY WEST HOLMES JOINT VOCATIONAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2024**

	<b>General</b>	<b>Permanent Improvement</b>	<b>Building</b>	<b>Classroom Facilities</b>
<b>Assets:</b>				
Equity in pooled cash and investments	\$ 9,989,599	\$ 1,663,193	\$ 22,606,294	\$ 14,672,569
Receivables:				
Property taxes	7,646,998	4,227,287	-	-
Accounts	2,974	-	-	-
Accrued interest	-	-	37,836	45,160
Interfund loans	27,095	-	-	-
Intergovernmental	1,316	-	-	7,228,943
Prepayments	26,416	-	-	-
Materials and supplies inventory	3,697	-	-	-
Inventory held for resale	-	-	-	-
Total assets	<u><u>\$ 17,698,095</u></u>	<u><u>\$ 5,890,480</u></u>	<u><u>\$ 22,644,130</u></u>	<u><u>\$ 21,946,672</u></u>
<b>Liabilities:</b>				
Accounts payable	\$ 18,139	\$ -	\$ -	\$ -
Contracts payable	-	-	230,687	217,595
Retainage payable	-	-	28,259	27,150
Accrued wages and benefits payable	687,728	-	-	-
Intergovernmental payable	136,966	-	-	-
Pension and postemployment benefits payable	98,664	-	-	-
Interfund loans payable	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	<u><u>941,497</u></u>	<u><u>-</u></u>	<u><u>258,946</u></u>	<u><u>244,745</u></u>
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next fiscal year	3,850,171	2,195,641	-	-
Delinquent property tax revenue not available	2,886,267	1,511,818	-	-
Intergovernmental revenue not available	1,316	-	-	7,228,943
Accrued interest not available	-	-	14,533	29,319
Total deferred inflows of resources	<u><u>6,737,754</u></u>	<u><u>3,707,459</u></u>	<u><u>14,533</u></u>	<u><u>7,258,262</u></u>
<b>Fund balances:</b>				
Nonspendable:				
Materials and supplies inventory	3,697	-	-	-
Prepays	26,416	-	-	-
Scholarships	-	-	-	-
Restricted:				
Capital improvements	-	2,183,021	22,370,651	14,443,665
Adult education	-	-	-	-
Classroom facilities maintenance	-	-	-	-
Food service operations	-	-	-	-
State funded programs	-	-	-	-
Extracurricular	-	-	-	-
Other purposes	-	-	-	-
Committed:				
Termination benefits	100,666	-	-	-
Assigned:				
Student instruction	17,211	-	-	-
Student and staff support	31,506	-	-	-
Extracurricular activities	1,281	-	-	-
Facilities acquisition and construction	186	-	-	-
Capital improvements	-	-	-	-
Other purposes	118,729	-	-	-
Unassigned (deficit)	<u><u>9,719,152</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
Total fund balances	<u><u>10,018,844</u></u>	<u><u>2,183,021</u></u>	<u><u>22,370,651</u></u>	<u><u>14,443,665</u></u>
Total liabilities, deferred inflows and fund balances	<u><u>\$ 17,698,095</u></u>	<u><u>\$ 5,890,480</u></u>	<u><u>\$ 22,644,130</u></u>	<u><u>\$ 21,946,672</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Nonmajor Governmental Funds	Total Governmental Funds
\$ 5,995,524	\$ 54,927,179
- 11,874,285	
219 3,193	
- 82,996	
- 27,095	
50,942 7,281,201	
2,911 29,327	
854 4,551	
1,884 1,884	
<u>\$ 6,052,334</u>	<u>\$ 74,231,711</u>
\$ 14,767 \$ 32,906	
7,168 455,450	
- 55,409	
49,241 736,969	
554 137,520	
11,553 110,217	
27,095 27,095	
12,441 12,441	
<u>122,819</u>	<u>1,568,007</u>
- 6,045,812	
- 4,398,085	
50,942 7,281,201	
- 43,852	
<u>50,942</u>	<u>17,768,950</u>
854 4,551	
2,911 29,327	
11,127 11,127	
- 38,997,337	
126,193 126,193	
1,566,165 1,566,165	
59,414 59,414	
62,140 62,140	
74,427 74,427	
26,283 26,283	
- 100,666	
- 17,211	
- 31,506	
- 1,281	
- 186	
4,000,000 4,000,000	
- 118,729	
(50,941) 9,668,211	
<u>5,878,573</u>	<u>54,894,754</u>
<u>\$ 6,052,334</u>	<u>\$ 74,231,711</u>

**ASHLAND COUNTY WEST HOLMES JOINT VOCATIONAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO  
NET POSITION OF GOVERNMENTAL ACTIVITIES  
JUNE 30, 2024**

<b>Total governmental fund balances</b>	\$ 54,894,754
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	9,568,125
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.	
Property taxes receivable	\$ 4,398,085
Accrued interest receivable	43,852
Intergovernmental receivable	<u>7,281,201</u>
Total	11,723,138
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities on the statement of net position.	933,056
Unamortized premiums on bonds issued are not recognized in the funds.	(3,063,201)
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds	(91,397)
The net pension/OPEB assets & liabilities are not due and payable in the current period; therefore, the assets, liabilities and related deferred inflows/outflows are not reported in governmental funds.	
Deferred outflows - pension	1,404,033
Deferred inflows - pension	(568,857)
Net pension liability	(6,890,242)
Deferred outflows - OPEB	285,166
Deferred inflows - OPEB	(801,918)
Net OPEB asset	499,991
Net OPEB liability	<u>(402,861)</u>
Total	(6,474,688)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	
General obligation bonds	(29,650,000)
Lease payable	(16,535)
Compensated absences	<u>(538,303)</u>
Total	<u>(30,204,838)</u>
<b>Net position of governmental activities</b>	<u><u>\$ 37,284,949</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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**ASHLAND COUNTY WEST HOLMES JOINT VOCATIONAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<b>General</b>	<b>Bond Retirement</b>	<b>Permanent Improvement</b>	<b>Building</b>
<b>Revenues:</b>				
Property taxes	\$ 4,649,800	\$ -	\$ 2,022,618	\$ -
Intergovernmental	5,175,040	-	81,031	-
Investment earnings	697,702	-	20,445	1,242,723
Tuition and fees	1,000	-	-	-
Extracurricular	-	-	-	-
Rental income	320	-	-	-
Charges for services	69,136	-	-	-
Contributions and donations	6,647	-	-	-
Miscellaneous	38,905	-	-	-
Increase in fair value on investments	-	-	-	150,781
<b>Total revenues</b>	<b>10,638,550</b>	<b>-</b>	<b>2,124,094</b>	<b>1,393,504</b>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	526,447	-	-	-
Special	613,369	-	-	-
Vocational	3,616,441	-	-	-
Adult/continuing	-	-	-	-
Other	27,371	-	-	-
Support services:				
Pupil	242,721	-	-	-
Instructional staff	5,231	-	-	-
Board of education	67,124	-	-	-
Administration	807,095	-	-	-
Fiscal	492,647	-	43,353	-
Business	-	-	-	-
Operations and maintenance	722,393	-	-	-
Pupil transportation	13,062	-	-	-
Central	334,495	-	-	-
Operation of non-instructional services:				
Food service operations	-	-	-	-
Other non-instructional services	136,815	-	-	-
Extracurricular activities	20,406	-	-	-
Facilities acquisition and construction	32,229	-	73,804	1,375,460
Debt service:				
Principal retirement	7,340	585,000	-	-
Interest and fiscal charges	627	1,158,500	-	-
<b>Total expenditures</b>	<b>7,665,813</b>	<b>1,743,500</b>	<b>117,157</b>	<b>1,375,460</b>
Excess of revenues over (under) expenditures	2,972,737	(1,743,500)	2,006,937	18,044
<b>Other financing sources (uses):</b>				
Transfers in	-	1,743,500	-	2,160,178
Transfers (out)	(2,500,000)	-	(1,743,500)	(3,951,581)
<b>Total other financing sources (uses)</b>	<b>(2,500,000)</b>	<b>1,743,500</b>	<b>(1,743,500)</b>	<b>(1,791,403)</b>
Net change in fund balances	472,737	-	263,437	(1,773,359)
<b>Fund balances at beginning of year</b>	<b>9,546,107</b>	<b>-</b>	<b>1,919,584</b>	<b>24,144,010</b>
<b>Fund balances at end of year</b>	<b>\$ 10,018,844</b>	<b>\$ -</b>	<b>\$ 2,183,021</b>	<b>\$ 22,370,651</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

<b>Classroom Facilities</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ -	\$ 522,055	\$ 7,194,473
3,104,889	793,024	9,153,984
527,922	4,753	2,493,545
-	248,632	249,632
-	51,365	51,365
-	-	320
-	97,917	167,053
-	15,320	21,967
-	4,965	43,870
<b>108,315</b>	<b>-</b>	<b>259,096</b>
<b>3,741,126</b>	<b>1,738,031</b>	<b>19,635,305</b>

-	-	526,447
-	-	613,369
-	165,331	3,781,772
-	566,538	566,538
-	-	27,371
-	114,332	357,053
-	-	5,231
-	-	67,124
-	185,387	992,482
-	-	536,000
-	550	550
-	-	722,393
-	-	13,062
-	13,254	347,749
-	183,664	183,664
-	-	136,815
-	64,613	85,019
<b>1,715,982</b>	<b>8,718</b>	<b>3,206,193</b>
-	2,066	594,406
-	177	1,159,304
<b>1,715,982</b>	<b>1,304,630</b>	<b>13,922,542</b>

<b>2,025,144</b>	<b>433,401</b>	<b>5,712,763</b>
------------------	----------------	------------------

3,951,581	2,500,000	10,355,259
(2,160,178)	-	(10,355,259)
<b>1,791,403</b>	<b>2,500,000</b>	<b>-</b>
3,816,547	2,933,401	5,712,763
<b>10,627,118</b>	<b>2,945,172</b>	<b>49,181,991</b>
<b>\$ 14,443,665</b>	<b>\$ 5,878,573</b>	<b>\$ 54,894,754</b>

**ASHLAND COUNTY WEST HOLMES JOINT VOCATIONAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

<b>Net change in fund balances - total governmental funds</b>	\$ 5,712,763
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>	
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/amortization expense.	
Capital asset additions	\$ 3,264,653
Current year depreciation/amortization	<u>(344,693)</u>
Total	2,919,960
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.	
	(58,648)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Property taxes	2,040,201
Earnings on investments	<u>(5,160)</u>
Intergovernmental	<u>(3,190,653)</u>
Total	(1,155,612)
Repayment of bond and lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.	
	594,406
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in additional interest being reported in the statement of activities:	
Decrease in accrued interest payable	1,919
Amortization of bond premiums	<u>111,732</u>
Total	113,651
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.	
Pension	653,423
OPEB	<u>13,711</u>
Total	667,134
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability/asset are reported as pension/OPEB expense in the statement of activities.	
Pension	(500,631)
OPEB	<u>84,040</u>
Total	(416,591)
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.	
	(21,102)
An internal service fund used by management to charge the costs of insurance to individual funds is not reported in the district-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.	
	25,588
<b>Change in net position of governmental activities</b>	<u>\$ 8,381,549</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**ASHLAND COUNTY WEST HOLMES JOINT VOCATIONAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

