

**TRUMBULL CAREER
AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO**

SINGLE AUDIT REPORT

**FOR THE FISCAL YEAR
ENDED JUNE 30, 2024**

Zupka & Associates
Certified Public Accountants



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Columbus, Ohio 43215
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Board of Education
Trumbull Career and Technology Center
528 Educational Highway
Warren, OH 44483

We have reviewed the *Independent Auditor's Report* of Trumbull Career and Technology Center, Trumbull County, prepared by Zupka & Associates, 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. Trumbull Career and Technology Center is responsible for compliance with these laws and regulations.

Keith Faber
Auditor of State
Columbus, Ohio

April 07, 2025

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**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO
SINGLE AUDIT REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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INDEPENDENT AUDITOR'S REPORT

Trumbull Career and Technical Center
Trumbull County
528 Educational Highway
Warren, Ohio 44483

To the Members of the Board of Education:

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Trumbull Career and Technical Center, Trumbull County, Ohio, (the Center) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Center's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Trumbull Career and Technical Center 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 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 (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Center, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

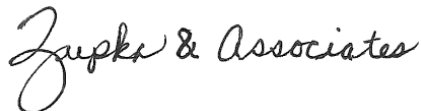
Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of Revenue, Expenditures and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) – General Fund, and the Schedules of Net Pension and Postemployment Benefit Liabilities and Pension and Postemployment Benefit Contributions, 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 supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Center's basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 26, 2024, on our consideration of the Center'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 Center's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Center's internal control over financial reporting and compliance.



Zupka & Associates
Certified Public Accountants

December 26, 2024

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**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO**

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

The management's discussion and analysis of the Trumbull Career and Technical Center (the "Center") financial performance provides an overall review of the Center's financial activities for the fiscal year ended June 30, 2024. The intent of this discussion and analysis is to look at the Center'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 Center's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2024 are as follows:

- In total, net position increased \$3,368,690. Net position of governmental activities increased \$3,211,626, which represents a 129.81% increase from June 30, 2023's net position. Net position of business-type activities increased \$157,064 from June 30, 2023's net position.
- General revenues of the governmental activities accounted for \$15,281,355 in revenue or 69.25% of all revenues. Program specific revenues in the form of charges for services and sales, operating grants and contributions accounted for \$6,785,025 or 30.75% for total revenues of \$22,066,380.
- The Center had \$18,611,010 in expenses related to governmental activities; only \$6,785,025 of these expenses were offset by program specific charges for services, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$15,281,355 were adequate to provide for these programs.
- The Center had \$357,630 in expenses related to business-type activities; \$264,180 of these expenses were offset by program specific charges for services and grants and contributions. General revenues supporting business-type activities of \$6,770 and transfers in of \$243,744 were adequate to support these programs.
- The Center's major governmental funds are the general fund and permanent improvement fund. The general fund had \$20,239,729 in revenues and other financing sources and \$20,274,720 in expenditures and other financing uses. The general fund's fund balance decreased \$251,824 from \$8,731,892 to \$8,480,068.
- The permanent improvement fund had \$2,000,000 in other financing sources and \$396,059 in expenditures. The permanent improvement fund's fund balance increased \$1,603,941 from \$1,724,342 to 3,328,283.

Reporting the Center as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the Center to provide programs and activities, the view of the Center as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 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 Center's *net position* and changes in that net position. This change in net position is important because it tells the reader that, for the Center as a whole, the *financial position* of the Center has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the Center's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO**

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

In the statement of net position and the statement of activities, the Center is divided into two distinct kinds of activities:

Governmental Activities - Most of the Center's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation, extracurricular activities, food service operations and dental and vision self-insurance.

Business-Type Activities - These services are provided on charges for goods or services basis to recover all or a significant portion of the expenses of the goods or services provided. The Center's adult education program is reported as business activities.

Reporting the Center's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

Proprietary Funds

The Center maintains proprietary funds. The Center maintains one enterprise fund that accounts for the Center's adult education operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Center's various functions. The Center's internal service fund accounts for self-insurance of the Center's dental and vision benefits.

Reporting the Center's Fiduciary Responsibilities

The Center is the fiscal agent for the High School That Works regional grant. This activity is presented as a custodial fund. These activities are excluded from the Center's other financial statements because the assets cannot be utilized by the Center to finance its operations.

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.

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO**

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

Required Supplementary Information

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

The Center as a Whole

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

	Net Position					
	Governmental Activities		Business-Type Activities		Total	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
<u>Assets</u>						
Current assets	\$ 24,419,150	\$ 21,485,160	\$ 7,148	\$ 14,194	\$ 24,426,298	\$ 21,499,354
Net OPEB asset	1,193,775	1,552,351	31,505	61,785	1,225,280	1,614,136
Capital assets, net	<u>13,153,220</u>	<u>11,355,068</u>	<u>97,421</u>	<u>102,965</u>	<u>13,250,641</u>	<u>11,458,033</u>
Total assets	<u>38,766,145</u>	<u>34,392,579</u>	<u>136,074</u>	<u>178,944</u>	<u>38,902,219</u>	<u>34,571,523</u>
<u>Deferred outflows of resources</u>						
Pension	3,516,717	4,046,254	28,653	179,763	3,545,370	4,226,017
OPEB	<u>568,729</u>	<u>358,362</u>	<u>39,883</u>	<u>46,055</u>	<u>608,612</u>	<u>404,417</u>
Total deferred outflows of resources	<u>4,085,446</u>	<u>4,404,616</u>	<u>68,536</u>	<u>225,818</u>	<u>4,153,982</u>	<u>4,630,434</u>
<u>Liabilities</u>						
Current liabilities	2,195,553	2,257,097	13,181	19,100	2,208,734	2,276,197
Long-term liabilities:						
Due within one year	874,317	733,276	15,219	17,055	889,536	750,331
Net pension liability	16,384,097	16,608,572	451,834	736,732	16,835,931	17,345,304
Net OPEB liability	881,583	791,095	28,679	49,737	910,262	840,832
Other amounts	<u>4,684,101</u>	<u>4,529,152</u>	<u>10,554</u>	<u>14,954</u>	<u>4,694,655</u>	<u>4,544,106</u>
Total liabilities	<u>25,019,651</u>	<u>24,919,192</u>	<u>519,467</u>	<u>837,578</u>	<u>25,539,118</u>	<u>25,756,770</u>
<u>Deferred inflows of resources</u>						
Property taxes	8,700,212	6,875,580	-	-	8,700,212	6,875,580
Pension	1,559,378	2,196,933	441,597	402,173	2,000,975	2,599,106
OPEB	<u>1,886,682</u>	<u>2,331,448</u>	<u>109,369</u>	<u>127,850</u>	<u>1,996,051</u>	<u>2,459,298</u>
Total deferred inflows of resources	<u>12,146,272</u>	<u>11,403,961</u>	<u>550,966</u>	<u>530,023</u>	<u>12,697,238</u>	<u>11,933,984</u>
<u>Net Position</u>						
Net investment in capital assets	9,787,718	7,838,399	97,421	102,965	9,885,139	7,941,364
Restricted	1,548,994	2,435,350	31,505	25,214	1,580,499	2,460,564
Unrestricted (deficit)	<u>(5,651,044)</u>	<u>(7,799,707)</u>	<u>(934,601)</u>	<u>(1,090,918)</u>	<u>(6,585,645)</u>	<u>(8,890,625)</u>
Total net position	<u>\$ 5,685,668</u>	<u>\$ 2,474,042</u>	<u>\$ (805,675)</u>	<u>\$ (962,739)</u>	<u>\$ 4,879,993</u>	<u>\$ 1,511,303</u>

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO**

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

The net pension liability (NPL) is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27" and the net OPEB liability/asset is reported pursuant to GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB).

For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the Center's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB and net OPEB asset.

Governmental Accounting Standards Board 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/asset*. 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 Center'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 Center is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

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

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

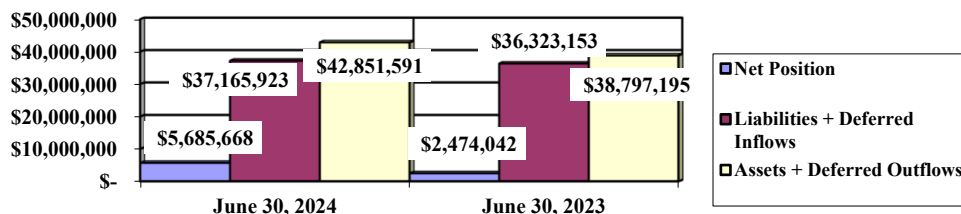
**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO**

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

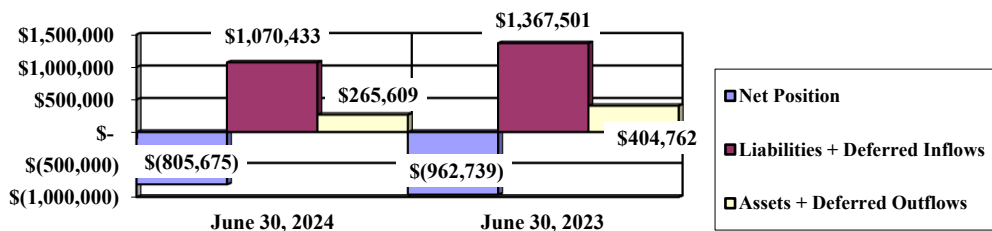
Governmental activities assets increased \$4,373,566 or 12.72% from June 30, 2023. The most significant increase occurred with current assets which increased \$2,933,990 compared to June 30, 2023. This was due to an increase in equity in pooled cash and property taxes receivable.

The graphs below present the Center's governmental and business-type assets, liabilities, deferred inflows of resources and net position at June 30, 2024 and June 30, 2023.

Governmental - Net Position



Business-Type - Net Position



The table below shows the changes in net position for governmental activities and business-type activities for fiscal years 2024 and 2023.

Change in Net Position

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
<u>Revenues</u>						
Program revenues:						
Charges for services and sales	\$ 486,390	\$ 621,923	\$ 82,113	\$ 503,212	\$ 568,503	\$ 1,125,135
Operating grants and contributions	6,083,610	5,746,011	182,067	133,720	6,265,677	5,879,731
Capital grants and contributions	215,025	86,000	-	-	215,025	86,000
General revenues:						
Property taxes	7,872,082	7,023,364	-	-	7,872,082	7,023,364
Grants and entitlements	6,751,070	5,832,216	-	-	6,751,070	5,832,216
Investment earnings	375,190	375,084	-	-	375,190	375,084
Other	283,013	274,860	6,770	24,458	289,783	299,318
Total revenues	<u>22,066,380</u>	<u>19,959,458</u>	<u>270,950</u>	<u>661,390</u>	<u>22,337,330</u>	<u>20,620,848</u>

(Continued)

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO**

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
<u>Expenses</u>						
Program expenses:						
Instruction:						
Regular	4,059,736	3,749,810	-	-	4,059,736	3,749,810
Special	403,104	716,174	-	-	403,104	716,174
Vocational	6,134,238	5,449,055	-	-	6,134,238	5,449,055
Adult/continuing	369,453	325,318	-	-	369,453	325,318
Other	1,166,438	-			1,166,438	
Support services:						
Pupil	1,153,455	1,756,196	-	-	1,153,455	1,756,196
Instructional staff	406,791	317,956	-	-	406,791	317,956
Board of education	41,237	42,129	-	-	41,237	42,129
Administration	2,452,307	2,273,774	-	-	2,452,307	2,273,774
Fiscal	691,831	664,235	-	-	691,831	664,235
Business	22,393	16,593	-	-	22,393	16,593
Operations and maintenance	610,598	1,906,736	-	-	610,598	1,906,736
Pupil transportation	15,599	15,470	-	-	15,599	15,470
Central	74,275	106,138	-	-	74,275	106,138
Operation of non-instructional services:						
Food service operations	555,279	511,038	-	-	555,279	511,038
Other non-instructional services	25,304	39,496	-	-	25,304	39,496
Extracurricular activities	247,029	279,076	-	-	247,029	279,076
Interest and fiscal charges	181,943	166,579	-	-	181,943	166,579
Adult education	-	-	357,630	910,582	357,630	910,582
Total expenses	<u>18,611,010</u>	<u>18,335,773</u>	<u>357,630</u>	<u>910,582</u>	<u>18,968,640</u>	<u>19,246,355</u>
Increase (decrease) before transfers	3,294,349	1,623,688	(326,636)	(240,686)	2,967,713	1,383,002
Transfers	<u>(243,744)</u>	<u>(250,192)</u>	<u>243,744</u>	<u>250,192</u>	<u>-</u>	<u>-</u>
Changes in net position	3,211,626	1,373,496	157,064	9,506	3,368,690	1,383,002
Net position (deficit) at beginning of year	<u>2,474,042</u>	<u>1,100,546</u>	<u>(962,739)</u>	<u>(972,246)</u>	<u>1,511,303</u>	<u>128,300</u>
Net position (deficit) at end of year	<u>\$ 5,685,668</u>	<u>\$ 2,474,042</u>	<u>\$ (805,675)</u>	<u>\$ (962,740)</u>	<u>\$ 4,879,993</u>	<u>\$ 1,511,302</u>

Governmental Activities

Net position of the Center's governmental activities increased \$3,211,626. Total governmental expenses of \$18,611,010 were offset by program revenues of \$6,785,025 and general revenues of \$15,281,355. Program revenues supported 36.46% of the total governmental expenses.