**STATEMENT OF NET POSITION  
PROPRIETARY FUND  
JUNE 30, 2024**

	<b>Governmental Activities - Internal Service Fund</b>
<b>Assets:</b>	
Cash with fiscal agent	<u>\$ 1,038,708</u>
<b>Liabilities:</b>	
Claims payable	<u>105,652</u>
<b>Net position:</b>	
Unrestricted	<u><u>\$ 933,056</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**ASHLAND COUNTY WEST HOLMES JOINT VOCATIONAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

**STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
PROPRIETARY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<b>Governmental Activities - Internal Service Fund</b>
<b>Operating revenues:</b>	
Charges for services	<u>\$ 1,238,095</u>
<b>Operating expenses:</b>	
Claims	<u>1,241,917</u>
Operating loss	(3,822)
<b>Nonoperating revenues:</b>	
Interest revenue	<u>29,410</u>
Change in net position	25,588
<b>Net position at beginning of year</b>	<u>907,468</u>
<b>Net position at end of year</b>	<u>\$ 933,056</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**ASHLAND COUNTY WEST HOLMES JOINT VOCATIONAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<b>Governmental Activities - Internal Service Fund</b>
<b>Cash flows from operating activities:</b>	
Cash received from charges for services	\$ 1,238,095
Cash payments for claims	<u>(1,278,029)</u>
Net cash used in operating activities	<u>(39,934)</u>
<b>Cash flows from investing activities:</b>	
Interest received	<u>29,410</u>
Net cash provided by investing activities	<u>29,410</u>
Net decrease in cash with fiscal agent	(10,524)
<b>Cash with fiscal agent at beginning of year</b>	1,049,232
<b>Cash with fiscal agent at end of year</b>	<u>\$ 1,038,708</u>
<b>Reconciliation of operating loss to net cash used in operating activities:</b>	
Operating loss	\$ (3,822)
Changes in assets and liabilities:	
Decrease in claims payable	<u>(36,112)</u>
Net cash used in operating activities	<u>\$ (39,934)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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**ASHLAND COUNTY-WEST HOLMES JOINT VOCATIONAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 1 - DESCRIPTION OF THE DISTRICT AND REPORTING ENTITY**

The Ashland County-West Holmes Joint Vocational School District, Ashland County, (the “District”) is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District, as defined by Section 3311.18 of the Ohio Revised Code, is responsible for providing public education to residents of the member Districts. The District is directed by an appointed nine-member Board of Education appointed by participating Districts.

The District serves an area of approximately 777 square miles with an enrollment of 808 students. The District employs 9 administrative and supervisory personnel, 50 certified employees (full-time and part-time) and 24 non-certificated employees (full-time and part-time).

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

The basic financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (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 District’s significant accounting policies are described below.

**A. Reporting Entity**

The reporting entity has been defined in accordance with GASB Statement No. 14, “The Financial Reporting Entity” as amended by GASB Statement No. 39, “Determining Whether Certain Organizations Are Component Units” and GASB Statement No. 61, “The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and No. 34”. The reporting entity is composed of the primary government and component units. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the District, this includes general operations, food service, and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization’s Governing Board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization’s resources; or (3) the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Certain organizations are also included as component units if the nature and significance of the relationship between the primary government and the organization is such that exclusion by the primary government would render the primary government’s financial statements incomplete or misleading. Based upon the application of these criteria, the District has no component units. The basic financial statements of the reporting entity include only those of the District (the primary government)

**ASHLAND COUNTY-WEST HOLMES JOINT VOCATIONAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

*JOINTLY GOVERNED ORGANIZATIONS*

Tri-County Computer Services Association

The Tri-County Computer Services Association (TCCSA) is a jointly governed organization comprised of 20 Districts. 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 for member districts. Each of the governments of these districts supports TCCSA based upon per pupil charge dependent upon the software package utilized. The TCCSA assembly consists of a superintendent or designated representative from each participating district and a representative from the fiscal agent. TCCSA is governed by a board of directors chosen from the general membership of the TCCSA assembly. The board of directors consists of a representative from the fiscal agent, the chairman of each operating committee, and at least an assembly member from each county from which participating districts are located. The Ashland County-West Holmes Joint Vocational School District paid \$105,650 to the Midland Council of Governments, which serves as fiscal agent, during fiscal year 2024 for services. Financial information can be obtained by contacting the Treasurer at the Midland Council of Governments located in Wooster, Ohio.

*INSURANCE POOL*

Jefferson Health Plan Self-Insurance Plan

The District participates in the Jefferson Health Plan (JHP) Self-Insurance Plan, a claims servicing pool comprised of fifty members. Each participant is a member of the assembly. The Plan's business and affairs are conducted by a nine member Board of Directors elected from the JHP's assembly. Each member pays a monthly premium based on their claims history and a monthly administration fee. The Ashland County-West Holmes Joint Vocational School District paid \$50,193 to JHP during fiscal year 2024 for services. All participating members retain their risk and the Plan acts as the claims servicing agent.

**B. Basis of Presentation and Measurement Focus**

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

Government-Wide Financial Statements - The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The internal service fund activity is eliminated to avoid "doubling up" revenues and expenses.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the governmental activities of the District. 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 amounts paid by the recipient of goods or services offered by the program and grants and contributions that are restricted to meeting the operational requirements of a particular program. Revenues not classified as program revenues are presented as general revenues of the District.

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 District are included on the statement of net position.

Fund Financial Statements - Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column, and all nonmajor funds are aggregated into one column. Fiduciary funds are reported by fund type.

**ASHLAND COUNTY-WEST HOLMES JOINT VOCATIONAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

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

Like the government-wide statements, the internal service fund is accounted for on a flow of economic resources measurement focus. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operation of this fund are included on the statement of fund net position. The statement of revenues, expenses and changes in net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net position. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary activity.

**C. Fund Accounting**

The District uses funds to report its financial position and the results of its operations. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain District activities or functions. Funds are classified into three categories: governmental, proprietary and fiduciary. Each category is divided into separate fund types.

*GOVERNMENTAL FUNDS*

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

The following are the District's major governmental funds:

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

*Bond Retirement Fund* - The bond retirement fund is used to account for the accumulation of restricted resources and payment of general obligation bond and note principal, interest and related costs.

*Permanent improvement fund* - The permanent improvement capital projects fund accounts for levy collections used for the acquisition, construction, or improvement of capital facilities.

*Building fund* - The building fund is used to account for monies received and expended in connection with the District's Locally Funded Initiatives (LFI).

*Classroom facilities fund* - The classroom facilities fund is used to account for monies received and expended in connection with contracts entered into by the District and the Ohio Facilities Construction Commission (OFCC) for the building and equipping of classroom facilities.

**ASHLAND COUNTY-WEST HOLMES JOINT VOCATIONAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

Other governmental funds of the District are used to account for:

***Nonmajor special revenue funds*** - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

***Nonmajor capital projects funds*** - Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

***PROPRIETARY FUND***

Proprietary funds are used to account for the District's ongoing activities which are similar to those often found in the private sector where the determination of net income is necessary or useful to sound financial administration. The following is the District's proprietary fund:

***Internal service fund*** - The internal service fund is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the District or to other governments, on a cost-reimbursement basis. The internal service fund of the District accounts for a self-insurance program which provides medical benefits to employees.

***FIDUCIARY FUNDS***

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that have certain characteristics. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The District does not have any fiduciary funds.

**D. Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds use the accrual basis of accounting.

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

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 6).

**ASHLAND COUNTY-WEST HOLMES JOINT VOCATIONAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from 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, interest, tuition, grants, student fees and rentals.

*Deferred Outflows of Resources and Deferred Inflows of Resources* - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. See Notes 12 and 13 for deferred outflows of resources related to net pension liability and net OPEB liability/asset, respectively.

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements 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 as an inflow of resources (revenue) until that time. Deferred inflows of resources include property taxes 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 of resources 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. Unavailable revenue includes, but is not limited to, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

See Notes 12 and 13 for deferred inflows of resources related to net pension liability and net OPEB liability/asset, respectively. These deferred inflows of resources are only reported on the government-wide statement of net position.

*Expenses/Expenditures* - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the statement of revenues, expenditures and changes in fund balances as an expenditure with a like amount reported as intergovernmental revenue.

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.

**ASHLAND COUNTY-WEST HOLMES JOINT VOCATIONAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

**E. Budgetary Data**

All funds, other than custodial 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 set annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the fund level. Budgetary modifications at this level require resolution of the Board of Education. The Treasurer has been given authority to allocate Board appropriations to the function and object levels within each fund.

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

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

**F. Cash and Investments**

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

During fiscal year 2024, investments were limited to Federal Farm Credit Bank (FFCB) securities, Federal Home Loan Bank (FHLB) securities, negotiable certificates of deposit (negotiable CD's), commercial paper, U.S. Treasury notes, U.S. Treasury bills, U.S. government money market funds, and investments in the State Treasury Asset Reserve of Ohio (STAR Ohio). Except for investments in STAR Ohio, investments are reported at fair value which is based on quoted market prices.

The District invested in STAR Ohio. 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 District measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For fiscal year 2024, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, 24 hours notice in advance of all deposits and withdrawals exceeding \$100 million is encouraged. STAR Ohio reserves the right to limit the transaction to \$250 million, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

**ASHLAND COUNTY-WEST HOLMES JOINT VOCATIONAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. The Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2024 amounted to \$697,702, which includes \$253,137 assigned from other District funds.

The District participates in the Jefferson Health Plan for self-insurance. These monies are held separate from the District's central bank account and reported as cash with fiscal agent.

For presentation on the basic financial statements, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the District are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

An analysis of the District's investment account at fiscal year-end is provided in Note 4.

**G. Prepayments**

Certain payments to vendors reflect the costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. These items are reported as assets on the balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of the purchase and the expenditure/expense is reported in the year in which services are consumed.

At fiscal year-end, because prepayments are not available to finance future governmental fund expenditures, the fund balance is considered nonspendable in an amount equal to the carrying value of the asset on the fund financial statements.

**H. Inventory**

On government-wide and fund financial statements, purchased inventories are presented at the lower of cost or market and donated commodities are presented at their entitlement value. Inventories are recorded on a first-in, first-out basis and are expensed when used. Inventories are accounted for using the consumption method on the government-wide statements and the fund financial statements.

On the fund financial statements, reported material and supplies inventory is equally offset by nonspendable fund balance in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets.

Inventory consists of expendable supplies held for consumption, donated food and purchased food.