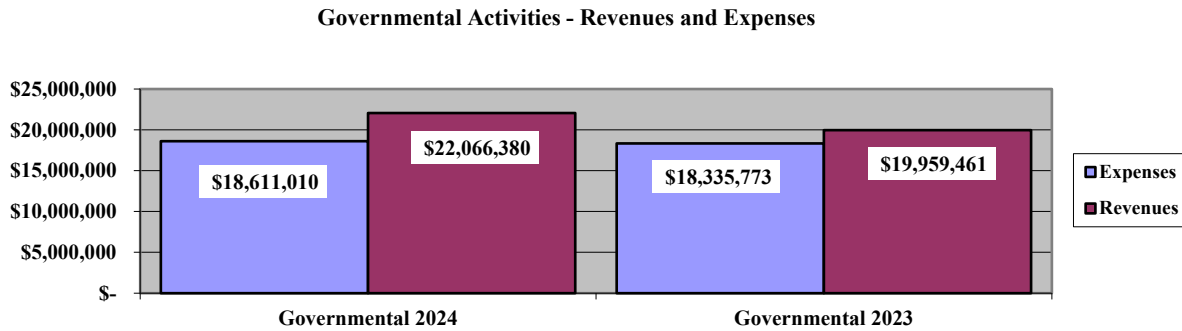
The primary sources of revenue for governmental activities are derived from property taxes and grants and entitlements. These two revenue sources represent 66.27% of total governmental revenue. Real estate property is reappraised every six years. Operating grants and contributions increased due to an increase in special education, career tech foundation funding and federal vocational education funding. Property taxes increased due to an increase in assessed property tax values. Grants and entitlements increased due to an increase in career center funding from the state.

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO**

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

Expenses of the governmental activities increased \$275,237 or 1.50%. This increase is primarily the result of a increase in instruction expense. Instruction expense increased \$1,892,612. This increase was the result of a increase in expenses related to employee wages and benefits.

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



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**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO**

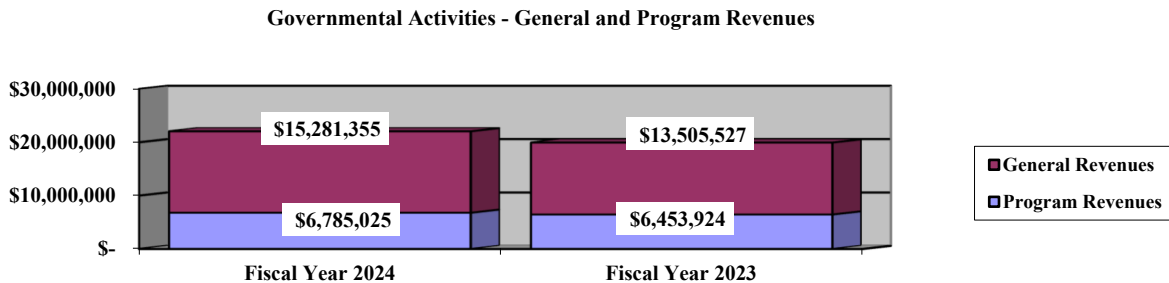
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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 for fiscal year 2024 and 2023. 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	Net Cost of Services	Total Cost of Services	Net Cost of Services
	<u>2024</u>	<u>2024</u>	<u>2023</u>	<u>2023</u>
Program expenses:				
Instruction:				
Regular	\$ 4,059,736	\$ 4,056,736	\$ 3,749,810	\$ 3,724,310
Special	403,104	403,104	716,174	716,174
Vocational	6,134,238	793,130	5,449,055	576,681
Adult/continuing	369,453	151,893	325,318	169,110
Other	1,166,438	1,166,438		
Support services:				
Pupil	1,153,455	1,109,451	1,756,196	1,697,365
Instructional staff	406,791	298,941	317,956	266,504
Board of education	41,237	41,237	42,129	42,129
Administration	2,452,307	2,395,433	2,273,774	2,224,612
Fiscal	691,831	678,562	664,235	663,561
Business	22,393	22,393	16,593	16,593
Operations and maintenance	610,598	319,936	1,906,736	1,380,631
Pupil transportation	15,599	15,599	15,470	15,470
Central	74,275	74,275	106,138	100,108
Operation of non-instructional services:				
Food service operations	555,279	(32,375)	511,038	(48,285)
Other non-instructional services	25,304	25,304	39,496	39,496
Extracurricular activities	247,029	123,985	279,076	130,801
Interest and fiscal charges	181,943	181,943	166,579	166,579
Total expenses	<u>\$ 18,611,010</u>	<u>\$ 11,825,985</u>	<u>\$ 18,335,773</u>	<u>\$ 11,881,839</u>

The dependence upon tax revenues and grants and entitlements during fiscal year 2024 for governmental activities is apparent. For all governmental activities, general revenue support was 63.54% in 2024. The Center's taxpayers and unrestricted grants and entitlements are by far the primary support for Center's students.

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



**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO**

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

Business-Type Activities

The Center's business-type activities consist of the adult education program. This program had program revenues of \$264,180, general revenues of \$6,770, expenses of \$357,630 and transfers in of \$243,744 for fiscal year 2024. The large decrease in activity is the result of the Center cutting some adult education programs. The Center's business activities receive no support from tax revenues.

The Center's Funds

The Center's governmental funds reported a combined fund balance of \$12,160,700 which is \$1,355,944 higher than last year's total of \$10,804,756. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2024 and 2023.

	<u>Fund Balance June 30, 2024</u>	<u>Fund Balance June 30, 2023</u>	<u>Change</u>
General	\$ 8,480,068	\$ 8,731,892	\$ (251,824)
Permanent Improvement	3,328,283	1,724,342	1,603,941
Other Governmental	<u>352,349</u>	<u>348,522</u>	<u>3,827</u>
Total	<u>\$ 12,160,700</u>	<u>\$ 10,804,756</u>	<u>\$ 1,355,944</u>

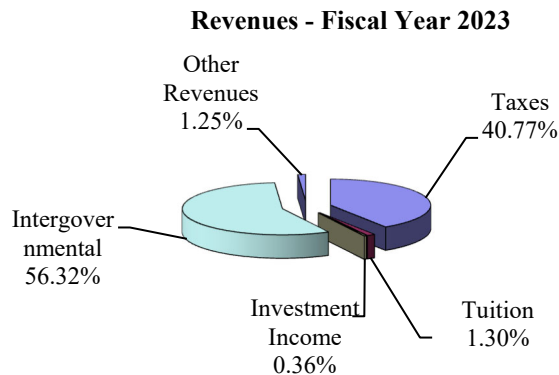
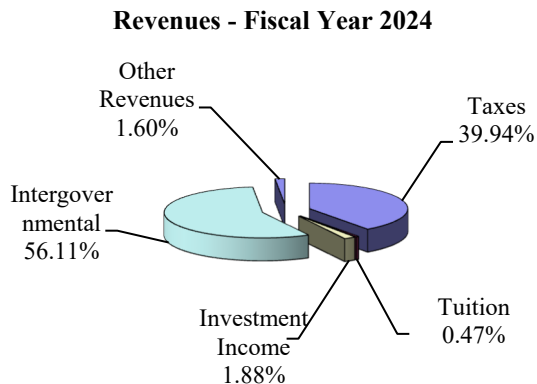
General Fund

The Center's general fund's fund balance decreased by \$251,824.

The table that follows assists in illustrating the revenues of the general fund.

	<u>2024 Amount</u>	<u>2023 Amount</u>	<u>Change</u>	<u>Percentage Change</u>
<u>Revenues</u>				
Taxes	\$ 7,933,429	\$ 6,828,592	\$ 1,104,837	16.18 %
Tuition	94,149	73,686	20,463	27.77 %
Earnings on investments	374,312	365,393	8,919	2.44 %
Intergovernmental	11,145,882	9,785,849	1,360,033	13.90 %
Other revenues	<u>317,513</u>	<u>446,363</u>	<u>(128,850)</u>	<u>(28.87) %</u>
Total	<u>\$ 19,865,285</u>	<u>\$ 17,499,883</u>	<u>\$ 2,365,402</u>	<u>13.52 %</u>

Revenues of the general fund increased \$2,365,402 or 13.52%. This increase was primarily due to an increase in intergovernmental revenue and taxes as a result of the State adjusting the funding formula and property tax collections.



**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO**

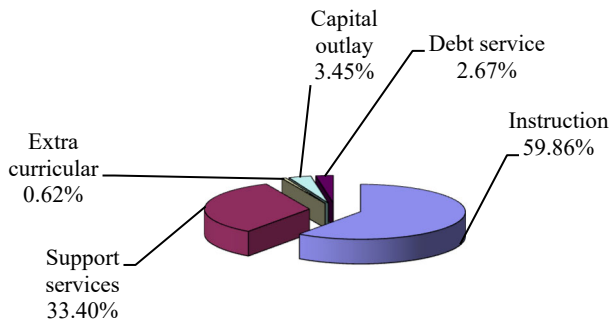
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

The table that follows assists in illustrating the expenditures of the general fund.

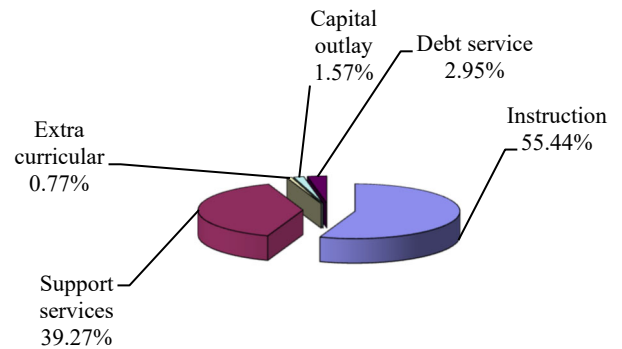
	<u>2024</u> <u>Amount</u>	<u>2023</u> <u>Amount</u>	<u>Change</u>	<u>Percentage</u> <u>Change</u>
<u>Expenditures</u>				
Instruction	\$ 10,937,382	\$ 9,209,838	\$ 1,727,544	18.76 %
Support services	6,102,103	6,524,013	(421,910)	(6.47) %
Operation of non-instructional services	-	39,496	(39,496)	- %
Extracurricular activities	113,788	128,458	(14,670)	(11.42) %
Capital outlay	629,993	261,177	368,816	141.21 %
Debt service	487,534	490,782	(3,248)	(0.66) %
Total	<u>\$ 18,270,800</u>	<u>\$ 16,653,764</u>	<u>\$ 1,617,036</u>	9.71 %

Expenditures of the general fund increased \$1,617,036 or 9.71%. The most significant increase was in instruction.

Expenditures - Fiscal Year 2024



Expenditures - Fiscal Year 2023



General Fund Budgeting Highlights

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

During the course of fiscal year 2024 the Center amended its general fund budget numerous times. The Center uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management.

For the general fund, actual budgeted revenues and other financing sources were \$20,346,861, which was higher than original budget estimates of \$18,175,962.

General fund original appropriations (expenditures plus other financing uses) of \$20,159,316 were increased to \$20,596,535 in the final budget. The actual budget basis expenditures and other financing uses for fiscal year 2024 totaled \$20,516,208.

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO**

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

Capital Assets and Debt Administration

Capital Assets

At June 30, 2024, the Center had \$13,250,641 invested in land, construction in progress, land improvements, buildings and improvements, furniture and equipment, intangible right-to-use assets, and vehicles. Of this total, \$13,153,220 was reported in governmental activities and \$97,421 was reported in business-type activities.

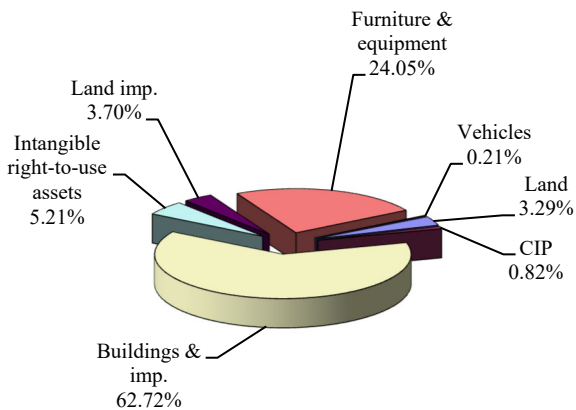
The following table shows June 30, 2024 balances compared to June 30, 2023:

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

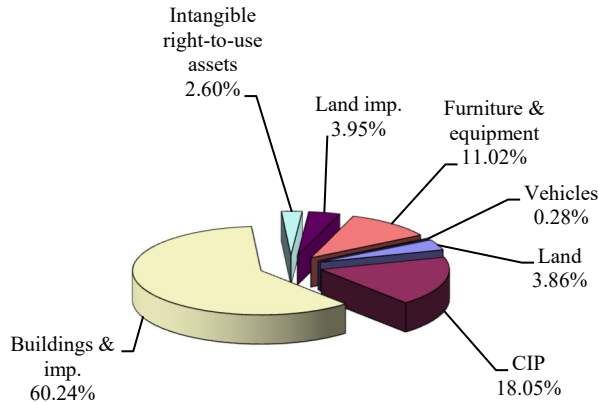
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Land	\$ 432,770	\$ 432,770	\$ -	\$ -	\$ 432,770	\$ 432,770
Construction-in-progress	107,911	2,023,697	-	-	107,911	2,023,697
Land improvements	486,260	443,145	-	-	486,260	443,145
Building and improvements	8,250,509	6,753,316	-	-	8,250,509	6,753,316
Furniture and equipment	3,162,992	1,378,957	97,421	102,965	3,260,413	1,481,922
Intangible right-to-use assets	685,614	291,643	-	-	685,614	291,643
Vehicles	27,164	31,540	-	-	27,164	31,540
Total	<u>\$ 13,153,220</u>	<u>\$ 11,355,068</u>	<u>\$ 97,421</u>	<u>\$ 102,965</u>	<u>\$ 13,250,641</u>	<u>\$ 11,458,033</u>

The following graphs show the breakdown of governmental activities capital assets by category for 2024 and 2023.

**Capital Assets - Governmental Activities
2024**



**Capital Assets - Governmental Activities
2023**



See Note 8 to the basic financial statements for additional information on the Center's capital assets.

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO**

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

Debt Administration

At June 30, 2024, the Center had \$3,365,502 in leases payable, SBITAs payable and OASBO notes payable. Of the balance, \$543,078 is due within one year and \$2,822,424 is due in more than one year.

The following table shows the June 30, 2024 balance compared to June 30, 2023:

Outstanding Debt, at Year End

	Governmental Activities	
	<u>2024</u>	<u>2023</u>
Leases payable	\$ 549,466	\$ 180,565
SBITA payable	64,036	71,212
OASBO notes payable	<u>2,752,000</u>	<u>3,032,000</u>
Total	<u>\$ 3,365,502</u>	<u>\$ 3,283,777</u>

At June 30, 2024, the Center's overall legal debt margin was \$435,399,733 with an unvoted debt margin of \$4,837,775.

See Note 9 to the basic financial statements for additional information on the Center's debt administration.

Current Financial Related Activity

Overall the Center is strong financially. The Center relies heavily upon grants, State foundation and property taxes. The finances are stable for fiscal years 2023 through fiscal year 2024 due to the passage of a 2.4 mill renewal levy that passed in November of 2014 that will expire in January of 2026. The 2.4 mills represent approximately 36.00% of the total revenue the Center receives yearly.

The challenge for the Center's management is to continue to provide the resources necessary to meet student needs and to be able to stay within the five-year forecast. The five-year forecast is utilized by management in order to effectively manage the Center's resources to their fullest.

The State funding for schools is based on several factors all of which are subject to deliberations and approval of the Ohio General Assembly. House Bill 59, which was passed in June of 2013, has once again changed the way career centers are funded. The "freeze" for ADM is over and the Center is once again going to be paid for each student based on FTE/ADM, with a 6.5% increase cap in 2014 and a 10.25% cap in additional funding in 2015. During the 2016 fiscal year the Center was on "formula", then the "guarantee" and finally the "cap" for state funding payments. During the 2017 fiscal year, the Center remained on similar state funding payments as the previous year but showed a decrease in actual funding due to a decrease of about 20 students.

In June of 2015, the Career Center accepted a 20th school, Howland Local, to its previous 19 districts. Therefore, additional income from taxes and students was added to the budget starting in January 2016 and received the full tax amount in fiscal year 2017.

All of the Center's financial abilities will be needed to meet the financial challenges of the future.

Contacting the Center's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the Center's finances and to show the Center's accountability for the money it receives. If you have questions about this report or need additional financial information contact Mr. Cody Holecko, Treasurer, Trumbull Career and Technical Center, 528 Educational Highway, Warren, Ohio 44483.

**TRUMBULL CAREER AND TECHNOLOGY CENTER
TRUMBULL COUNTY, OHIO**

STATEMENT OF NET POSITION
JUNE 30, 2024

	Governmental Activities	Business-type Activities	Total
Assets:			
Equity in pooled cash and cash equivalents	\$ 14,083,028	\$ 3,581	\$ 14,086,609
Receivables:			
Property taxes	9,958,341	-	9,958,341
Accounts	-	33,957	33,957
Accrued interest	78,442	-	78,442
Intergovernmental	205,369	-	205,369
Prepayments	52,389	811	53,200
Materials and supplies inventory	3,273	-	3,273
Inventory held for resale	7,255	-	7,255
Internal balance	31,053	(31,053)	-
Net OPEB asset	1,193,775	31,505	1,225,280
Capital assets:			
Nondepreciable capital assets	540,681	-	540,681
Depreciable capital assets, net	12,612,539	97,421	12,709,960
Capital assets, net	13,153,220	97,421	13,250,641
Total assets	<u>38,766,145</u>	<u>136,222</u>	<u>38,902,367</u>
Deferred outflows of resources:			
Pension	3,516,717	88,653	3,605,370
OPEB	568,729	39,883	608,612
Total deferred outflows of resources	<u>4,085,446</u>	<u>128,536</u>	<u>4,213,982</u>
Liabilities:			
Accounts payable	62,193	1,170	63,363
Accrued wages and benefits payable	1,778,096	10,700	1,788,796
Intergovernmental payable	52,700	123	52,823
Pension and postemployment benefits payable	235,278	1,188	236,466
Accrued interest payable	22,119	-	22,119
Unearned revenue	35,631	-	35,631
Claims payable	9,536	-	9,536
Long-term liabilities:			
Due within one year	874,317	15,219	889,536
Due in more than one year:			
Net pension liability	16,384,097	451,834	16,835,931
Net OPEB liability	881,583	28,679	910,262
Other amounts due in more than one year	4,684,101	10,554	4,694,655
Total liabilities	<u>25,019,651</u>	<u>519,467</u>	<u>25,539,118</u>
Deferred inflows of resources:			
Property taxes levied for the next fiscal year	8,700,212	-	8,700,212
Pension	1,559,378	441,597	2,000,975
OPEB	1,886,682	109,369	1,996,051
Total deferred inflows of resources	<u>12,146,272</u>	<u>550,966</u>	<u>12,697,238</u>
Net position:			
Net investment in capital assets	9,787,718	97,421	9,885,139
Restricted for:			
OPEB	1,193,775	31,505	1,225,280
State funded programs	1,661	-	1,661
Federally funded programs	1	-	1
Food service operations	185,786	-	185,786
Extracurricular programs	124,553	-	124,553
Other purposes	43,218	-	43,218
Unrestricted (deficit)	(5,651,044)	(934,601)	(6,585,645)
Total net position	<u>\$ 5,685,668</u>	<u>\$ (805,675)</u>	<u>\$ 4,879,993</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**TRUMBULL CAREER AND TECHNOLOGY CENTER
TRUMBULL COUNTY, OHIO**

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

		Program Revenues		
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
Instruction:				
Regular	\$ 4,059,736	\$ -	\$ 3,000	\$ -
Special	403,104	-	-	-
Vocational	6,134,238	94,149	5,246,959	-
Adult/continuing	369,453	-	217,560	-
Other	1,166,438	-	-	-
Support services:				
Pupil	1,153,455	-	44,004	-
Instructional staff	406,791	-	107,850	-
Board of education	41,237	-	-	-
Administration	2,452,307	-	56,874	-
Fiscal	691,831	-	13,269	-
Business	22,393	-	-	-
Operations and maintenance	610,598	34,500	41,137	215,025
Pupil transportation	15,599	-	-	-
Central	74,275	-	-	-
Operation of non-instructional services:				
Food service operations	555,279	234,697	352,957	-
Other non-instructional services	25,304	-	-	-
Extracurricular activities	247,029	123,044	-	-
Interest and fiscal charges	181,943	-	-	-
Total governmental activities	18,611,010	486,390	6,083,610	215,025
Business-type activities:				
Adult education	357,630	82,113	182,067	-
Total business-type activities	357,630	82,113	182,067	-
Totals	\$ 18,968,640	\$ 568,503	\$ 6,265,677	\$ 215,025

General revenues:

Property taxes levied for:

 General purposes

Grants and entitlements not restricted
 to specific programs

Investment earnings

Miscellaneous

Total general revenues

Transfers

Total general revenues and
transfers

Change in net position

Net position at beginning of year

Net position at end of year

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
\$ (4,056,736)	\$ -	\$ (4,056,736)
(403,104)	-	(403,104)
(793,130)	-	(793,130)
(151,893)	-	(151,893)
(1,166,438)	-	(1,166,438)
(1,109,451)	-	(1,109,451)
(298,941)	-	(298,941)
(41,237)	-	(41,237)
(2,395,433)	-	(2,395,433)
(678,562)	-	(678,562)
(22,393)	-	(22,393)
(319,936)	-	(319,936)
(15,599)	-	(15,599)
(74,275)	-	(74,275)
32,375	-	32,375
(25,304)	-	(25,304)
(123,985)	-	(123,985)
(181,943)	-	(181,943)
(11,825,985)	-	(11,825,985)
-	(93,450)	(93,450)
-	(93,450)	(93,450)
(11,825,985)	(93,450)	(11,919,435)
7,872,082	-	7,872,082
6,751,070	-	6,751,070
375,190	-	375,190
283,013	6,770	289,783
15,281,355	6,770	15,288,125
(243,744)	243,744	-
15,037,611	250,514	15,288,125
3,211,626	157,064	3,368,690
2,474,042	(962,739)	1,511,303
\$ 5,685,668	\$ (805,675)	\$ 4,879,993