**I. Capital Assets**

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date donated. The District's capitalization threshold is \$5,000. Improvements are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

**ASHLAND COUNTY-WEST HOLMES JOINT VOCATIONAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

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

<u>Description</u>	<u>Estimated Lives</u>
Land Improvements	5 - 10 years
Buildings and Building Improvements	10 - 50 years
Infrastructure	50 years
Furniture, Equipment, and Vehicles	5 - 20 years
Intangible leased assets	3 - 5 years

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

**J. Interfund Balances**

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

**K. Compensated Absences**

The District reports compensated absences in accordance with the provisions of GASB No. 16, “Accounting for 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 employer will compensate the employees for the benefits through paid time off or some other means.

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

On the governmental fund statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account “compensated absences payable” in the funds from which the employee will be paid.

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

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

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

**ASHLAND COUNTY-WEST HOLMES JOINT VOCATIONAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

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

**M. Interfund Activity**

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. Repayment from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Interfund activities between governmental funds are eliminated in the statement of activities.

**N. Fund Balance**

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

*Nonspendable* - The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form or legally 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 are placed on the use of resources that are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

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

*Assigned* - Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted nor committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the District Board of Education, which includes giving the Treasurer the authority to constrain monies for intended purposes.

*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 only used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

**ASHLAND COUNTY-WEST HOLMES JOINT VOCATIONAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

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

**O. Net Position**

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. The net position component “net investment in capital assets,” consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

**P. Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the District, these revenues are charges for services for self-insurance programs. Operating expenses are necessary costs incurred to provide the goods or service that is the primary activity of the fund. Any revenues and expenses not meeting the definitions of operating are reported as nonoperating.

**Q. Estimates**

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

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

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

**S. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2024.

**ASHLAND COUNTY-WEST HOLMES JOINT VOCATIONAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE**

**A. Change in Accounting Principles**

For fiscal year 2024, the District has implemented certain paragraphs from GASB Implementation Guide No. 2021-1, certain paragraphs of GASB Statement No. 99, "Omnibus 2022", GASB Statement No. 100, "Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62" and Implementation Guide No. 2023-1.

GASB Implementation Guide 2021-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2021-1 did not have an effect on balances previously reported by the District.

GASB Statement No. 99 is to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The implementation of GASB Statement No. 99 did not have an effect on the financial statements of the District.

GASB Statement No. 100 is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The implementation of GASB Statement No. 100 did not have an effect on the financial statements of the District.

GASB Implementation Guide 2023-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2023-1 did not have an effect on the financial statements of the District.

**B. Deficit Fund Balances**

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

<u>Nonmajor governmental funds</u>	<u>Deficit</u>
Vocational education	\$ 50,941

The general fund is liable for any deficit in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances resulted from adjustments for accrued liabilities.

**NOTE 4 - DEPOSITS AND INVESTMENTS**

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

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

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

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories.

**ASHLAND COUNTY-WEST HOLMES JOINT VOCATIONAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

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 are to be deposited or invested in the following securities:

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

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

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Except as noted above, an investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the District and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

**A. Cash on Hand**

At year-end, the District had \$375 in deposited cash on hand which is included on the financial statements of the District as part of "equity in pooled cash and investments."

**ASHLAND COUNTY-WEST HOLMES JOINT VOCATIONAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

**B. Funds Held by Fiscal Agent**

The District participates in the Jefferson Health Plan for employee benefits. The amount held at fiscal year-end for the employee benefit self-insurance fund was \$1,038,708. All benefit deposits are made to the consortium's depository account. Collateral is held by a qualified third-party trustee in the name of the consortium.

**C. Deposits with Financial Institutions**

At June 30, 2024, the carrying amount of all District deposits was a deficit of \$79,978. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2024, \$192,027 of the District's bank balance of \$442,027 was covered by the Ohio Pooled Collateral System, while \$250,000 was covered by the FDIC.

Custodial credit risk is the risk that, in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. The District has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the District and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For 2024, the District's financial institutions were approved for a collateral rate of 102 percent through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the District to a successful claim by the FDIC.

**D. Investments**

As of June 30, 2024, the District had the following investments and maturities:

Measurement/ Investment type	Measurement Value	Investment Maturities				
		6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater Than 24 months
<i>Fair Value:</i>						
FFCB	\$ 1,542,917	\$ 1,299,086	\$ -	\$ -	\$ 243,831	\$ -
FHLB	3,088,081	2,325,603	-	-	-	762,478
U.S. Treasury Notes	3,587,213	1,669,108	-	194,430	-	1,723,675
U.S. Treasury bills	7,988,366	7,988,366	-	-	-	-
Commercial paper	21,300,581	14,615,490	6,685,091	-	-	-
Negotiable CDs	5,130,174	741,320	1,956,956	1,462,855	-	969,043
U.S Government money market mutual funds	796,544	796,544	-	-	-	-
<i>Amortized cost:</i>						
STAR Ohio	11,572,906	11,572,906	-	-	-	-
<b>Total</b>	<b>\$ 55,006,782</b>	<b>\$ 41,008,423</b>	<b>\$ 8,642,047</b>	<b>\$ 1,657,285</b>	<b>\$ 243,831</b>	<b>\$ 3,455,196</b>

The weighted average maturity is 0.51 days.

**ASHLAND COUNTY-WEST HOLMES JOINT VOCATIONAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

The District's investments in federal agency securities (FFCB and FHLB), commercial paper, negotiable CD's, U.S. Treasury notes, U.S. Treasury bonds, and U.S. government money market mutual funds are valued using quoted prices in markets that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly (Level 2 inputs).

*Interest Rate Risk:* Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates substantially increase. As a means of limiting its exposure to fair value losses arising from rising interest rates, the District's investment policy limits investment portfolio maturities to five years or less. State statute requires that an investment must be purchased with the expectation that it will be held to maturity.

*Credit Risk:* The federal agency securities, U.S Treasury notes, and U.S. Treasury bonds were rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively. Commercial paper was rated A-1+ and P-1 by Standard & Poor's and Moody's Investor Services, respectively. STAR Ohio and U.S. Government money market mutual funds carry a rating of AAAm by Standard & Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The negotiable CDs are fully covered by the FDIC. The District's investment policy does not specifically address credit risk beyond requiring the District to only invest in securities authorized by State statute.

*Custodial Credit Risk:* For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The District's investment policy does not specifically address custodial credit risk beyond the adherence to all relevant sections of the Ohio Revised Code. Requirements in State statute prohibit payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee. If the securities transferred are not represented by a certificate, payment shall be made only upon receipt of confirmation of transfer from the custodian by the treasurer, governing board or qualified trustee.

*Concentration of Credit Risk:* The District places no dollar limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the District at June 30, 2024:

Measurement/ Investment type	Measurement Value	% of Total
<i>Fair value:</i>		
FFCB	\$ 1,542,917	2.80
FHLB	3,088,081	5.61
U.S. Treasury notes	3,587,213	6.52
U.S. Treasury bills	7,988,366	14.52
Commercial paper	21,300,581	38.73
Negotiable CDs	5,130,174	9.33
U.S Government money market mutual funds	796,544	1.45
<i>Amortized cost:</i>		
STAR Ohio	<u>11,572,906</u>	<u>21.04</u>
Total	<u>\$ 55,006,782</u>	<u>100.00</u>

**ASHLAND COUNTY-WEST HOLMES JOINT VOCATIONAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

**E. Reconciliation of Cash and Investments to the Statement of Net Position**

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of June 30, 2024:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ (79,978)
Investments	55,006,782
Cash with fiscal agent	1,038,708
Cash on hand	<u>375</u>
Total	<u><u>\$55,965,887</u></u>

<u>Cash and investments per statement of net position</u>	
Governmental activities	<u><u>\$ 55,965,887</u></u>

**NOTE 5 - INTERFUND TRANSACTIONS**

**A. Interfund Balances**

Interfund balances at June 30, 2024, as reported on the fund statements consist of the following individual interfund loans receivable and payable:

<u>Receivable fund</u>	<u>Payable funds</u>	<u>Amount</u>
General fund	Nonmajor governmental funds	<u><u>\$ 27,095</u></u>

The primary purpose of the interfund balances is to cover costs in specific funds where revenues were not received by June 30. These interfund balances will be repaid once the anticipated revenues are received. All interfund balances are expected to be repaid within one year. Interfund balances between governmental funds are eliminated on the government-wide financial statements.

**B. Interfund Transfers**

Interfund transfers for the fiscal year ended June 30, 2024, consisted of the following, as reported on the fund statements:

	<u>Amount</u>
<u>Transfers from General Fund to:</u>	
Nonmajor governmental funds	\$ 2,500,000
<u>Transfers from Permanent Improvement Fund to:</u>	
Bond Retirement fund	1,743,500
<u>Transfers from Classroom Facilities Fund to:</u>	
Building fund	2,160,178
<u>Transfers from Building Fund to:</u>	
Classroom Facilities fund	<u><u>3,951,581</u></u>
Total	<u><u>\$ 10,355,259</u></u>

**ASHLAND COUNTY-WEST HOLMES JOINT VOCATIONAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 5 - INTERFUND TRANSACTIONS - (Continued)**

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

The transfer from the building fund to the classroom facilities fund was made to move monies for the District's required local share contribution of the construction project with the OFCC to a specific fund (the building fund) as required by the agreement between the District and the OFCC.

The transfer from the classroom facilities fund to the building fund was made to move unused monies for the District's required local share contribution of the construction project.

Interfund transfers between governmental funds are eliminated on the government-wide financial statements; therefore, no transfers are reported in the statement of activities.

**NOTE 6 - PROPERTY TAXES**

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

Property taxes include amounts levied against all real property and public utility property. 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 personal property taxes received in calendar year 2023 became a lien on December 31, 2022, were levied after April 1, 2023, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

The District receives property taxes from seven counties. The County Auditors periodically advance to the District its portion of the taxes collected. Second-half real property tax payments collected by the Counties by June 30, 2024, are available to finance fiscal year 2024 operations. The amount available as an advance at June 30, 2024 and 2023 were:

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Major governmental funds:		
General fund	\$ 910,560	\$ 760,935
Permanent improvement fund	519,828	544,045

The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

**ASHLAND COUNTY-WEST HOLMES JOINT VOCATIONAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 6 - PROPERTY TAXES - (Continued)**

Accrued property taxes receivable includes real property, public utility property and delinquent tangible personal 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 and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows.

On the accrual basis of accounting, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis of accounting the revenue has been reported as a deferred inflow.

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

	2023 Second Half Collections		2024 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 1,582,489,600	75.70	\$ 1,935,871,210	79.14
Public utility personal	<u>507,927,400</u>	<u>24.30</u>	<u>510,293,150</u>	<u>20.86</u>
Total	<u>\$ 2,090,417,000</u>	<u>100.00</u>	<u>\$ 2,446,164,360</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation	\$ 4.10		\$ 5.20	

**NOTE 7 - TAX ABATEMENTS ENTERED INTO BY OTHER GOVERNMENTS**

Other governments entered into property tax abatement agreements with property and business owners under Enterprise Zone Agreements (“EZAs”) and the Ohio Community Reinvestment Area (“CRA”) program with the taxing districts of the District. The EZAs and CRA program are directive incentive tax exemption programs benefiting property and business owners who renovate or construct new buildings or bring new jobs into the area. Under these programs, the other governments designated areas to encourage revitalization of the existing housing stock, the development of new structures, and economic growth. Within the taxing districts of the District, certain municipal governments located in the counties of Holmes and Ashland have entered into such agreements. Under these agreements, the Districts property taxes were reduced by \$18,935 in Holmes County and \$50,577, in Ashland County. The District is not receiving any amounts from the other governments in association with the forgone property tax revenue.

**NOTE 8 - RECEIVABLES**

Receivables at June 30, 2024 consisted of property taxes, accounts (billings for user charged services and student fees) and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current year guarantee of federal funds. A summary of the principal items of receivables reported on the statement of net position follows:

**Governmental activities:**

Property taxes	\$ 11,874,285
Accounts	3,193
Accrued interest	82,996
Intergovernmental	<u>7,281,201</u>
Total	<u>\$19,241,675</u>

**ASHLAND COUNTY-WEST HOLMES JOINT VOCATIONAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 8 - RECEIVABLES - (Continued)**

Receivables have been disaggregated on the face of the basic financial statements. The intergovernmental receivable in the amount of \$7,228,943 reported in the classroom facilities fund is expected to be collected over the next several years as the OFCC construction project is completed. All other receivables are expected to be collected within the subsequent year.

**NOTE 9 - CAPITAL ASSETS**

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

	Balance 6/30/2023	Additions	Deductions	Balance 6/30/2024
<b>Governmental activities:</b>				
<i>Capital assets, not being depreciated/amortized:</i>				
Land	\$ 50,000	\$ -	\$ -	\$ 50,000
Construction in progress	<u>686,104</u>	<u>3,098,610</u>	<u>-</u>	<u>3,784,714</u>
Total capital assets, not being depreciated/amortized	<u>736,104</u>	<u>3,098,610</u>	<u>-</u>	<u>3,834,714</u>
<i>Capital assets, being depreciated/amortized:</i>				
Land improvements	253,659	-	-	253,659
Buildings and building improvements	11,679,944	-	(61,904)	11,618,040
Infrastructure	60,260	-	-	60,260
Furniture, equipment, and vehicles	2,852,105	166,043	(209,515)	2,808,633
Intangible right to use:				
Leased equipment	29,090	-	-	29,090
Total capital assets, being depreciated/amortized	<u>14,875,058</u>	<u>166,043</u>	<u>(271,419)</u>	<u>14,769,682</u>
<i>Less: accumulated depreciation/amortization:</i>				
Land improvements	(172,958)	(4,259)	-	(177,217)
Buildings and improvements	(6,904,170)	(160,993)	14,767	(7,050,396)
Infrastructure	(53,332)	(307)	-	(53,639)
Furniture, equipment, and vehicles	(1,770,657)	(169,437)	198,004	(1,742,090)
Intangible right to use:				
Leased equipment	(3,232)	(9,697)	-	(12,929)
Total accumulated depreciation/amortization	<u>(8,904,349)</u>	<u>(344,693)</u>	<u>212,771</u>	<u>(9,036,271)</u>
Governmental activities capital assets, net	<u>\$ 6,706,813</u>	<u>\$ 2,919,960</u>	<u>\$ (58,648)</u>	<u>\$ 9,568,125</u>

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

<b>Instruction:</b>	
Regular	\$ 40,199
Special	1,255
Vocational	197,198
Adult/Continuing	29,857

<b>Support services:</b>	
Administration	3,166
Operations and maintenance	58,101
Central	8,943
Food service operations	5,974
Total depreciation/amortization expense	<u>\$ 344,693</u>

**ASHLAND COUNTY-WEST HOLMES JOINT VOCATIONAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 10 - LONG-TERM OBLIGATIONS**

The changes in the District's long-term obligations during the fiscal year were as follows.

	<u>Balance</u> <u>6/30/2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>6/30/2024</u>	<u>Due Within</u> <u>One Year</u>
<b>Series 2022, School Facilities</b>					
Construction and					
Improvement Bonds	\$ 30,235,000	\$ -	\$ (585,000)	\$ 29,650,000	\$ 610,000
Lease payable	25,941	- -	(9,406)	16,535	9,789
Net pension liability	7,031,773	- -	(141,531)	6,890,242	-
Net OPEB liability	360,058	42,803	- -	402,861	-
Compensated absences	517,201	132,619	(111,517)	538,303	114,074
Unamortized premium	3,174,933	- -	(111,732)	3,063,201	-
<b>Total</b>	<b>\$ 41,344,906</b>	<b>\$ 175,422</b>	<b>\$ (959,186)</b>	<b>\$ 40,561,142</b>	<b>\$ 733,863</b>

*Series 2022, School Facilities Construction and Improvement Bonds*

On March 3, 2022, the District issued \$34,020,000 in school facilities construction and improvement general obligation bonds to perform school improvement projects. This issue is comprised of general obligation bonds with an interest rate of 4.00%. The general obligation bonds were issued for the purpose of remodeling the building and purchasing and remodeling a building for adult education programs. As of June 30, 2024, the District had \$28,856,145 of unspent bond proceeds remaining on the bond issue.

Interest payments on the general obligation bonds are due on June 1 and December 1 each year. The final maturity stated in the issue is December 1, 2051. The bonds will be retired from the bond retirement fund.

Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2024, are as follows:

<u>Fiscal</u> <u>Year Ending,</u>	<u>Series 2022, School Facilities Construction and Improvement Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 610,000	\$ 1,134,600	\$ 1,744,600
2026	635,000	1,109,700	1,744,700
2027	660,000	1,083,800	1,743,800
2028	685,000	1,056,900	1,741,900
2029	710,000	1,029,000	1,739,000
2030-2034	4,010,000	4,685,600	8,695,600
2035-2039	4,820,000	3,879,300	8,699,300
2040-2044	5,710,000	2,951,000	8,661,000
2045-2049	6,940,000	1,689,800	8,629,800
2050-2052	4,870,000	297,200	5,167,200
<b>Total</b>	<b>\$ 29,650,000</b>	<b>\$ 18,916,900</b>	<b>\$ 48,566,900</b>

**ASHLAND COUNTY-WEST HOLMES JOINT VOCATIONAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)**

**Lease Payable**

The District has entered into a lease agreement for the use of right to use equipment. Due to the implementation of GASB Statement No. 87, the District will report an intangible capital asset and corresponding liability for the future scheduled payments under the lease. The lease payments will be paid from the general fund and the adult education nonmajor special revenue fund.

The District has entered into a lease agreement for copier equipment with the following term:

Purpose	Lease Commencement Date	Years	Lease End Date	Payment Method
Copiers	2023	3	2026	Monthly

The following is a schedule of future lease payments under the lease agreements:

Fiscal Year	Principal	Interest	Total
2025	\$ 9,789	\$ 483	\$ 10,272
2026	<u>6,746</u>	<u>102</u>	<u>6,848</u>
Total	<u>\$ 16,535</u>	<u>\$ 585</u>	<u>\$ 17,120</u>

**Net Pension Liability**

See Note 12 for information on the District's net pension liability. The District pays obligations related to employee compensation from the fund benefitting from their service.

**Net OPEB Liability/Asset**

See Note 13 for information on the District's net OPEB liability/asset. The District pays obligations related to employee compensation from the fund benefitting from their service.

**Compensated Absences**

Compensated absences will be paid from the adult education fund for employees whose salaries are paid from that fund. All other severance payments are paid from the termination benefits fund. In the event the food service fund has funds available, severance payments are made from that fund, otherwise, they are paid from the termination benefits fund. Accrued vacation leave will be paid from the fund from which the employee wages are paid.

**Legal Debt Margin**

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the District. The assessed valuation used in determining the District's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the District's legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The effects of these debt limitations at June 30, 2024, are a voted debt margin of \$190,504,792 (including \$0 in available funds) and an unvoted debt margin of \$2,446,164.

**ASHLAND COUNTY-WEST HOLMES JOINT VOCATIONAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 11 - RISK MANAGEMENT**

**A. General Insurance**

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. The District has a comprehensive property and casualty policy with a \$5,000 deductible per incident on property and equipment. The District's vehicle insurance policy limit is \$15,000,000 with no collision deductible for automobiles or buses. All board members, administrators, and employees are covered under a District liability policy.

Additionally, the District carries a \$15,000,000 Educational Liability Policy. The limits of this coverage are \$15,000,000 per occurrence and in aggregate. An Excess Liability policy brings total liability coverage to \$17,000,000. There have been no settlements paid in excess of insurance nor has insurance coverage been significantly reduced in the past three years.

**B. Fidelity Bond**

The District is covered by a blanket Crime/Public Employee Dishonesty Policy in the amount of \$1,000,000.

**C. Workers' Compensation**

The District pays the State Workers' Compensation System, an insurance purchasing pool, a premium based on a rate per \$100 of salaries. The District is a member of the Ohio School Board Association Group Rating System, an insurance purchasing pool. This rate is calculated based on accident history and administrative costs. The group presently consists of over 400 Districts. The purchasing pool is administered by CompManagement, Inc.

**D. Employee Health Insurance**

The District is self-insured for its medical, prescription, and dental insurance programs. Premiums are paid into the self-insurance fund and are available to pay claims and administrative costs. A stop-loss insurance contract with a private insurance carrier covers specific liability claims in excess of \$35,000 per employee.

The claims liability of \$105,652 reported in the internal service fund at June 30, 2024 is based on an estimate provided by the third party administrator and the requirements of Governmental Accounting Standards Board Statement No. 30 which requires that a liability for unpaid claim costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

Changes in the fund's claims liability for 2023 and 2024 are listed below:

	<u>Balance at Beginning of Year</u>	<u>Current Claims</u>	<u>Claims Payment</u>	<u>Balance at End of Year</u>
2023	98,645	1,381,223	(1,338,104)	141,764
2024	141,764	1,241,917	(1,278,029)	105,652

**ASHLAND COUNTY-WEST HOLMES JOINT VOCATIONAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 12 - DEFINED BENEFIT PENSION PLANS**

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

***Net Pension Liability/Net OPEB Liability/Asset***

The net pension liability and the net OPEB liability/asset reported on the statement of net position represents a liability or asset to employees for pensions and OPEB, respectively.

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

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

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

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

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

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

**ASHLAND COUNTY-WEST HOLMES JOINT VOCATIONAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

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

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire 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; or 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% for the first thirty years of service and 2.5% for years of service credit over 30. Final average salary is the average of the highest three years of salary.

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost-of-living adjustment (COLA) on the first anniversary date of the benefit. Beginning April 1, 2018, new benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. A three-year COLA suspension was in effect for all benefit recipients for the years 2018, 2019, and 2020. Upon resumption of the COLA, it will be indexed to the percentage increase in the CPI-W, not to exceed 2.5% and with a floor of 0%. In 2023, the Board of Trustees approved a 2.5% cost-of-living adjustment (COLA) for eligible retirees and beneficiaries in 2024.

Funding Policy - Plan members are required to contribute 10.00% of their annual covered salary and the District is required to contribute 14.00% 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 10.00% for plan members and 14.00% 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 14.00%. For fiscal year 2024, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The District's contractually required contribution to SERS was \$149,441 for fiscal year 2024. Of this amount, \$16,244 is reported as pension and postemployment benefits payable.