**TRUMBULL CAREER AND TECHNOLOGY CENTER
TRUMBULL COUNTY, OHIO**

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

	General	Permanent Improvement	Nonmajor Governmental Funds	Total Governmental Funds
Assets:				
Equity in pooled cash and cash equivalents	\$ 10,155,663	\$ 3,328,283	\$ 544,103	\$ 14,028,049
Receivables:				
Property taxes	9,958,341	-	-	9,958,341
Accrued interest	78,442	-	-	78,442
Interfund loans	301,626	-	-	301,626
Intergovernmental	-	-	205,369	205,369
Prepayments	51,578	-	811	52,389
Materials and supplies inventory	-	-	3,273	3,273
Inventory held for resale	-	-	7,255	7,255
Total assets	<u>\$ 20,545,650</u>	<u>\$ 3,328,283</u>	<u>\$ 760,811</u>	<u>\$ 24,634,744</u>
Liabilities:				
Accounts payable	\$ 61,823	\$ -	\$ 370	\$ 62,193
Accrued wages and benefits payable	1,695,291	-	82,805	1,778,096
Compensated absences payable	92,158	-	-	92,158
Intergovernmental payable	51,665	-	1,035	52,700
Pension and postemployment benefit payable	225,288	-	9,990	235,278
Interfund loans payable	-	-	267,669	267,669
Unearned revenue	-	-	26,848	26,848
Total liabilities	<u>2,126,225</u>	<u>-</u>	<u>388,717</u>	<u>2,514,942</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	8,700,212	-	-	8,700,212
Delinquent property tax revenue not available	1,218,427	-	-	1,218,427
Intergovernmental revenue not available	-	-	19,745	19,745
Accrued interest not available	20,718	-	-	20,718
Total deferred inflows of resources	<u>9,939,357</u>	<u>-</u>	<u>19,745</u>	<u>9,959,102</u>
Fund balances:				
Nonspendable:				
Materials and supplies inventory	-	-	3,273	3,273
Prepays	51,578	-	811	52,389
Restricted:				
Food service operations	-	-	203,182	203,182
State funded programs	-	-	1,661	1,661
Federally funded programs	-	-	1	1
Extracurricular activities	-	-	124,553	124,553
Other purposes	-	-	43,218	43,218
Committed:				
Capital projects	-	3,328,283	-	3,328,283
Termination benefits	245,744	-	-	245,744
Other purposes	219,888	-	-	219,888
Assigned:				
Student instruction	41,162	-	-	41,162
Student and staff support	85,451	-	-	85,451
Extracurricular activities	11,323	-	-	11,323
Unassigned (deficit)	<u>7,824,922</u>	<u>-</u>	<u>(24,350)</u>	<u>7,800,572</u>
Total fund balances	<u>8,480,068</u>	<u>3,328,283</u>	<u>352,349</u>	<u>12,160,700</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 20,545,650</u>	<u>\$ 3,328,283</u>	<u>\$ 760,811</u>	<u>\$ 24,634,744</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**TRUMBULL CAREER AND TECHNOLOGY CENTER
TRUMBULL COUNTY, OHIO**

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

Total governmental fund balances		\$ 12,160,700
<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.		13,153,220
Other long-term assets are not available to pay for current period expenditures and therefore are deferred inflows in the funds		
Property taxes receivable	\$ 1,218,427	
Accrued interest receivable	20,718	
Intergovernmental receivable	19,745	
Total	<u>1,258,890</u>	1,258,890
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.		33,756
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds		(22,119)
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	3,516,717	
Deferred inflows - pension	(1,559,378)	
Net pension liability	(16,384,097)	
Deferred outflows - OPEB	568,729	
Deferred inflows - OPEB	(1,886,682)	
Net OPEB asset	1,193,775	
Net OPEB liability	(881,583)	
Total	<u>(15,432,519)</u>	(15,432,519)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Notes payable - financed purchase	(2,752,000)	
Leases payable	(549,466)	
SBITA payable	(64,036)	
Compensated absences	(2,100,758)	
Total	<u>(5,466,260)</u>	(5,466,260)
Net position of governmental activities		<u>\$ 5,685,668</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**TRUMBULL CAREER AND TECHNOLOGY CENTER
TRUMBULL COUNTY, OHIO**

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

	General	Permanent Improvement	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
From local sources:				
Property taxes	\$ 7,933,429	\$ -	\$ -	\$ 7,933,429
Intergovernmental	11,145,882	-	1,709,758	12,855,640
Investment earnings	374,312	-	-	374,312
Tuition and fees	94,149	-	-	94,149
Extracurricular	3,916	-	123,044	126,960
Rental income	34,500	-	-	34,500
Charges for services	182,696	-	234,697	417,393
Contributions and donations	15,500	-	3,000	18,500
Miscellaneous	80,901	-	4,925	85,826
Total revenues	<u>19,865,285</u>	<u>-</u>	<u>2,075,424</u>	<u>21,940,709</u>
Expenditures:				
Current:				
Instruction:				
Regular	4,067,627	-	5,823	4,073,450
Special	409,518	-	-	409,518
Vocational	5,472,536	-	647,135	6,119,671
Adult/continuing	-	-	217,501	217,501
Other	1,204,443	-	-	1,204,443
Support services:				
Pupil	1,115,402	-	43,995	1,159,397
Instructional staff	272,256	-	140,064	412,320
Board of education	41,089	-	-	41,089
Administration	2,424,762	-	56,858	2,481,620
Fiscal	701,975	-	-	701,975
Business	19,734	-	-	19,734
Operations and maintenance	1,454,433	295,746	42,734	1,792,913
Pupil transportation	9,544	-	-	9,544
Central	62,908	11,367	-	74,275
Operation of non-instructional services				
Food service operations	-	-	551,067	551,067
Other non-instructional services	-	-	25,304	25,304
Extracurricular activities	113,788	-	136,374	250,162
Facilities acquisition and construction	-	88,946	-	88,946
Capital outlay	10,900	-	619,093	629,993
Debt service:				
Principal retirement	327,710	-	-	327,710
Interest and fiscal charges	159,824	-	-	159,824
Total expenditures	<u>17,868,449</u>	<u>396,059</u>	<u>2,485,948</u>	<u>20,750,456</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,996,836</u>	<u>(396,059)</u>	<u>(410,524)</u>	<u>1,190,253</u>
Other financing sources (uses):				
Transfers in	-	2,000,000	12,000	2,012,000
Transfers (out)	(2,255,744)	-	-	(2,255,744)
Lease transaction	-	-	402,351	402,351
SBITA transaction	7,084	-	-	7,084
Total other financing sources (uses)	<u>(2,248,660)</u>	<u>2,000,000</u>	<u>414,351</u>	<u>165,691</u>
Net change in fund balances	(251,824)	1,603,941	3,827	1,355,944
Fund balances at beginning of year	<u>8,731,892</u>	<u>1,724,342</u>	<u>348,522</u>	<u>10,804,756</u>
Fund balances at end of year	<u>\$ 8,480,068</u>	<u>\$ 3,328,283</u>	<u>\$ 352,349</u>	<u>\$ 12,160,700</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**TRUMBULL CAREER AND TECHNOLOGY CENTER
TRUMBULL 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

Net change in fund balances - total governmental funds	\$	1,355,944
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*Amounts reported for governmental activities in the
statement of activities are different because:*

Governmental funds report capital outlays as expenditures.

However, in the statement of activities, the cost of those
assets is allocated over their estimated useful lives as
depreciation/amortization expense.

Capital asset additions	\$	2,684,368	
Current year depreciation/amortization		(855,967)	
Total			1,828,401

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.	(30,249)
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Revenues in the statement of activities that do not provide
current financial resources are not reported as revenues in
the funds.

Property taxes	(61,347)	
Earnings on investments	878	
Intergovernmental	(28,885)	
Total		(89,354)

Repayment of notes, lease and SBITA principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.	327,710
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Issuance of leases and SBITAs are recorded as other financing sources in the funds; however, the proceeds increase long-term liabilities on the statement of net position.	(409,435)
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In the statement of activities, interest is accrued on outstanding leases,
whereas in governmental funds, an interest expenditure is reported
when due. The change in accrued interest resulted in additional interest
being reported in the statement of activities.

Change in accrued interest payable	(20,598)	
Total		(20,598)

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

Pension	1,520,597
OPEB	11,042

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	(1,188,104)
OPEB	195,027

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.	(303,398)
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An internal service fund used by management to charge
the costs of insurance to individual funds is not reported in
the government-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.

	14,043
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Change in net position of governmental activities	\$	3,211,626
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SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**TRUMBULL CAREER AND TECHNOLOGY CENTER
TRUMBULL COUNTY, OHIO**

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024

	Adult Education	Governmental Activities - Internal Service Fund
Assets:		
Current assets:		
Equity in pooled cash and cash equivalents	\$ 3,581	\$ 54,979
Receivables:		
Accounts	33,957	-
Prepayments	811	-
Total current assets	<u>38,349</u>	<u>54,979</u>
Noncurrent assets:		
Net OPEB asset	31,505	-
Depreciable capital assets, net	97,421	-
Total noncurrent assets	<u>128,926</u>	<u>-</u>
Total assets	<u>167,275</u>	<u>54,979</u>
Deferred outflows of resources:		
Pension	88,653	-
OPEB	39,883	-
Total deferred outflows of resources	<u>128,536</u>	<u>-</u>
Liabilities:		
Current liabilities:		
Accounts payable	1,170	-
Accrued wages and benefits	10,700	-
Compensated absences	15,219	-
Pension and postemployment benefits payable	1,188	-
Interfund loan payable	33,957	-
Intergovernmental payable	123	-
Claims payable	-	9,536
Unearned revenue	-	8,783
Total current liabilities	<u>62,357</u>	<u>18,319</u>
Long-term liabilities:		
Compensated absences payable	10,554	-
Net pension liability	451,834	-
Net OPEB liability	28,679	-
Total long-term liabilities	<u>491,067</u>	<u>-</u>
Total liabilities	<u>553,424</u>	<u>18,319</u>
Deferred inflows of resources:		
Pension	441,597	-
OPEB	109,369	-
Total deferred inflows of resources	<u>550,966</u>	<u>-</u>
Net position:		
Investment in capital assets	97,421	-
Restricted for OPEB	31,505	-
Unrestricted	<u>(937,505)</u>	<u>36,660</u>
Total net position	<u>\$ (808,579)</u>	<u>\$ 36,660</u>
Adjustments to reflect the consolidation of the internal service fund activities related to enterprise funds.	<u>2,904</u>	
Net position of business-type activities	<u>(805,675)</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**TRUMBULL CAREER AND TECHNOLOGY CENTER
TRUMBULL COUNTY, OHIO**

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

	Adult Education	Governmental Activities - Internal Service Fund
Operating revenues:		
Tuition and fees	\$ 82,113	\$ -
Charges for sales and services	-	136,205
Other	6,770	-
Total operating revenues	<u>88,883</u>	<u>136,205</u>
Operating expenses:		
Personal services	234,639	-
Purchased services	77,590	-
Materials and supplies	30,993	-
Other	9,013	9,831
Claims	-	112,182
Depreciation	5,544	-
Total operating expenses	<u>357,779</u>	<u>122,013</u>
Operating income (loss)	<u>(268,896)</u>	<u>14,192</u>
Nonoperating revenues:		
Grants and subsidies	182,067	-
Total nonoperating revenues	<u>182,067</u>	<u>-</u>
Income (loss) before transfers	(86,829)	14,192
Transfer in	<u>243,744</u>	<u>-</u>
Change in net position	156,915	14,192
Net position at beginning of year	<u>(965,494)</u>	<u>22,468</u>
Net position at end of year	<u><u>\$ (808,579)</u></u>	<u><u>\$ 36,660</u></u>
Change in net position	156,915	
Adjustment to reflect the consolidation of the internal service fund activities related to enterprise funds.	<u>149</u>	
Change in net position	<u><u>157,064</u></u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**TRUMBULL CAREER AND TECHNOLOGY CENTER
TRUMBULL COUNTY, OHIO**

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

	Adult Education	Governmental Activities - Internal Service Fund
Cash flows from operating activities:		
Cash received from tuition and fees	\$ 195,822	\$ -
Cash received from charges for sales and services	-	132,825
Cash received from other operations	6,770	-
Cash payments for personal services	(402,674)	-
Cash payments for contractual services	(77,292)	-
Cash payments for materials and supplies	(32,122)	-
Cash payments for claims	-	(109,676)
Cash payments for other expenses	(9,013)	(9,831)
Net cash provided by (used in) operating activities	(318,509)	13,318
Cash flows from noncapital financing activities:		
Cash received from grants and subsidies	182,067	-
Cash received from transfers in	243,744	-
Cash received from interfund loans	333,957	-
Cash used in repayment of interfund loans	(447,666)	-
Net cash provided by noncapital financing activities	312,102	-
Net change in cash and cash equivalents	(6,407)	13,318
Cash and cash equivalents at beginning of year	9,988	41,661
Cash and cash equivalents at end of year	<u>\$ 3,581</u>	<u>\$ 54,979</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:		
Operating income (loss)	\$ (268,896)	\$ 14,192
Adjustments:		
Depreciation	5,544	-
Changes in assets and liabilities:		
Accounts receivable	105,798	-
Intergovernmental receivable	7,911	-
Prepayments	640	-
Net OPEB asset	30,280	-
Deferred outflows - pension	91,110	-
Deferred outflows - OPEB	6,172	-
Accounts payable	(273)	-
Accrued wages and benefits payable	(3,142)	-
Intergovernmental payable	(1,953)	-
Compensated absences payable	(6,136)	-
Pension and postemployment benefits payable	(551)	-
Net pension liability	(284,898)	-
Net OPEB liability	(21,058)	-
Deferred inflows - pension	39,424	-
Deferred inflows - OPEB	(18,481)	-
Unearned revenue	-	(3,380)
Claims payable	-	2,506
Net cash provided by (used in) operating activities	<u>\$ (318,509)</u>	<u>\$ 13,318</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**TRUMBULL CAREER AND TECHNOLOGY CENTER
TRUMBULL COUNTY, OHIO**

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Custodial</u>
Additions:	
Amounts received as fiscal agent	\$ 11
Total additions	<u>11</u>
Deductions:	
Distributions as fiscal agent	<u>2,729</u>
Total deductions	<u>2,729</u>
Change in net position	(2,718)
Net position at beginning of year	<u>2,718</u>
Net position at end of year	<u><u>\$ -</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO**

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

NOTE 1 - DESCRIPTION OF THE CENTER

The Trumbull County Joint Vocational School District was formed on June 30, 1970 and subsequently became the Trumbull Career and Technical Center (the "Center") on July 1, 2000. The Center is a body politic and corporate established under Section 3311.18 of the Ohio Revised Code for the purpose of exercising the right and privileges conveyed to it by the constitution and laws of the State of Ohio. The Center includes 15 local school districts: Bloomfield-Mespo Local, Bristol Local, Brookfield Local, Champion Local, Joseph Badger Local, LaBrae Local, Lakeview Local, Liberty Local, Lordstown Local, Maplewood Local, Mathews Local, McDonald Local, Southington Local, Weathersfield Local, Howland Local, and one representative each from Warren City, Girard City, Newton Falls Exempted Village, Niles City and Hubbard Exempted Village.

The Center has been supported by a 2.4 mil 10 year renewal operating levy and by funds from the State of Ohio Joint Vocational School Foundation Program.

The Center provides job training leading to employment upon graduation from high school. The Center fosters cooperative relationships with business and industry, professional organizations, participating school districts and other interested, concerned groups and organizations to consider, plan and implement education programs designed to meet the common needs and interests of students.

Board Resolution No. 02-63 states that the Center shall operate under a twenty-member Board of Education consisting of 1 member from each member school's board of education and each Board Member shall serve one, two and three year terms and thereafter, successors to these members shall serve for successive two year terms so that no more than five members are appointed each year. The Center provides educational services as authorized and mandated by State or federal agencies. The Center employs 41 non-certified and 100 certified employees to provide services to approximately 1,009 students.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Center 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 Center'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 Center. For the Center, this includes general operations, food service, and student related activities of the Center.

Component units are legally separate organizations for which the Center is financially accountable. The Center is financially accountable for an organization if the Center appoints a voting majority of the organization's Governing Board and (1) the Center is able to significantly influence the programs or services performed or provided by the organization; or (2) the Center is legally entitled to or can otherwise access the organization's resources; or (3) the Center is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the Center is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Center in that the Center approves the budget, the issuance of debt or the levying of taxes. 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.

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO**

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

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

Based upon the application of these criteria, the Center has no component units. The basic financial statements of the reporting entity include only those of the Center (the primary government).

The following organizations are described due to their relationship to the Center:

JOINTLY GOVERNED ORGANIZATION

North East Ohio Management Information Network (NEOMIN)

NEOMIN is a jointly governed organization among twenty-eight school districts and two educational service centers. The organization was formed for the purpose of applying modern technology (with the aid of computers and other electronic equipment) to the administrative and instructional functions among member districts. Each of the districts supports NEOMIN based upon a per pupil charge.

Superintendents of the participating school districts are eligible to be voting members of the Governing Board, which consists of ten members; the Trumbull and Ashtabula County superintendents (permanent members), three superintendents from Ashtabula County school districts, three superintendents from Trumbull County school districts, and a principal and a treasurer (non-voting members who must be employed by a participating school district, or fiscal agent of NEOMIN). The degree of control exercised by any participating school district is limited to its representation on the Governing Board. A complete set of separate financial statements may be obtained from the Trumbull County Educational Service Center, 6000 Youngstown-Warren Road, Niles, Ohio 44446.

PUBLIC ENTITY RISK POOL

Ohio Association of School Business Officials Workers' Compensation Group Rating Plan

The Center participates in a group rating plan for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. The Ohio Association of School Business Officials Workers' Compensation Group Rating Plan (GRP) was established through the Ohio Association of School Business Officials (OASBO) as a group purchasing pool.

The Executive Director of the OASBO, or his designee, serves as coordinator of the GRP. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

Trumbull County Schools Employee Insurance Benefit Consortium Association

The Trumbull County Schools Employee Insurance Benefit Consortium Association (the "Consortium") is a shared risk pool comprised of fifteen Trumbull County school districts. The Consortium is governed by an assembly which consists of one representative from each participating school district (usually the superintendent or designee). The assembly exercises controls over the operations of the Consortium. All Consortium revenues are generated from charges for services and remitted to the fiscal agent Trumbull County Educational Service Center. The fiscal agent will then remit the charges for services to Watson Wyatt Worldwide in Cleveland, Ohio, an agent of Medical Mutual, who acts in the capacity of a third-party administrator (TPA) for claims processing.

B. Fund Accounting

The Center 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 center activities or functions. Funds are classified into three categories: governmental, proprietary and fiduciary. Each category is divided into separate fund types.

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO**

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

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

GOVERNMENTAL FUNDS

Governmental funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets plus deferred outflows of resources and liabilities plus deferred inflows of resources is reported as fund balance. The following are the Center's major governmental funds:

General fund - The general fund is used to account for and report all financial resources not accounted for and reported in another fund. The general fund balance is available for any purpose provided it is expended or transferred according to the general laws of Ohio.

Permanent Improvement fund – The permanent improvement fund is used to account for revenues and transfers that are committed to acquiring, constructing, or improving of such permanent improvements as authorized by Chapter 5705 of the Ohio Revised Code.

Other governmental funds of the Center 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.

PROPRIETARY FUNDS

Proprietary funds are used to account for the Center'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 are the Center's proprietary funds:

Enterprise fund - The enterprise fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Center has one enterprise fund to account for adult education programs. This fund is considered a major enterprise 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 Center, or to other governments, on a cost-reimbursement basis. The only internal service fund of the Center accounts for a self-insurance program which provides vision and dental 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 Center's only custodial fund accounts for the High School That Works regional grant for which the Center is the fiscal agent. This program was moved to another fiscal agent during fiscal year 2024.

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO**

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

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

C. Basis of Presentation and Measurement Focus

Government-Wide Financial Statements - The statement of net position and the statement of activities display information about the Center as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the Center that are governmental and those that are considered business-type activities. Internal service fund activity is eliminated to avoid overstatement of revenues and expenses.

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements, but differs from the manner in which governmental fund 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.

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

Fund Financial Statements - Fund financial statements report detailed information about the Center. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service fund is presented in a single column on the face of the proprietary fund statements.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets, current deferred outflows of resources, current liabilities, current deferred inflows of resources and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

All proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets, all deferred outflows of resources, all liabilities and all deferred inflows of resources associated with the operation of these funds are included on the statement of net position. The statement of revenues, expenses and changes in net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total position. The statement of cash flows provides information about how the Center finances and meets the cash flow needs of its proprietary activities.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the Center's internal service fund is charges for sales and services. The principal operating revenues of the Center's enterprise fund is tuition and fees for adult education. Operating expenses for the internal service fund includes claims expenses. Operating expenses for the enterprise fund primarily includes the cost of personal services, purchased services and materials and supplies. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO**

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

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

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 on the fund financial statements. Proprietary and fiduciary funds also 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 Center, available means expected to be received within sixty days of fiscal year end.

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

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the Center must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Center on a reimbursement basis. On a modified accrual basis, revenue from 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/asset and net OPEB liability/asset, respectively. These deferred inflows of resources are only reported on the government-wide statement of net position.

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

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

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The entitlement value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue. Unused donated commodities are 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.

E. Budgets

The Center is required by State statute to adopt an annual appropriated cash basis budget for all funds except custodial funds. The specific timetable for fiscal year 2024 is as follows:

1. Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The purpose of this budget document is to reflect the need for existing (or increased) tax rates.
2. By no later than January 20, the Board-adopted budget is filed with the Trumbull County Budget Commission for tax rate determination.
3. Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's certificate of estimated resources which states the projected revenue of each fund. Prior to July 1, the Center must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as a basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered balances from the preceding year as reported by the Center Treasurer. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the Center Treasurer. The amounts reported as the original and final budgeted revenue amount in the budgetary statement reflect the amounts set forth in the original and final amended certificate of estimated resources issued for fiscal year 2024.
4. By July 1, the Annual Appropriation Resolution is legally enacted by the Board of Education at the fund level of expenditures, which is the legal level of budgetary control. (State statute permits a temporary appropriation to be effective until no later than October 1 of each year). Resolution appropriations by fund must be within the estimated resources as certified by the County Budget Commission and the total of expenditures may not exceed the appropriation totals.
5. Any revisions that alter the total of any fund appropriation must be approved by the Board of Education.
6. Formal budgetary integration is employed as a management control device during the year for all funds consistent with the general obligation bond indenture and other statutory provisions. All funds completed the year within the amount of their legally authorized cash basis appropriations.

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

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

7. Appropriations amounts are as originally adopted, or as amended by the Board of Education through the year by supplemental appropriations which either reallocated, increased or decreased the original appropriated amounts. All supplemental appropriations were legally enacted by the Board during fiscal year 2023. The budget figures, as shown in the accompanying budgetary statement, reflect the original and final appropriation amounts including all amendments and modifications.
8. Unencumbered appropriations lapse at year end. Encumbered appropriations are carried forward to the succeeding fiscal year and need not be re-appropriated. Expenditures may not legally exceed budgeted appropriations at the fund level.

As part of formal budgetary control, purchase orders, contracts and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. On fund financial statements, encumbrances outstanding at year end (not already recorded in accounts payable) are reported as a component of assigned fund balance for subsequent-year expenditures for governmental funds.

F. Cash and Investments

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

Investments were limited to U.S. Government money market, Federal Home Loan Bank (FHLB) bonds, Federal Farm Credit Bank (FFCB) bonds, Federal National Mortgage Association (FNMA) bonds, U.S. Treasury notes, negotiable certificates of deposit, U.S. Treasury bills, and investments in the State Treasury Asset Reserve of Ohio (STAR Ohio). Investments, except for STAR Ohio, are reported at fair value which is based on quoted market prices. Non-participating investment contracts, such as non-negotiable certificates of deposit, are reported at cost.

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

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.

Under existing Ohio statutes, interest earnings are allotted to the general fund unless the Board of Education has, by resolution, specified funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2024 amounted to \$374,312 which includes \$107,616 assigned from other Center funds.

For purposes of the statement of cash flows and for presentation on the statement of net position, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the Center are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

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TRUMBULL COUNTY, OHIO**

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

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

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

G. 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 fund financial statements and the government-wide statements.

On the fund financial statements, reported material and supplies inventory is equally offset by a 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.

H. Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and disposals during the year. Donated capital assets are recorded at their acquisition value as of the date received. The Center maintains a capitalization threshold of \$2,000. The Center does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of capital assets is also capitalized.

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

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Land improvements	15 - 20 years	N/A
Buildings and improvements	20 - 40 years	N/A
Furniture/equipment	5 - 20 years	5 - 20 years
Intangible right-to-use assets	5 years	N/A
Vehicles	8 years	N/A

The Center is reporting intangible right-to-use assets related to equipment and Subscription Based Information Technology Arrangements (SBITAs). The intangible assets are being amortized in a systematic and rational manner of the shorter of the lease term/subscription or the useful life of the underlying asset.

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO**

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

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

I. Interfund Balances

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “interfund loans receivables/payables”. These amounts are eliminated in the governmental activities column of the statement of net position. Amounts between governmental and business-type activities are reported as internal balance.

J. Compensated Absences

Compensated absences of the Center consist of vacation leave and sick leave to the extent that payments to the employee for these absences are attributable to services already rendered and are not contingent on a specific event that is outside the control of the Center and the employee.

In accordance with the provisions of GASB Statement No. 16, “Accounting for Compensated Absences”, a liability for vacation leave is accrued if a) the employees’ rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination (severance) payments. A liability for sick leave is accrued using the vesting method; i.e., the liability is based on the sick leave accumulated at the balance sheet date by those employees who are currently eligible to receive termination (severance) payments, as well as those employees expected to become eligible in the future. For purposes of establishing a liability for sick leave on employees expected to become eligible to retire in the future, all employees with at least five years of service were considered expected to become eligible to retire in accordance with GASB Statement No. 16.

The total liability for vacation and sick leave payments has been calculated using pay rates in effect at June 30, 2024 and reduced to the maximum payment allowed by labor contract and/or statute, plus any additional salary related payments.

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

For governmental fund financial statements, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts are recorded in the account “compensated absences payable” in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

K. Prepayments

Certain payments to vendors reflect the costs applicable to future accounting periods and are recorded as prepayments 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 nonspendable on the fund financial statements by an amount equal to the carrying value of the asset.

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TRUMBULL COUNTY, OHIO**

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

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

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 proprietary funds are reported on the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and 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.

M. Fund Balance

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

Nonspendable - The nonspendable fund balance 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. It also includes the long-term amount of loans receivable.

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

Assigned - Amounts in the assigned fund balance classification are intended to be used by the Center 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 Center 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.

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL 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 Center 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.

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

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

O. Estimates

The preparation of the financial statements in conformity with GAAP 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.

P. Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues.

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

Q. Pensions/Other Postemployment Benefits (OPEB)

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

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TRUMBULL COUNTY, OHIO**

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

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

R. Fair Value

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

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 the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2024.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For fiscal year 2024, the Center 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 report by the Center.

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 Center.

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 Center.

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 Center.

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

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	\$ 13,981
Miscellaneous Federal Grants	5,765
Post Secondary Vocational Education	4,604

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 Center into three categories.

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

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

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

Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

Interim monies may be deposited or invested in the following securities:

1. United States Treasury Notes, 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;

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

NOTE 4 - DEPOSITS AND INVESTMENTS – (Continued)

6. No-load money market mutual funds consisting exclusively of obligations described in items (1) and (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and,
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 Center and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

A. Cash on Hand

At fiscal year end, the Center had \$500 in undeposited cash on hand which is included on the financial statements of the Center as part of "equity in pooled cash and cash equivalents".

B. Deposits with Financial Institutions

At June 30, 2024, the carrying amount of all Center deposits was \$6,190,342 and the bank balance of all Center deposits was \$6,225,201. Of the bank balance, \$3,927,300 was covered by the FDIC, \$510,492 was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Center's name, and \$1,787,409 was uninsured and uncollateralized. The Center's financial institutions were approved for a reduced collateral rate of 50 percent through the Ohio Pooled Collateral System resulting in the uninsured and uncollateralized balance.

Custodial credit risk is the risk that, in the event of bank failure, the Center will not be able to recover deposits or collateral securities that are in the possession of an outside party. The Center 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 Center 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 reduced rate set by the Treasurer of State. For 2024, the Center's financial institutions were approved for a reduced 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 Center to a successful claim by the FDIC.

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO**

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

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

B. Investments

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

Measurement/ Investment type	Investment Maturities					
	Measurement Value	6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater than 24 months
<i>Fair Value:</i>						
FHLB	\$ 978,790	\$ 69,725	\$ -	\$ -	\$ -	\$ 909,065
FNMA	94,627	-	-	94,627	-	-
FFCB	325,620	-	126,368	-	-	199,252
Negotiable CD's	4,068,774	961,201	1,397,163	496,011	243,007	971,392
U.S. Treasury bills	784,449	689,120	95,329	-	-	-
U.S. Treasury notes	1,030,432	815,753	-	-	-	214,679
U.S. Government money market	601,277	601,277	-	-	-	-
<i>Amortized Cost:</i>						
STAR Ohio	11,799	11,799	-	-	-	-
Total	<u>\$ 7,895,768</u>	<u>\$ 3,148,875</u>	<u>\$ 1,618,860</u>	<u>\$ 590,638</u>	<u>\$ 243,007</u>	<u>\$ 2,294,388</u>

The weighted average of maturity of investments is 1.37 years.

The Center's investments in U.S. Government money market mutual funds are valued using quoted market prices in active markets (Level 1 inputs). The Center's investments in federal agency securities (FHLB, FNMA, FFCB), U.S. Treasury notes, U.S. Treasury bills and negotiable CD's 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: As a means of limiting its exposure to fair value losses arising from rising interest rates and according to State law, the Center's investment policy limits investment portfolio maturities to five years or less.

Credit Risk: The Center's investments, except for STAR Ohio and the U.S. Government money market, were rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively. Standard & Poor's has assigned STAR Ohio and the U.S. Government money market an AAAM money market rating. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized rating service. The Center has no policy that addresses credit risk.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Center will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The federal agency securities are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent but not in the Center's name. The Center's investments in negotiable certificates of deposit were fully covered by Federal Depository Insurance. The Center has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO**

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

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Concentration of Credit Risk: The Center places no 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 Center at June 30, 2024:

<u>Measurement/ Investment type</u>	<u>Measurement Value</u>	<u>% of Total</u>
<i>Fair Value:</i>		
FHLB	\$ 978,790	12.40
FNMA	94,627	1.20
FFCB	325,620	4.12
Negotiable CD's	4,068,774	51.53
U.S. Treasury bills	784,449	9.94
U.S. Treasury notes	1,030,432	13.05
U.S. Government money market	601,277	7.62
<i>Amortized Cost:</i>		
STAR Ohio	11,799	0.14
Total	<u>\$ 7,895,768</u>	<u>100.00</u>

D. 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:

Cash and investments per note

Carrying amount of deposits	\$ 6,190,342
Investments	7,895,768
Cash on hand	<u>500</u>
Total	<u>\$ 14,086,610</u>

Cash and investments per statement of net position

Governmental activities	\$ 14,083,029
Business type activities	<u>3,581</u>
Total	<u>\$ 14,086,610</u>

NOTE 5 - INTERFUND TRANSACTIONS

A. Interfund transfers for the 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>	
Permanent improvement fund	\$ 2,000,000
Nonmajor governmental fund	12,000
Adult education	<u>243,744</u>
Total transfers in/out	<u>\$ 2,255,744</u>

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL 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 move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Transfers between governmental funds are eliminated on the government-wide financials. Transfers between governmental funds and the enterprise fund are reported as transfers in the government-wide statements.

All transfers made during the fiscal year 2024 were made in accordance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

- B.** Interfund loans receivable/payable consisted of the following at June 30, 2024, as reported on the fund statement:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General fund	Nonmajor governmental funds	\$ 267,669
General fund	Adult education	<u>33,957</u>
Total		<u>\$ 301,626</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.

Interfund balances between governmental funds are eliminated on the government-wide statement of net position. Interfund balances between governmental funds and business-type activities are reported as internal balances on the government-wide statement of net position.

NOTE 6 - PROPERTY TAXES

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

Property taxes include amounts levied against all real 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 2024 became a lien on December 31, 2022, were levied after April 1, 2023, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO**

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

NOTE 6 - PROPERTY TAXES – (Continued)

The Center receives property taxes from Trumbull County. The County Auditor periodically advances to the Center its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 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 fund:		
General fund	\$ 39,702	\$ 50,945

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.

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	\$ 3,489,709,450	93.07	\$ 4,567,245,040	94.41
Public utility personal	<u>259,775,040</u>	<u>6.93</u>	<u>270,529,770</u>	<u>5.59</u>
Total	<u>\$ 3,749,484,490</u>	<u>100.00</u>	<u>\$ 4,837,774,810</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation	\$2.40		\$2.40	

NOTE 7 - RECEIVABLES

Receivables at June 30, 2024 consisted of property taxes, accounts (billings for user charged services and student fees), accrued interest 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 - current and delinquent	\$ 9,958,341
Accrued interest	78,442
Intergovernmental	<u>205,369</u>
Total governmental receivables	<u>\$ 10,242,152</u>

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO**

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

NOTE 7 – RECEIVABLES – (Continued)

Business-type activities:

Accounts	\$ 33,957
Total business-type receivables	<u>\$ 33,957</u>

Receivables have been disaggregated on the face of the basic financial statements. All receivables are expected to be collected within the subsequent year.

NOTE 8 - CAPITAL ASSETS

A. Governmental activities capital asset activity for the fiscal year ended June 30, 2024, was as follows:

	Balance June 30, 2023	Additions	Disposals	Balance June 30, 2024
Governmental activities:				
<i>Capital assets, not being depreciated/amortized:</i>				
Land	\$ 432,770	\$ -	\$ -	\$ 432,770
Construction in progress	<u>2,023,697</u>	<u>227,643</u>	<u>(2,143,429)</u>	<u>107,911</u>
Total capital assets, not being depreciated/amortized	<u>2,456,467</u>	<u>227,643</u>	<u>(2,143,429)</u>	<u>540,681</u>
<i>Capital assets, being depreciated/amortized:</i>				
Land improvements	1,142,164	54,804	-	1,196,968
Buildings and improvements	22,993,556	1,922,172	(70,911)	24,844,817
Furniture and equipment	4,203,821	1,940,395	(508,819)	5,635,397
Intangible right-to-use assets:				
Equipment	185,729	619,093	-	804,822
SBITAs	135,609	63,690	-	199,299
Vehicles	<u>438,147</u>	<u>-</u>	<u>-</u>	<u>438,147</u>
Total capital assets, being depreciated/amortized	<u>29,099,026</u>	<u>4,600,154</u>	<u>(579,730)</u>	<u>33,119,450</u>
<i>Less: accumulated depreciation/amortization</i>				
Land improvements	(699,019)	(11,689)	-	(710,708)
Buildings and improvements	(16,240,240)	(424,979)	70,911	(16,594,308)
Furniture and equipment	(2,824,864)	(126,111)	478,570	(2,472,405)
Intangible right-to-use assets:				
Equipment	(9,072)	(243,509)	-	(252,581)
SBITAs	(20,623)	(45,303)	-	(65,926)
Vehicles	<u>(406,607)</u>	<u>(4,376)</u>	<u>-</u>	<u>(410,983)</u>
Total accumulated depreciation/amortization	<u>(20,200,425)</u>	<u>(855,967)</u>	<u>549,481</u>	<u>(20,506,911)</u>
Governmental activities capital assets, net	<u>\$ 11,355,068</u>	<u>\$ 3,971,830</u>	<u>\$ (2,173,678)</u>	<u>\$ 13,153,220</u>

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO**

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

NOTE 8 - CAPITAL ASSETS - (Continued)

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

Instruction:	
Regular	\$ 14,184
Special	2,026
Vocational	536,266
Adult education	160,537
Support services:	
Pupil	2,147
Board of education	1,286
Administration	9,443
Business	2,659
Operations and maintenance	113,664
Pupil transportation	6,055
Food service operations	<u>7,700</u>
Total depreciation/amortization expense	<u>\$ 855,967</u>