**ASHLAND COUNTY-WEST HOLMES JOINT VOCATIONAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

Plan Description - Licensed teachers participate in STRS, a cost-sharing multiple-employer public employee retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about STRS' fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS website 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 (CO) Plan. Benefits are established by Ohio Revised Code Chapter 3307.

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.20% of final average salary for the five highest years of earnings multiplied by all years of service. Eligibility changes will be phased in until August 1, 2023, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

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

The DC Plan allows members to place all of their member contributions and 9.53% of the 14% employer contributions into an investment account. The member determines how to allocate the member and employer money among various investment choices offered by STRS. The remaining 4.47% of the 14% 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% of the 14% member rate goes to the DC Plan and the remaining 2% is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity after termination of employment at age 50 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.

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.

**ASHLAND COUNTY-WEST HOLMES JOINT VOCATIONAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

The District's contractually required contribution to STRS was \$503,982 for fiscal year 2024. Of this amount, \$76,512 is reported as pension and postemployment benefits payable.

***Net 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 District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating entities.

Following is information related to the proportionate share and pension expense:

	SERS	STRS	Total
Proportion of the net pension liability prior measurement date	0.025317400%	0.025471790%	
Proportion of the net pension liability current measurement date	<u>0.024504100%</u>	<u>0.025708290%</u>	
Change in proportionate share	<u>-0.000813300%</u>	<u>0.000236500%</u>	
Proportionate share of the net pension liability	\$ 1,353,978	\$ 5,536,264	\$ 6,890,242
Pension expense	\$ 130,981	\$ 369,650	\$ 500,631

At June 30, 2024, the District 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	\$ 58,197	\$ 201,841	\$ 260,038
Changes of assumptions	9,591	455,940	465,531
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	-	25,041	25,041
Contributions subsequent to the measurement date	<u>149,441</u>	<u>503,982</u>	<u>653,423</u>
Total deferred outflows of resources	<u>\$ 217,229</u>	<u>\$ 1,186,804</u>	<u>\$ 1,404,033</u>

**ASHLAND COUNTY-WEST HOLMES JOINT VOCATIONAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred inflows of resources</b>			
Differences between expected and actual experience	\$ -	\$ 12,283	\$ 12,283
Net difference between projected and actual earnings on pension plan investments	19,034	16,589	35,623
Changes of assumptions	-	343,192	343,192
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	65,760	111,999	177,759
<b>Total deferred inflows of resources</b>	<b><u>\$ 84,794</u></b>	<b><u>\$ 484,063</u></b>	<b><u>\$ 568,857</u></b>

\$653,423 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2025.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Fiscal Year Ending June 30:</b>			
2025	\$ (35,344)	\$ (136,336)	\$ (171,680)
2026	(62,397)	(197,643)	(260,040)
2027	79,729	556,164	635,893
2028	1,006	(23,426)	(22,420)
<b>Total</b>	<b><u>\$ (17,006)</u></b>	<b><u>\$ 198,759</u></b>	<b><u>\$ 181,753</u></b>

***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 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. 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.

**ASHLAND COUNTY-WEST HOLMES JOINT VOCATIONAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

Wage inflation:

Current measurement date	2.40%
Prior measurement date	2.40%

Future salary increases, including inflation:

Current measurement date	3.25% to 13.58%
Prior measurement date	3.25% to 13.58%

COLA or ad hoc COLA:

Current measurement date	2.00%
Prior measurement date	2.00%

Investment rate of return:

Current measurement date	7.00% net of system expenses
Prior measurement date	7.00% net of system expenses

Discount rate:

Current measurement date	7.00%
Prior measurement date	7.00%

Actuarial cost method

Entry age normal (level percent of payroll)

In 2023, mortality rates 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% for males and set forward 2 years and adjusted 81.35% 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% for males and set forward 3 years and adjusted 106.8% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

In the prior measurement date, 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% for males and set forward 2 years and adjusted 81.35% 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% for males and set forward 3 years and adjusted 106.8% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

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. Ohio Revised Code Section 3309.15 and the Board-adopted Investment Policy govern investment activity at SERS. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted 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.

**ASHLAND COUNTY-WEST HOLMES JOINT VOCATIONAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

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

**Discount Rate** - Total pension liability was calculated using the discount rate of 7.00%. The discount rate determination did not use a municipal bond rate. The projection of cash flows used to determine the discount rate assumed that employers would contribute the actuarially determined contribution rate of projected compensation over the remaining 21-year amortization period of the unfunded actuarial accrued liability. The actuarially determined contribution rate of fiscal year 2023 was 14%. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return, 7.00%. 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%.

**Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** - Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.00%, 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%), or one percentage point higher (8.00%) than the current rate.

	Current		
	1% Decrease	Discount Rate	1% Increase
District's proportionate share of the net pension liability	\$ 1,998,402	\$ 1,353,978	\$ 811,173

**ASHLAND COUNTY-WEST HOLMES JOINT VOCATIONAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

***Actuarial Assumptions - STRS***

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2023 and June 30, 2022, actuarial valuation are presented below:

	June 30, 2023	June 30, 2022
Inflation	2.50%	2.50%
Projected salary increases	Varies by service from 2.50% to 8.50%	Varies by service from 2.50% to 8.50%
Investment rate of return	7.00%, net of investment expenses, including inflation	7.00%, net of investment expenses, including inflation
Discount rate of return	7.00%	7.00%
Payroll increases	3.00%	3.00%
Cost-of-living adjustments (COLA)	0.00%	0.00%

For the June 30, 2023 actuarial valuation, post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

For the prior measurement date, post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. 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.

**ASHLAND COUNTY-WEST HOLMES JOINT VOCATIONAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

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

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

\*\*10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25% 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% 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 the rates described previously. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2023. Therefore, the long-term expected rate of return on pension plan investments of 7.00% was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2023.

**Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** - The following table represents the net pension liability as of June 30, 2023, calculated using the current period discount rate assumption of 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current assumption:

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net pension liability	\$ 8,513,549	\$ 5,536,264	\$ 3,018,296

**Assumption and Benefit Changes Since the Prior Measurement Date** - The discount rate remained at 7.00% for June 30, 2023 valuation. Demographic assumptions were changed based on the actuarial experience study for the period July 1, 2015 through June 30, 2021.

**ASHLAND COUNTY-WEST HOLMES JOINT VOCATIONAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 13 - DEFINED BENEFIT OPEB PLANS**

***Net OPEB Liability/Asset***

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

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

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

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

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% of covered payroll to the Health Care Fund in accordance with the funding policy. For the fiscal year ended June 30, 2024, SERS did not allocate any employer contributions to post-employment 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% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2024, the District's surcharge obligation was \$13,711.

The surcharge added to the allocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was \$13,711 for fiscal year 2024. Of this amount, \$13,711 is reported as pension and postemployment benefits payable.

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

Plan Description - The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely. 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.

**ASHLAND COUNTY-WEST HOLMES JOINT VOCATIONAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

***Net OPEB Liabilities/Assets, 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/asset used to calculate the net OPEB liability/asset was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability/asset was based on the District's share of contributions to the respective retirement systems relative to the contributions of all participating entities.

Following is information related to the proportionate share and OPEB expense:

	SERS	STRS	Total
Proportion of the net OPEB liability/asset prior measurement date	0.025645000%	0.025471790%	
Proportion of the net OPEB liability/asset current measurement date	<u>0.024453700%</u>	<u>0.025708290%</u>	
Change in proportionate share	<u>-0.001191300%</u>	<u>0.000236500%</u>	
Proportionate share of the net OPEB liability	\$ 402,861	\$ -	\$ 402,861
Proportionate share of the net OPEB asset	\$ -	\$ (499,991)	\$ (499,991)
OPEB expense	\$ (49,340)	\$ (34,700)	\$ (84,040)

At June 30, 2024, the District 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	\$ 839	\$ 782	\$ 1,621
Net difference between projected and actual earnings on OPEB plan investments	3,123	893	4,016
Changes of assumptions	136,219	73,654	209,873
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	53,197	2,748	55,945
Contributions subsequent to the measurement date	<u>13,711</u>	<u>-</u>	<u>13,711</u>
Total deferred outflows of resources	<u>\$ 207,089</u>	<u>\$ 78,077</u>	<u>\$ 285,166</u>

**ASHLAND COUNTY-WEST HOLMES JOINT VOCATIONAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred inflows of resources</b>			
Differences between expected and actual experience	\$ 207,768	\$ 76,263	\$ 284,031
Changes of assumptions	114,415	329,890	444,305
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	<u>71,565</u>	<u>2,017</u>	<u>73,582</u>
Total deferred inflows of resources	<u><u>\$ 393,748</u></u>	<u><u>\$ 408,170</u></u>	<u><u>\$ 801,918</u></u>

\$13,711 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability/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:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Fiscal Year Ending June 30:</b>			
2025	\$ (65,245)	\$ (144,671)	\$ (209,916)
2026	(52,726)	(67,658)	(120,384)
2027	(26,255)	(26,182)	(52,437)
2028	(18,870)	(34,938)	(53,808)
2029	(20,832)	(32,005)	(52,837)
Thereafter	<u>(16,442)</u>	<u>(24,639)</u>	<u>(41,081)</u>
<b>Total</b>	<b><u><u>\$ (200,370)</u></u></b>	<b><u><u>\$ (330,093)</u></u></b>	<b><u><u>\$ (530,463)</u></u></b>

***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.

**ASHLAND COUNTY-WEST HOLMES JOINT VOCATIONAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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 and June 30, 2022 are presented below:

Wage inflation:	
Current measurement date	2.40%
Prior measurement date	2.40%
Future salary increases, including inflation:	
Current measurement date	3.25% to 13.58%
Prior measurement date	3.25% to 13.58%
Investment rate of return:	
Current measurement date	7.00% net of investment expense, including inflation
Prior measurement date	7.00% net of investment expense, including inflation
Municipal bond index rate:	
Current measurement date	3.86%
Prior measurement date	3.69%
Single equivalent interest rate, net of plan investment expense, including price inflation:	
Current measurement date	4.27%
Prior measurement date	4.08%
Medical trend assumption:	
Current measurement date	6.75 to 4.40%
Prior measurement date	7.00 to 4.40%

In 2023, the following mortality assumptions were used:

**Healthy Retirees** - PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females

**Disabled Retirees** - PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females.

**Contingent Survivors** - PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5% for males and adjusted 122.5% for females.

**Actives** - PUB-2010 General Amount Weighted Below Median Employee mortality table.

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

**ASHLAND COUNTY-WEST HOLMES JOINT VOCATIONAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

In the prior measurement date, mortality rates 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% for males and set forward 2 years and adjusted 81.35% 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% for males and set forward 3 years and adjusted 106.8% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

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

The long-term expected rate of return is reviewed as part of the regular experience studies prepared every five years for SERS. The most recent five-year experience study was performed for the period covering 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%, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized as follows:

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

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

**ASHLAND COUNTY-WEST HOLMES JOINT VOCATIONAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

***Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates*** - The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability, what the 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 the 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 (6.75% decreasing to 4.40%).