B. Business-type activities capital asset activity for the fiscal year ended June 30, 2024, was as follows:

	Balance <u>June 30, 2023</u>	<u>Additions</u>	<u>Disposals</u>	Balance <u>June 30, 2024</u>
Business-type activities				
<i>Capital assets, being depreciated/amortized:</i>				
Furniture, fixtures & equipment	\$ 267,210	\$ -	\$ -	\$ 267,210
<i>Less: accumulated depreciation/amortization</i>				
Furniture, fixtures & equipment	<u>(164,245)</u>	<u>(5,544)</u>	<u>-</u>	<u>(169,789)</u>
Business-type activities capital assets, net	<u>\$ 102,965</u>	<u>\$ (5,544)</u>	<u>\$ -</u>	<u>\$ 97,421</u>

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO**

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

NOTE 9 - LONG-TERM OBLIGATIONS

A. During the fiscal year 2024, the following changes occurred in long-term obligations.

	Balance June 30, 2023	Additions	Reductions	Balance June 30, 2024	Amounts Due in One Year
Governmental activities:					
Compensated absences payable	\$ 1,978,651	\$ 549,200	\$ (334,935)	\$ 2,192,916	\$ 331,239
Net pension liability	16,608,572	-	(224,475)	16,384,097	-
Net OPEB liability	791,095	90,488	-	881,583	-
Leases payable	180,565	402,351	(33,450)	549,466	231,635
SBITA payable	71,212	7,084	(14,260)	64,036	18,443
OASBO notes payable - financed purchase - direct borrowing	<u>3,032,000</u>	<u>-</u>	<u>(280,000)</u>	<u>2,752,000</u>	<u>293,000</u>
Total governmental activities long-term liabilities	<u>\$ 22,662,095</u>	<u>\$ 1,049,123</u>	<u>\$ (887,120)</u>	<u>\$ 22,824,098</u>	<u>\$ 874,317</u>
Business-type activities:					
Compensated absences	\$ 31,909	\$ 25,773	\$ (31,909)	\$ 25,773	\$ 15,219
Net pension liability	736,732	-	(284,898)	451,834	-
Net OPEB liability	<u>49,737</u>	<u>-</u>	<u>(21,058)</u>	<u>28,679</u>	<u>-</u>
Total business-type activities long-term liabilities	<u>\$ 818,378</u>	<u>\$ 25,773</u>	<u>\$ (337,865)</u>	<u>\$ 506,286</u>	<u>\$ 15,219</u>

Compensated absences: Compensated absences of the governmental activities will be paid from the general fund. Compensated absences of the business-type activities will be paid from the adult education fund.

Net pension liability: See Note 12 for details. The Center pays obligations related to employee compensation from the fund benefitting from their services.

Net OPEB liability/asset: See Note 13 for details. The Center pays obligations related to employee compensation from the fund benefitting from their services.

Leases Payable - The Center has entered into lease agreements for the intangible right-to-use equipment. Due to the implementation of GASB Statement No. 87, the Center will report an intangible capital asset and corresponding liability for the future scheduled payments under the leases. The lease payments will be paid from the general fund.

The Center has entered into lease agreements for copier and postage machine equipment at varying years and terms as follows:

<u>Leases</u>	Lease Commencement Date	Years	Lease End Date	Payment Method
Quadient Postage Machine	2022	5	2027	Quarterly
ComDoc Copiers	2023	5	2028	Monthly
Apple	2023	3	2026	Annual

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

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 231,635	\$ 28,147	\$ 259,782
2026	243,864	15,919	259,783
2027	39,052	2,991	42,043
2028	<u>34,915</u>	<u>879</u>	<u>35,794</u>
Total	<u>\$ 549,466</u>	<u>\$ 47,936</u>	<u>\$ 597,402</u>

SBITAs Payable - The Center has entered into agreements for the intangible right-to-use software. Due to the implementation of GASB Statement No. 96, the Center will report an intangible capital asset and corresponding liability for the future scheduled payments under the subscription. The lease payments will be paid from the general fund.

The Center has entered into agreements for subscriptions at varying years and terms as follows:

<u>SBITA</u>	<u>Lease Commencement Date</u>	<u>Years</u>	<u>Lease End Date</u>	<u>Payment Method</u>
Cleverbridge Inc.	2023	6	2029	Annual
Adobe	2022	3	2025	Annual
Google Workspace	2023	3	2026	Annual

The following is a schedule of future payments under the subscriptions:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 18,443	\$ 3,276	\$ 21,719
2026	16,926	2,333	19,259
2027	13,976	1,467	15,443
2028	<u>14,691</u>	<u>751</u>	<u>15,442</u>
Total	<u>\$ 64,036</u>	<u>\$ 7,827</u>	<u>\$ 71,863</u>

OASBO Notes Payable - Finance Purchase Agreement: During fiscal year 2006, the Center entered into a finance purchase agreement with the Ohio Association of School Business Officials' (OASBO) Expanded Asset Pooled Financing Program to finance the cost of the construction of an addition to the Center. US Bank has been designated as trustee for the agreement. The lease purchase agreement is considered a direct borrowing. Direct borrowings have terms negotiated directly between the Center and the lender and are not offered for public sale. The source of revenue to fund principal and interest payments is general operating revenue of the Center. The annual payments will be payable from the general fund.

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

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

The following is a schedule of future payments required under the OASBO finance purchase agreement:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 293,000	\$ 134,436	\$ 427,436
2026	306,000	120,122	426,122
2027	320,000	105,174	425,174
2028	335,000	89,542	424,542
2029	350,000	73,177	423,177
2030 - 2032	<u>1,148,000</u>	<u>113,821</u>	<u>1,261,821</u>
Total	<u>\$ 2,752,000</u>	<u>\$ 636,272</u>	<u>\$ 3,388,272</u>

B. Legal Debt Margin

The Ohio Revised Code provides that voted net general obligation debt of the Center shall never exceed 9% of the total assessed valuation of the Center. The Code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the Center. 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 Center. The assessed valuation used in determining the Center'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 Center'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 \$435,399,733 and an unvoted debt margin of \$4,837,775.

NOTE 10 - EMPLOYEE BENEFITS

A. Compensated Absences

Sick Leave:

Each employee is entitled to fifteen days sick leave with pay each year under contract and accrues sick leave at the rate of one and one-fourth days for each calendar month under contract. Sick leave may be accumulated to a maximum based upon negotiated agreements. Sick leave pay is based upon the per diem rate paid the employee at the time of the employee's retirement from the Center. An employee with five or more years of service in the Center who elects to retire from active service shall receive 1/3 of the value of his/her accrued and unused sick leave to a maximum of seventy-five days. In addition, employees with thirteen or more years of service in the Center shall receive an added sum equal to 1/8 of the accrued and unused sick leave in excess of seventy-five days (1/3 of 225 days).

Vacation Leave:

Classified employees earn ten to twenty days of vacation per year, depending upon length of service. Unused vacation shall be cumulative to a maximum of forty days. Each full time administrator who is required to work twelve months per year is entitled, after service of one calendar year, to twenty working days per year of vacation leave. The Treasurer and Superintendent can carryover fifty and sixty days, respectively.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 10 - EMPLOYEE BENEFITS - (Continued)

B. Early Retirement Incentive

The Center provides an early retirement incentive plan for employees who are eligible for retirement under State Teachers Retirement System of Ohio (STRS Ohio) and School Employee Retirement System (SERS) guidelines and retire effective at the end of the fiscal year 2013 school year. STRS Ohio employees who enroll in the early retirement incentive plan will receive an \$18,000 payment in addition to their severance payment. SERS employees who enroll in the early retirement incentive plan will receive a \$9,000 payment in addition to their severance payment. One employee was owed an early retirement incentive payment at June 30, 2024.

C. Life Insurance

The Center provides life insurance and accidental death and dismemberment insurance to its employees. Coverage is \$50,000 for all certified, classified and administrative staff; the level of coverage for the Superintendent and Treasurer is \$200,000 each.

NOTE 11 - RISK MANAGEMENT

A. Comprehensive

The Center is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The Center has addressed these various types of risk by purchasing a comprehensive insurance policy through commercial carriers.

General liability insurance is maintained in the amount of \$2,000,000 of each occurrence and \$4,000,000 in the aggregate. In addition, the Center maintains a \$1,000,000 umbrella liability policy.

The Center maintains replacement cost insurance on buildings and contents in the amount \$89,697,219. The Center maintains fleet insurance in the amount of \$2,000,000 for any one accident or loss.

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

B. Employee Health, Dental and Vision Insurance

Health Insurance: The Center has elected to provide employee medical/surgical benefits through a consortium of school districts known as the Trumbull County Schools Employee Insurance Benefit Consortium Association (Note 2.A.). The Consortium purchases stop loss coverage of \$125,000 through the General American Life Insurance Company and the pool covers the excess. A third party administrator, Anthem, reviews and pays claims for the Consortium. The Center pays premiums to the Consortium based upon board policy and the negotiated agreements; the premium is paid by the fund that pays the salary of the employee.

Dental Insurance: On January 1, 2015, the Center established an Employee Benefits Self-Insurance Fund (an internal service fund) to account for and finance its self-insurance dental program administered by SunLife. Under this program, the Employee Benefits Self-Insurance Fund provides coverage for up to a maximum of \$2,500 for each individual covered. The Center purchases commercial insurance for claims in excess of coverage provided by the fund and for all other risks of loss. All funds of the Center participate in the program and make payments to the Risk Management Fund based on actuarial estimates of the amounts needed to pay claims and actual amounts needed to pay fixed costs (premiums for stop-loss coverage and medical conversion and administrative fees and services).

**TRUMBULL CAREER AND TECHNICAL CENTER
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 11 - RISK MANAGEMENT - (Continued)

The claims liability of \$7,770 reported in the basic financial statements at June 30, 2024, is based on an estimate provided by the third party administrator and the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", as amended by GASB Statement No. 30, "Risk Financing Omnibus", which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred, but not reported claims, be accrued at the estimated ultimate cost of settling the claim.

<u>Fiscal Year</u>	<u>Beginning Balance</u>	<u>Current Year Claims</u>	<u>Claims Payments</u>	<u>Ending Balance</u>
2024	\$ 5,476	\$ 95,814	\$ (93,520)	\$ 7,770
2023	4,976	103,181	(102,681)	5,476

Vision Insurance: During fiscal year 2006, the Center established an Employee Benefits Self-Insurance Fund (an internal service fund) to account for and finance its self-insurance vision program administered by MedBen. Under this program, the Employee Benefits Self-Insurance Fund provides coverage for up to a maximum of \$2,500 for each individual covered. The Center purchases commercial insurance for claims in excess of coverage provided by the fund and for all other risks of loss. All funds of the Center participate in the program and make payments to the Risk Management Fund based on actuarial estimates of the amounts needed to pay claims and actual amounts needed to pay fixed costs (premiums for stop-loss coverage and medical conversion and administrative fees and services).

The claims liability of \$1,766 reported in the basic financial statements at June 30, 2024, is based on an estimate provided by the third party administrator and the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", as amended by GASB Statement No. 30, "Risk Financing Omnibus", which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred, but not reported claims, be accrued at the estimated ultimate cost of settling the claim.

<u>Fiscal Year</u>	<u>Beginning Balance</u>	<u>Current Year Claims</u>	<u>Claims Payments</u>	<u>Ending Balance</u>
2024	\$ 1,554	\$ 16,368	\$ (16,156)	\$ 1,766
2023	2,681	14,316	(15,443)	1,554

C. Workers' Compensation Plan

The Center participates in the Ohio Association of School Business Officials Workers' Compensation Group Rating Plan (GRP), a public entity risk pool (Note 2.A.). The intent of the GRP is to achieve the benefit of a reduced premium for the Center by virtue of its grouping and representation with other participants in the GRP. Participants of the GRP are placed in tiers according to their loss history. Participants with low loss histories are rewarded with greater savings than participants with higher loss histories. Each participant pays its workers' compensation premium to the State based on the rate for its GRP tier rather than its individual rate. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. Sheakley Uniservice, Inc. provides administrative, cost control and actuarial services to the GRP.

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.

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NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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

Plan Description - School Employees Retirement System (SERS)

Plan Description - The Center'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 under Employers/Audit Resources.