	Current		
	1% Decrease	Discount Rate	1% Increase
District's proportionate share of the net OPEB liability	\$ 514,972	\$ 402,861	\$ 314,457
	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	\$ 295,968	\$ 402,861	\$ 544,509

***Actuarial Assumptions - STRS***

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2023 actuarial valuation, compared with June 30, 2022 actuarial valuation, are presented below:

	June 30, 2023		June 30, 2022	
Inflation	2.50%		2.50%	
Projected salary increases	Varies by service from 2.50% to 8.50%		Varies by service from 2.50% to 8.50%	
Investment rate of return	7.00%, net of investment expenses, including inflation		7.00%, net of investment expenses, including inflation	
Payroll increases	3.00%		3.00%	
Cost-of-living adjustments (COLA)	0.00%		0.00%	
Discount rate of return	7.00%		7.00%	
Blended discount rate of return	N/A		N/A	
Health care cost trends				
Medical	Initial	Ultimate	Initial	Ultimate
Pre-Medicare	7.50%	4.14%	7.50%	3.94%
Medicare	-10.94%	4.14%	-68.78%	3.94%
Prescription Drug				
Pre-Medicare	-11.95%	4.14%	9.00%	3.94%
Medicare	1.33%	4.14%	-5.47%	3.94%

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

**ASHLAND COUNTY-WEST HOLMES JOINT VOCATIONAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

For the June 30, 2023 actuarial valuation, for healthy retirees the post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020; pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. For disabled retirees, mortality rates are based on the Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

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

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

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

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

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

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

\*\*10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25% 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 OPEB liability was 7.00% 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 those 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 fund investments of 7.00% was applied to all periods of projected health care costs to determine the total OPEB liability as of June 30, 2023.

**ASHLAND COUNTY-WEST HOLMES JOINT VOCATIONAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

***Sensitivity of the District's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate*** - The following table represents the net OPEB asset as of June 30, 2023, calculated using the current period discount rate assumption of 7.00%, 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%) or one percentage point higher (8.00%) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB asset	\$ 423,177	\$ 499,991	\$ 566,888
<hr/>			
	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB asset	\$ 569,992	\$ 499,991	\$ 415,676

**NOTE 14 - CONTINGENCIES**

**A. Grants**

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

**B. Litigation**

The District is not party to any claims or lawsuits that would, in the District's opinion, have a material effect of the basic financial statements.

**ASHLAND COUNTY-WEST HOLMES JOINT VOCATIONAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 15 - SET-ASIDES**

The District is required by State law to annually set-aside certain general fund revenue amounts, as defined by 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 fiscal year-end. This amount must be carried forward to be used for the same purpose in future years. Expenditures exceeding the set-aside requirement may not be carried forward to the next fiscal year.

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

	<u>Capital Improvements</u>
Set-aside balance June 30, 2023	\$ -
Current year set-aside requirement	105,740
Current year offsets	<u>(105,740)</u>
Total	<u>\$ -</u>
Balance carried forward to fiscal year 2025	<u>\$ -</u>
Set-aside balance June 30, 2024	<u>\$ -</u>

**NOTE 16 - OTHER COMMITMENTS**

The District utilizes encumbrance accounting as part of its budgetary controls. To the extent of available balances at June 30, 2024, encumbrances outstanding at year end may be reported as part of restricted, committed, or assigned classifications of fund balance. At fiscal year end, the District's commitments for encumbrances in the governmental funds were as follows:

<u>Fund</u>	<u>Year-End Encumbrances</u>
General	\$ 24,987
Building	1,422,761
Classroom facilities	1,059,367
Nonmajor governmental	<u>20,032</u>
Total	<u>\$ 2,527,147</u>

**NOTE 17 - 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 District received COVID-19 funding. The District will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

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## REQUIRED SUPPLEMENTARY INFORMATION

**ASHLAND COUNTY-WEST HOLMES JOINT VOCATIONAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<b>Budgeted Amounts</b>		<b>Actual Amounts Budgetary Basis</b>	<b>Variance with Final Budget - over (under) Actual Amounts</b>
	<b>Original</b>	<b>Final</b>		
Budgetary revenues and other financing sources	\$ 10,220,626	\$ 10,560,626	\$ 10,611,629	\$ 51,003
Budgetary expenditures and other financing uses	8,620,421	10,270,421	10,058,237	(212,184)
Net change in fund balance	1,600,205	290,205	553,392	(161,181)
<b>Budgetary fund balance at beginning of year</b>	9,129,478	9,129,478	9,129,478	-
<b>Prior year encumbrances appropriated</b>	20,421	20,421	20,421	-
<b>Budgetary fund balance at end of year</b>	<u>\$ 10,750,104</u>	<u>\$ 9,440,104</u>	<u>\$ 9,703,291</u>	<u>\$ (161,181)</u>

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**ASHLAND COUNTY-WEST HOLMES JOINT VOCATIONAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION  
LIABILITY AND  
DISTRICT PENSION CONTRIBUTIONS  
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST TEN FISCAL YEARS

<b>Fiscal Year (1)</b>	<b>District's Proportion of the Net Pension Liability</b>	<b>District's Proportionate Share of the Net Pension Liability</b>	<b>District's Covered Payroll</b>	<b>District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
2024	0.02450410%	\$ 1,353,978	\$ 980,243	138.13%	76.06%
2023	0.02531740%	\$ 1,369,362	\$ 950,357	144.09%	75.82%
2022	0.02720920%	\$ 1,003,941	\$ 900,871	111.44%	82.86%
2021	0.02356210%	\$ 1,558,447	\$ 824,764	188.96%	68.55%
2020	0.02285880%	\$ 1,367,682	\$ 775,852	176.28%	70.85%
2019	0.02424830%	\$ 1,388,745	\$ 862,326	161.05%	71.36%
2018	0.02416410%	\$ 1,443,752	\$ 773,221	186.72%	69.50%
2017	0.02667900%	\$ 1,952,657	\$ 827,321	236.02%	62.98%
2016	0.02755790%	\$ 1,572,480	\$ 829,636	189.54%	69.16%
2015	0.02785600%	\$ 1,409,776	\$ 809,437	174.17%	71.70%

<b>Fiscal Year</b>	<b>Contributions in Relation to the Contractually Required Contributions</b>		<b>Contribution Deficiency (Excess)</b>	<b>District's Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
	<b>Contractually Required Contributions</b>	<b>Contractually Required Contributions</b>			
2024	\$ 149,441	\$ (149,441)	\$ -	\$ 1,067,436	14.00%
2023	\$ 137,234	\$ (137,234)	\$ -	\$ 980,243	14.00%
2022	\$ 133,050	\$ (133,050)	\$ -	\$ 950,357	14.00%
2021	\$ 126,122	\$ (126,122)	\$ -	\$ 900,871	14.00%
2020	\$ 115,467	\$ (115,467)	\$ -	\$ 824,764	14.00%
2019	\$ 104,740	\$ (104,740)	\$ -	\$ 775,852	13.50%
2018	\$ 116,414	\$ (116,414)	\$ -	\$ 862,326	13.50%
2017	\$ 108,251	\$ (108,251)	\$ -	\$ 773,221	14.00%
2016	\$ 115,825	\$ (115,825)	\$ -	\$ 827,321	14.00%
2015	\$ 109,346	\$ (109,346)	\$ -	\$ 829,636	13.18%

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**ASHLAND COUNTY-WEST HOLMES JOINT VOCATIONAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION  
LIABILITY AND  
DISTRICT PENSION CONTRIBUTIONS  
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO**

LAST TEN FISCAL YEARS

<b>Fiscal Year (1)</b>	<b>District's Proportion of the Net Pension Liability</b>	<b>District's Proportionate Share of the Net Pension Liability</b>	<b>District's Covered Payroll</b>	<b>District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
2024	0.02570829%	\$ 5,536,264	\$ 3,511,721	157.65%	80.02%
2023	0.02547179%	\$ 5,662,411	\$ 3,400,100	166.54%	78.88%
2022	0.02565504%	\$ 3,280,228	\$ 3,162,814	103.71%	87.78%
2021	0.02567381%	\$ 6,212,148	\$ 3,121,479	199.01%	75.48%
2020	0.02747263%	\$ 6,075,407	\$ 3,302,886	183.94%	77.40%
2019	0.02761543%	\$ 6,072,013	\$ 3,065,479	198.08%	77.31%
2018	0.02724684%	\$ 6,472,545	\$ 3,014,057	214.75%	75.30%
2017	0.02858678%	\$ 9,568,857	\$ 3,007,957	318.12%	66.80%
2016	0.02888672%	\$ 7,983,444	\$ 3,046,129	262.08%	72.10%
2015	0.02879054%	\$ 7,002,856	\$ 3,048,454	229.72%	74.70%

<b>Fiscal Year</b>	<b>Contributions in Relation to the Contractually Required Contributions</b>			<b>District's Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
	<b>Contractually Required Contributions</b>	<b>Contractually Required Contributions</b>	<b>Contribution Deficiency (Excess)</b>		
2024	\$ 503,982	\$ (503,982)	\$ -	\$ 3,599,871	14.00%
2023	\$ 491,641	\$ (491,641)	\$ -	\$ 3,511,721	14.00%
2022	\$ 476,014	\$ (476,014)	\$ -	\$ 3,400,100	14.00%
2021	\$ 442,794	\$ (442,794)	\$ -	\$ 3,162,814	14.00%
2020	\$ 437,007	\$ (437,007)	\$ -	\$ 3,121,479	14.00%
2019	\$ 462,404	\$ (462,404)	\$ -	\$ 3,302,886	14.00%
2018	\$ 429,167	\$ (429,167)	\$ -	\$ 3,065,479	14.00%
2017	\$ 421,968	\$ (421,968)	\$ -	\$ 3,014,057	14.00%
2016	\$ 421,114	\$ (421,114)	\$ -	\$ 3,007,957	14.00%
2015	\$ 426,458	\$ (426,458)	\$ -	\$ 3,046,129	14.00%

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**ASHLAND COUNTY-WEST HOLMES JOINT VOCATIONAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB  
LIABILITY AND  
DISTRICT OPEB CONTRIBUTIONS  
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO**

LAST EIGHT AND TEN FISCAL YEARS

<b>Fiscal Year (1) (2)</b>	<b>District's Proportion of the Net OPEB Liability</b>	<b>District's Proportionate Share of the Net OPEB Liability</b>	<b>District's Covered Payroll</b>	<b>District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability</b>
2024	0.02445370%	\$ 402,861	\$ 980,243	41.10%	30.02%
2023	0.02564500%	\$ 360,058	\$ 950,357	37.89%	30.34%
2022	0.02650790%	\$ 501,684	\$ 900,871	55.69%	24.08%
2021	0.02279960%	\$ 495,510	\$ 824,764	60.08%	18.17%
2020	0.02307270%	\$ 580,230	\$ 775,852	74.79%	15.57%
2019	0.02468740%	\$ 684,895	\$ 862,326	79.42%	13.57%
2018	0.02461080%	\$ 660,489	\$ 773,221	85.42%	12.46%
2017	0.02705739%	\$ 771,236	\$ 827,321	93.22%	11.49%

<b>Fiscal Year</b>	<b>Contractually Required Contributions</b>	<b>Contributions in Relation to the Contractually Required Contributions</b>		<b>Contribution Deficiency (Excess)</b>	<b>District's Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
		<b>Contractually Required Contributions</b>	<b>Contractually Required Contributions</b>			
2024	\$ 13,711	\$ (13,711)	\$ -	\$ 1,067,436		1.00%
2023	\$ 13,770	\$ (13,770)	\$ -	\$ 980,243		1.40%
2022	\$ 15,508	\$ (15,508)	\$ -	\$ 950,357		1.63%
2021	\$ 9,880	\$ (9,880)	\$ -	\$ 900,871		1.10%
2020	\$ 6,839	\$ (6,839)	\$ -	\$ 824,764		0.83%
2019	\$ 16,307	\$ (16,307)	\$ -	\$ 775,852		2.10%
2018	\$ 18,038	\$ (18,038)	\$ -	\$ 862,326		2.09%
2017	\$ 13,829	\$ (13,829)	\$ -	\$ 773,221		1.79%
2016	\$ 13,782	\$ (13,782)	\$ -	\$ 827,321		1.67%
2015	\$ 6,803	\$ (6,803)	\$ -	\$ 829,636		0.82%

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

(2) Information prior to 2017 is not available. Schedule is intended to show information for 10 years.

Additional years will be displayed as they become available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**ASHLAND COUNTY-WEST HOLMES JOINT VOCATIONAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

**SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB  
LIABILITY/(ASSET) AND  
DISTRICT OPEB CONTRIBUTIONS  
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO**

**LAST EIGHT AND TEN FISCAL YEARS**

<b>Fiscal Year (1) (2)</b>	<b>District's Proportion of the Net OPEB Liability/(Asset)</b>	<b>District's Proportionate Share of the Net OPEB Liability/(Asset)</b>	<b>District's Covered Payroll</b>	<b>District's Proportionate Share of the Net OPEB Liability/(Asset) as a Percentage of its Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability/(Asset)</b>
2024	0.02570829%	\$ (499,991)	\$ 3,511,721	14.24%	168.52%
2023	0.02547179%	\$ (659,549)	\$ 3,400,100	19.40%	230.73%
2022	0.02565504%	\$ (540,916)	\$ 3,162,814	17.10%	174.73%
2021	0.02567381%	\$ (451,217)	\$ 3,121,479	14.46%	182.10%
2020	0.02747263%	\$ (455,013)	\$ 3,302,886	13.78%	174.74%
2019	0.02761543%	\$ (443,752)	\$ 3,065,479	14.48%	176.00%
2018	0.02724684%	\$ 1,063,071	\$ 3,014,057	35.27%	47.10%
2017	0.02858678%	\$ 1,528,828	\$ 3,007,957	50.83%	37.30%

<b>Fiscal Year</b>	<b>Contractually Required Contributions</b>	<b>Contributions in Relation to the Contractually Required Contributions</b>	<b>Contribution Deficiency (Excess)</b>	<b>District's Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
2024	\$ -	\$ -	\$ -	\$ 3,599,871	0.00%
2023	-	-	-	3,511,721	0.00%
2022	-	-	-	3,400,100	0.00%
2021	-	-	-	3,162,814	0.00%
2020	-	-	-	3,121,479	0.00%
2019	-	-	-	3,302,886	0.00%
2018	-	-	-	3,065,479	0.00%
2017	-	-	-	3,014,057	0.00%
2016	-	-	-	3,007,957	0.00%
2015	-	-	-	3,046,129	0.00%

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

(2) Information prior to 2017 is not available. Schedule is intended to show information for 10 years.

Additional years will be displayed as they become available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**ASHLAND COUNTY-WEST HOLMES JOINT VOCATIONAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 1 - BUDGETARY PROCESS**

While 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 and disbursements.

The statement of revenue, expenditures and changes in fund balance - budget and actual (non-GAAP budgetary basis) presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis); and
- (d) Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

The adjustments necessary to convert the results of operations for the year on the budget basis to the GAAP basis is as follows:

**Net Change in Fund Balance**

	<u>General fund</u>
Budget basis	\$ 553,392
Net adjustment for revenue accruals	86,861
Net adjustment for expenditure accruals	(39,022)
Net adjustment for other sources/uses	(144,815)
Funds budgeted elsewhere	(26,805)
Adjustments for encumbrances	<u>43,126</u>
GAAP Basis	<u>\$ 472,737</u>

As part of Governmental Accounting Standards Board Statement No. 54, “Fund Balance Reporting”, certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund. This includes the uniform school supplies fund, public school support fund, termination benefits fund, and the community services fund. In addition, the unclaimed monies fund is legally budgeted as a separate private-purpose trust fund but is considered part of the general fund on a GAAP basis.

**ASHLAND COUNTY-WEST HOLMES JOINT VOCATIONAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 2 - PENSIONS & OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

**PENSION**

*SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO*

*Change in benefit terms:*

- There were no changes in benefit terms from the amounts reported for fiscal year 2015.
- There were no changes in benefit terms from the amounts reported for fiscal year 2016.
- There were no changes in benefit terms from the amounts reported for fiscal year 2017.
- For fiscal year 2018, SERS changed from a fixed 3% annual increase to a Cost of Living Adjustment (COLA) based on the changes in the Consumer Price Index (CPI-W), with a cap of 2.5% and a floor of 0%.
- For fiscal year 2019, with the authority granted the Board under Senate Bill 8, the Board has enacted a three year COLA delay for future benefit recipients commencing benefits on or after April 1, 2018.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2020.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2021.
- For fiscal year 2022, SERS changed from a Cost of Living Adjustment (COLA) of 2.5% to 2.0%.
- There were no changes in benefit terms from the amounts reported for fiscal year 2023.
- There were no changes in benefit terms from the amounts reported for fiscal year 2024.

*Change in assumptions:*

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2015.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2016.
- For fiscal year 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females, (f) mortality among service retired members and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates and 110% of female rates, (g) mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement and (h) the discount rate was reduced from 7.75% to 7.50%.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2018.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2019.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2020.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2021.
- For fiscal year 2022, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) wage inflation decreased from 3.00% to 2.40%, (b) future salary increases changed from 3.50%-18.20% to 3.25%-13.58%, (c) investment rate of return decreased from 7.50% to 7.00%, (d) discount rate decreased from 7.50% to 7.00% and (e) mortality tables changed from the RP-2014 Blue Collar mortality table to the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table.

**ASHLAND COUNTY-WEST HOLMES JOINT VOCATIONAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 2 - PENSIONS & OTHER POSTEMPLOYMENT BENEFITS (OPEB) - (Continued)**

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2023.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2024.

*STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO*

*Change in benefit terms:*

- There were no changes in benefit terms from the amounts reported for fiscal year 2015.
- There were no changes in benefit terms from the amounts reported for fiscal year 2016.
- There were no changes in benefit terms from the amounts reported for fiscal year 2017.
- For fiscal year 2018, STRS decreased the Cost of Living Adjustment (COLA) to zero.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2019.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2020.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2021.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2022.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2023.

*Changes in assumptions:*

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2015.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2016.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017.
- For fiscal year 2018, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.75% to 7.45%, (b) the inflation assumption was lowered from 2.75% to 2.50%, (c) the payroll growth assumption was lowered to 3.00%, (d) total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation, (e) the healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016 and (f) rates of retirement, termination and disability were modified to better reflect anticipated future experience.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2019.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2020.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2021.
- For fiscal year 2022, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.45% to 7.00% and (b) the discount rate of return was reduced from 7.45% to 7.00%.
- For fiscal year 2023, the following changes of assumption affected the total pension liability since the prior measurement date: the projected salary increases went from 12.50% at age 20 to 2.50% at age 65 to varies by service from 2.50% to 8.50%.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2024.

**ASHLAND COUNTY-WEST HOLMES JOINT VOCATIONAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 2 - PENSIONS & OTHER POSTEMPLOYMENT BENEFITS (OPEB) - (Continued)**

**OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

***SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO***

*Change in benefit terms:*

- There were no changes in benefit terms from the amounts reported for fiscal year 2017.
- There were no changes in benefit terms from the amounts reported for fiscal year 2018.
- There were no changes in benefit terms from the amounts reported for fiscal year 2019.
- There were no changes in benefit terms from the amounts reported for fiscal year 2020.
- There were no changes in benefit terms from the amounts reported for fiscal year 2021.
- There were no changes in benefit terms from the amounts reported for fiscal year 2022.
- There were no changes in benefit terms from the amounts reported for fiscal year 2023.
- There were no changes in benefit terms from the amounts reported for fiscal year 2024.

*Change in assumptions:*

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017.
- For fiscal year 2018, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement, and disability were updated to reflect recent experience, (e) mortality among active members was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females, (f) mortality among service retired members and beneficiaries was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, (g) mortality among disabled members was updated to the following: RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement, (h) the municipal bond index rate increased from 2.92% to 3.56% and (i) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 2.98% to 3.63%.
- For fiscal year 2019, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate increased from 3.63% to 3.70%, (b) the health care cost trend rates for Medicare were changed from a range of 5.50%-5.00% to a range of 5.375%-4.75% and Pre-Medicare were changed from a range of 7.50%-5.00% to a range of 7.25%-4.75%, (c) the municipal bond index rate increased from 3.56% to 3.62% and (d) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 3.63% to 3.70%.
- For fiscal year 2020, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate decreased from 3.70% to 3.22%, (b) the health care cost trend rates for Medicare were changed from a range of 5.375%-4.75% to a range of 5.25%-4.75% and Pre-Medicare were changed from a range of 7.25%-4.75% to a range of 7.00%-4.75%, (c) the municipal bond index rate decreased from 3.62% to 3.13% and (d) the single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.70% to 3.22%.
- For fiscal year 2021, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate decreased from 3.22% to 2.63% and (b) the municipal bond index rate decreased from 3.13% to 2.45%, and (c) the single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.22% to 2.63%.

**ASHLAND COUNTY-WEST HOLMES JOINT VOCATIONAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 2 - PENSIONS & OTHER POSTEMPLOYMENT BENEFITS (OPEB) - (Continued)**

- For fiscal year 2022, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) wage inflation decreased from 3.00% to 2.40%, (b) future salary increases changed from 3.50%-18.20% to 3.25%-13.58%, (c) investment rate of return decreased from 7.50% to 7.00%, (d) discount rate decreased from 7.50% to 7.00% and (e) mortality tables changed from the RP-2014 Blue Collar mortality table to the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table.
- For fiscal year 2023, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) municipal bond index rate went from 1.92% to 3.69%, (b) single equivalent interest rate went from 2.27% to 4.08% and (c) medical trend assumptions went from 5.125% to 4.40% Medicare and 6.75% to 4.40% Pre-Medicare to 7.00% to 4.40%.
- For fiscal year 2024, the following changes of assumptions affect the total OPEB liability since the prior measurement date: (a) municipal bond index rate went from 3.69% to 3.86%, (b) single equivalent interest rate went from 4.08% to 4.27% and (c) medical trend assumptions went from 7.00% to 4.40% to 6.75% to 4.40%.

**STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO**

*Change in benefit terms:*

- There were no changes in benefit terms from the amounts previously reported for fiscal year 2017.
- For fiscal year 2018, STRS reduced the subsidy multiplier for non-Medicare benefit recipients from 2.1% to 1.9% 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 2019.
- For fiscal year 2019, STRS increased the subsidy multiplier for non-Medicare benefit recipients from 1.9% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.
- For fiscal year 2020, STRS increased the subsidy percentage from 1.944% to 1.984% effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.
- For fiscal year 2021, the non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984% to 2.055% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.
- For fiscal year 2022, the non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055% to 2.100%. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D subsidy was updated to reflect it is expected to be negative in CY2022. The Part B monthly reimbursement elimination date was postponed indefinitely.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2023.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2024.

**ASHLAND COUNTY-WEST HOLMES JOINT VOCATIONAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 2 - PENSIONS & OTHER POSTEMPLOYMENT BENEFITS (OPEB) - (Continued)**

*Change in assumptions:*

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017.
- For fiscal year 2018, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.26% to 4.13% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB), (b) the long term expected rate of return was reduced from 7.75% to 7.45%, (c) valuation year per capita health care costs were updated, and the salary scale was modified, (d) 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 and (e) the assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.
- For fiscal year 2019, the following changes of assumptions affected the total OPEB liability/asset since the prior measurement date: (a) the discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB) and (b) decrease in health care cost trend rates from 6.00%-11.00% initial; 4.50% ultimate down to Medical Pre-Medicare 6.00% and Medicare 5.00% initial; 4.00% ultimate and Prescription Drug Pre-Medicare 8.00% and Medicare (5.23%) initial; 4.00% ultimate.
- For fiscal year 2020, health care cost trend rates were changed to the following: medical pre-Medicare from 6.00% initial - 4.00% ultimate down to 5.87% initial - 4.00% ultimate; medical Medicare from 5.00% initial - 4.00% ultimate down to 4.93% initial - 4.00% ultimate; prescription drug pre-Medicare from 8.00% initial - 4.00% ultimate down to 7.73% initial - 4.00% ultimate and (5.23%) initial - 4.00% ultimate up to 9.62% initial - 4.00% ultimate.
- For fiscal year 2021, health care cost trend rates were changed to the following: medical pre-Medicare from 5.87% initial - 4.00% ultimate down to 5.00% initial - 4.00% ultimate; medical Medicare from 4.93% initial - 4.00% ultimate down to -6.69% initial - 4.00% ultimate; prescription drug pre-Medicare from 7.73% initial - 4.00% ultimate down to 6.50% initial - 4.00% ultimate; prescription drug Medicare from 9.62% initial - 4.00% ultimate up to 11.87% initial - 4.00% ultimate.
- For fiscal year 2022, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.45% to 7.00%, (b) the discount rate of return was reduced from 7.45% to 7.00% and (c) health care cost trend rates were changed to the following: medical Medicare from -6.69% initial - 4.00% ultimate down to -16.18% initial - 4.00% ultimate; prescription drug Medicare from 11.87% initial - 4.00% ultimate up to 29.98% initial - 4.00% ultimate.
- For fiscal year 2023, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) projected salary increase went from 12.50% at age 20 to 2.50% at age 65 to varies by services from 2.50% to 8.50% and (b) health care cost trend rates were changed to the following: Pre-Medicare from 5.00% initial - 4.00% ultimate to 7.50% initial - 3.94% ultimate; medical Medicare from -16.18% initial - 4.00% ultimate to -68.78% initial - 3.94% ultimate; prescription drug Pre-Medicare from 6.50% initial - 4.00% ultimate to 9.00% initial - 3.94% ultimate; Medicare from 29.98% initial - 4.00% ultimate to -5.47% initial - 3.94% ultimate.
- For fiscal year 2024, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) health care cost trend rates were changed to the following: Pre-Medicare from 7.50% initial - 3.94% ultimate to 7.50% initial - 4.14% ultimate; medical Medicare from -68.78% initial - 3.94% ultimate to -10.94% initial - 4.14% ultimate; prescription drug Pre-Medicare from 9.00% initial - 3.94% ultimate to -11.95% initial - 4.14% ultimate; Medicare from -5.47% initial - 3.94% ultimate to 1.33% initial - 4.14% ultimate.



**Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

To the Board of Education  
Ashland County-West Holmes Joint Vocational School District  
1783 SR 60  
Ashland, Ohio 44805

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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Ashland County-West Holmes Joint Vocational School District, Ashland County, Ohio (the "District") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 23, 2024.

***Report on Internal Control over Financial Reporting***

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

Ashland County-West Holmes Joint Vocational School District  
Independent Auditor's Report on Internal Control over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards*  
Page 2 of 2

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District'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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Rea & Associates, Inc.*

Rea & Associates, Inc.  
Millersburg, Ohio  
December 23, 2024



**Independent Auditor's Report on Compliance for Each Major Federal Program and  
Report on Internal Control over Compliance Required by the Uniform Guidance**

To the Board of Education  
Ashland County-West Holmes Joint Vocational School District  
1783 SR 60  
Ashland, Ohio 44805

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

***Opinion on Each Major Federal Program***

We have audited Ashland County-West Holmes Joint Vocational School District's, Ashland County, Ohio (the District) compliance with the types of compliance requirements identified as subject to audit in the Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2024. The District's major federal programs are identified in the summary of auditor's results section of the accompanying *Schedule of Findings and Questioned Costs*.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

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

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

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

***Responsibilities of Management for Compliance***

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 District's federal programs.

Ashland County-West Holmes Joint Vocational School District  
Independent Auditor's Report on Compliance for Each Major Federal Program and  
Report on Internal Control over Compliance Required by the Uniform Guidance  
Page 2 of 3

***Auditor's Responsibility 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 District'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 District's compliance with the requirements of each major federal program as a whole.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District'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 District'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 District'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*

Ashland County-West Holmes Joint Vocational School District  
Independent Auditor's Report on Compliance for Each Major Federal Program and  
Report on Internal Control over Compliance Required by the Uniform Guidance  
Page 3 of 3

*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 that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Rea & Associates, Inc.*

Rea & Associates, Inc.  
Millersburg, Ohio  
December 23, 2024

**ASHLAND COUNTY-WEST HOLMES JOINT VOCATIONAL SCHOOL DISTRICT**  
**ASHLAND COUNTY, OHIO**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

<b>FEDERAL GRANTOR</b> <i>Pass-Through Grantor</i> <b>Program/Cluster Title</b>	<b>Assistance Listing</b>	<b>Grant Year/Number</b>	<b>Expenditures</b>	<b>Passed Through to subrecipient</b>
<b>U.S. DEPARTMENT OF EDUCATION</b>				
<i>Direct from Federal Government</i>				
Student Financial Assistance Cluster:				
Federal Supplemental Educational Opportunity Grants	84.007	P007A238681	\$ 2,750	\$ -
Federal Pell Grant Program	84.063	P063P224787	5,594	-
Federal Pell Grant Program	84.063	P063P234787	76,010	-
Total Federal Pell Grant Program			81,604	-
Federal Direct Student Loans	84.268	P268K234787	157	-
Federal Direct Student Loans	84.268	P268K244787	89,602	-
Total Federal Direct Student Loans			89,759	-
<i>Total Student Financial Aid Cluster</i>			174,113	
COVID-19: Education Stabilization Fund (Student Aid)	84.425E	P425E201640	600	-
COVID-19: Education Stabilization Fund (Institutional)	84.425F	P425F204547	2,008	-
<i>Total Education Stabilization Fund (Direct)</i>			2,608	-
<i>Passed Through Ohio Department of Education &amp; Workforce</i>				
COVID-19: Education Stabilization Fund (GEER)	84.425C	2022-2023	5,005	-
<i>Total Education Stabilization Fund</i>			7,613	-
Career and Technical Education - Carl D. Perkins Secondary	84.048A	2023-2024	188,175	-
Career and Technical Education - Carl D. Perkins Adult Ed	84.048A	2023-2024	301,184	-
<i>Total Career and Technical Education - Basic Grants to States</i>			489,359	-
<i>Total U.S. Department of Education</i>			671,085	-
<b>U.S. DEPARTMENT OF AGRICULTURE</b>				
<i>Passed Through Ohio Department of Education &amp; Workforce</i>				
Child Nutrition Cluster:				
School Breakfast Program	10.553	2023-2024	21,505	-
National School Lunch Program (Non-Cash)	10.555	2024	8,429	-
National School Lunch Program	10.555	2023-2024	68,980	-
<i>Total National School Lunch Program</i>			77,409	-
<i>Total Child Nutrition Cluster</i>			98,914	-
<i>Total U.S. Department of Agriculture</i>			98,914	-
<b>Total Expenditures of Federal Awards</b>			<b>\$ 769,999</b>	<b>\$ -</b>

The accompanying notes are an integral part of this schedule.

**Ashland County-West Holmes Joint Vocational School District**

**Ashland County, Ohio**

*Notes to the Schedule of Expenditures of Federal Awards*

*2 CFR 200.510(b)(6)*

*For the Fiscal Year Ended June 30, 2024*

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**NOTE A – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Ashland County-West Holmes Joint Vocational School District (the District) 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 District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

**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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

**NOTE C – INDIRECT COST RATE**

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

**NOTE E – FOOD DONATION PROGRAM**

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

**Ashland County-West Holmes Joint Vocational School District**  
**Ashland County, Ohio**  
*Schedule of Findings and Questioned Costs*  
*2 CFR Section 200.515*  
*June 30, 2024*

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

(d) (1) (i)	Type of Financial Statement Opinion	Unmodified
(d) (1) (ii)	Were there any material control weaknesses in internal control reported at the financial statement level (GAGAS)?	No
(d) (1) (ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	None reported
(d) (1) (iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
(d) (1) (iv)	Were there any material control weaknesses in internal control reported for major federal programs?	No
(d) (1) (iv)	Were there any significant deficiencies in internal control reported for major federal programs?	None reported
(d) (1) (v)	Type of Major Programs' Compliance Opinion	Unmodified
(d) (1) (vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d) (1) (vii)	Major Programs (list): Career and Technical Education – Basic Grants to States	Assistance Listing # 84.048A
(d) (1) (viii)	Dollar Threshold: Type A/B Programs	Type A: > \$750,000 Type B: All others
(d) (1) (ix)	Low Risk Auditee?	Yes

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

None were noted

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

None were noted

# OHIO AUDITOR OF STATE KEITH FABER



ASHLAND COUNTY-WEST HOLMES JOINT VOCATIONAL SCHOOL DISTRICT

ASHLAND COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 3/18/2025

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

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