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NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire 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 Center 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 Center's contractually required contribution to SERS was \$322,467 for fiscal year 2024. Of this amount, \$27,499 is reported as pension and postemployment benefits payable.

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.

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.

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NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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.

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 Center's contractually required contribution to STRS was \$1,240,178 for fiscal year 2024. Of this amount, \$197,566 is reported as pension and postemployment benefits payable.

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

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net pension liability prior measurement date	0.064478600%	0.062337930%	
Proportion of the net pension liability current measurement date	<u>0.059157000%</u>	<u>0.063000890%</u>	
Change in proportionate share	<u>-0.005321600%</u>	<u>0.000662960%</u>	
Proportionate share of the net pension liability	\$ 3,268,728	\$ 13,567,203	\$ 16,835,931
Pension expense	\$ 201,249	\$ 874,539	\$ 1,075,788

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 140,498	\$ 494,630	\$ 635,128
Changes of assumptions	23,154	1,117,334	1,140,488
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	-	267,109	267,109
Contributions subsequent to the measurement date	<u>322,467</u>	<u>1,240,178</u>	<u>1,562,645</u>
Total deferred outflows of resources	<u>\$ 486,119</u>	<u>\$ 3,119,251</u>	<u>\$ 3,605,370</u>

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NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred inflows of resources			
Differences between expected and actual experience	\$ -	\$ 30,106	\$ 30,106
Net difference between projected and actual earnings on pension plan investments	45,945	40,658	86,603
Changes of assumptions	-	841,031	841,031
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	<u>294,493</u>	<u>748,742</u>	<u>1,043,235</u>
Total deferred inflows of resources	<u>\$ 340,438</u>	<u>\$ 1,660,537</u>	<u>\$ 2,000,975</u>

\$1,562,645 reported as deferred outflows of resources related to pension resulting from Center contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2025.

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2025	\$ (137,826)	\$ (361,410)	\$ (499,236)
2026	(199,602)	(731,438)	(931,040)
2027	158,207	1,365,868	1,524,075
2028	<u>2,435</u>	<u>(54,484)</u>	<u>(52,049)</u>
Total	<u>\$ (176,786)</u>	<u>\$ 218,536</u>	<u>\$ 41,750</u>

Actuarial Assumptions - SERS

SERS' total pension liability was determined by their actuaries in accordance with GASB Statement No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment 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.

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**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 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 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.

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NOTES TO THE BASIC FINANCIAL STATEMENTS
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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>100.00 %</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 Center's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.00%, 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.

	1% Decrease	Current Discount Rate	1% Increase
Center's proportionate share of the net pension liability	\$ 4,824,477	\$ 3,268,728	\$ 1,958,308

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NOTES TO THE BASIC FINANCIAL STATEMENTS
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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.

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	100.00 %	

* Final target weights reflected at October 1, 2022.

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NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

**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 Center'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
Center's proportionate share of the net pension liability	\$ 20,863,355	\$ 13,567,203	\$ 7,396,654

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.

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 Center contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. 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 under Employers/Audit Resources.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14% 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 Center's surcharge obligation was \$11,401.

The surcharge added to the allocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The Center's contractually required contribution to SERS was \$11,401 for fiscal year 2024. Of this amount, \$11,401 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 or by calling (888) 227-7877.

Funding Policy - Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14% 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 Center's proportion of the net OPEB liability/asset was based on the Center's share of contributions to the respective retirement systems relative to the contributions of all participating entities.

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO**

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

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net OPEB liability/asset prior measurement date	0.059887900%	0.062337930%	
Proportion of the net OPEB liability/asset current measurement date	<u>0.055253000%</u>	<u>0.063000890%</u>	
Change in proportionate share	<u>-0.004634900%</u>	<u>0.000662960%</u>	
Proportionate share of the net OPEB liability	\$ 910,262	\$ -	\$ 910,262
Proportionate share of the net OPEB asset	\$ -	\$ (1,225,280)	\$ (1,225,280)
OPEB expense	\$ (131,588)	\$ (66,167)	\$ (197,755)

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 1,897	\$ 1,911	\$ 3,808
Net difference between projected and actual earnings on OPEB plan investments	7,055	2,189	9,244
Changes of assumptions	307,785	180,505	488,290
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	79,771	16,098	95,869
Contributions subsequent to the measurement date	<u>11,401</u>	<u>-</u>	<u>11,401</u>
Total deferred outflows of resources	<u>\$ 407,909</u>	<u>\$ 200,703</u>	<u>\$ 608,612</u>
	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred inflows of resources			
Differences between expected and actual experience	\$ 469,457	\$ 186,884	\$ 656,341
Changes of assumptions	258,522	808,419	1,066,941
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	<u>262,955</u>	<u>9,814</u>	<u>272,769</u>
Total deferred inflows of resources	<u>\$ 990,934</u>	<u>\$ 1,005,117</u>	<u>\$ 1,996,051</u>

\$11,401 reported as deferred outflows of resources related to OPEB resulting from Center 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.

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO**

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

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2025	\$ (155,600)	\$ (353,114)	\$ (508,714)
2026	(129,590)	(165,169)	(294,759)
2027	(90,723)	(62,655)	(153,378)
2028	(74,436)	(85,368)	(159,804)
2029	(66,170)	(78,063)	(144,233)
Thereafter	<u>(77,907)</u>	<u>(60,045)</u>	<u>(137,952)</u>
Total	<u>\$ (594,426)</u>	<u>\$ (804,414)</u>	<u>\$ (1,398,840)</u>

Actuarial Assumptions - SERS

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

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

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

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO**

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

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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.

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.

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO**

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

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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>100.00 %</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.

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL 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 Center's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates - The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability, 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%).

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Center's proportionate share of the net OPEB liability	\$ 1,163,576	\$ 910,262	\$ 710,515

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
Center's proportionate share of the net OPEB liability	\$ 668,739	\$ 910,262	\$ 1,230,315

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:

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
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		
	Initial	Ultimate
Medical		
Pre-Medicare	7.50%	4.14%
Medicare	-10.94%	4.14%
Prescription Drug		
Pre-Medicare	-11.95%	4.14%
Medicare	1.33%	4.14%

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

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL 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	100.00 %	

* Final target weights reflected at October 1, 2022.

**10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25% 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.

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL 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 Center's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate - The following table represents the net OPEB asset as of June 30, 2023, calculated using the current period discount rate assumption of 7.00%, 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.

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Center's proportionate share of the net OPEB asset	\$ 1,037,039	\$ 1,225,280	\$ 1,389,218
	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
Center's proportionate share of the net OPEB asset	\$ 1,396,825	\$ 1,225,280	\$ 1,018,657

NOTE 14 - CONTINGENCIES

A. Grants

The Center 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 Center. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial position of the Center.

B. Litigation

The Center is not a party to legal proceedings that would have a material effect on the financial condition of the Center.

C. Foundation Funding

Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Career centers must comply with minimum hours of instruction, instead of a minimum number of school days each year. The funding formula the Ohio Department of Education and Workforce (ODEW) is legislatively required to follow will continue to adjust as enrollment information is updated by the Center, which can extend past the fiscal year-end. As of the date of this report, ODEW has not finalized the impact of enrollment adjustments to the June 30, 2024 Foundation funding for the Center; therefore, the financial statement impact is not determinable at this time. ODEW and management believe this will result in either a receivable to or liability of the Center.

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO**

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

NOTE 15 - OTHER COMMITMENTS

The Center utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed, or assigned classifications of fund balance. At year end, the Center's commitments for encumbrances in the governmental funds were as follows:

<u>Fund</u>	<u>Year-End Encumbrances</u>
General fund	\$ 106,300
Permanent Improvement fund	2,136,370
Nonmajor governmental funds	<u>147,072</u>
Total	<u>\$ 2,389,742</u>

NOTE 16 - SET-ASIDES

The Center 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	201,394
Current year offsets	<u>(2,000,000)</u>
Total	<u>\$ (1,798,606)</u>
Balance carried forward to fiscal year 2025	<u>\$ -</u>
Set-aside balance June 30, 2024	<u>\$ -</u>

NOTE 17 - TAX ABATEMENT AGREEMENTS ENTERED INTO BY OTHER GOVERNMENTS

Various taxing districts including the Village of Lordstown and City of Warren entered into Community Redevelopment Agreements (CRA) and Economic Zone Agreement (EZs) with various companies for the abatement of property taxes to bring jobs and economic development into the area. Under the agreement, the companies' property taxes assessed to the Center have been abated. During fiscal year 2024, the Center's property taxes were reduced by \$84,509.

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REQUIRED SUPPLEMENTARY INFORMATION

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL 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

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance with Final Budget - over (under) Actual Amounts</u>
	<u>Original</u>	<u>Final</u>		
Budgetary revenues and other financing sources	\$ 18,175,962	\$ 20,346,861	\$ 20,346,861	\$ -
Budgetary expenditures and other financing uses	20,159,316	20,596,535	20,516,208	(80,327)
Net change in fund balance	(1,983,354)	(249,674)	(169,347)	80,327
Budgetary fund balance at beginning of year	9,496,788	9,496,788	9,496,788	-
Prior year encumbrances appropriated	70,102	70,102	70,102	-
Budgetary fund balance at end of year	<u>\$ 7,583,536</u>	<u>\$ 9,317,216</u>	<u>\$ 9,397,543</u>	<u>\$ 80,327</u>

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

Fiscal Year (1)	Center's Proportion of the Net Pension Liability	Center's Proportionate Share of the Net Pension Liability	Center's Covered Payroll	Center's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2024	0.059157000%	\$ 3,268,728	\$ 2,358,229	138.61%	76.06%
2023	0.064478600%	3,487,504	2,422,586	143.96%	75.82%
2022	0.069244700%	2,554,929	2,401,371	106.39%	82.86%
2021	0.065101900%	4,305,977	2,169,064	198.52%	68.55%
2020	0.059315500%	3,548,950	2,040,644	173.91%	70.85%
2019	0.057719000%	3,305,674	1,951,089	169.43%	71.36%
2018	0.061403300%	3,668,712	1,987,964	184.55%	69.50%
2017	0.060114100%	4,399,797	1,853,800	237.34%	62.98%
2016	0.062740400%	3,580,028	1,888,816	189.54%	69.16%
2015	0.064357000%	3,257,071	1,870,087	174.17%	71.70%

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Center's Covered Payroll	Contributions as a Percentage of Covered Payroll
2024	\$ 322,467	\$ (322,467)	\$ -	\$ 2,303,336	14.00%
2023	330,152	(330,152)	-	2,358,229	14.00%
2022	339,162	(339,162)	-	2,422,586	14.00%
2021	336,192	(336,192)	-	2,401,371	14.00%
2020	303,669	(303,669)	-	2,169,064	14.00%
2019	275,487	(275,487)	-	2,040,644	13.50%
2018	263,397	(263,397)	-	1,951,089	13.50%
2017	278,315	(278,315)	-	1,987,964	14.00%
2016	259,532	(259,532)	-	1,853,800	14.00%
2015	248,946	(248,946)	-	1,888,816	13.18%

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

Fiscal Year (1)	Center's Proportion of the Net Pension Liability	Center's Proportionate Share of the Net Pension Liability	Center's Covered Payroll	Center's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2024	0.063000890%	\$ 13,567,203	\$ 8,587,771	157.98%	80.02%
2023	0.062337930%	13,857,800	8,106,771	170.94%	78.88%
2022	0.066409671%	8,491,073	8,175,136	103.86%	87.78%
2021	0.067854070%	16,418,271	8,264,400	198.66%	75.48%
2020	0.066904380%	14,795,502	7,882,550	187.70%	77.40%
2019	0.067283560%	14,794,144	7,670,379	192.87%	77.31%
2018	0.066247170%	15,737,157	7,359,843	213.82%	75.30%
2017	0.067226070%	22,502,592	7,039,857	319.65%	66.80%
2016	0.069015460%	19,073,854	7,327,629	260.30%	72.10%
2015	0.071248830%	17,330,181	7,279,662	238.06%	74.70%

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Center's Covered Payroll	Contributions as a Percentage of Covered Payroll
2024	\$ 1,240,178	\$ (1,240,178)	\$ -	\$ 8,858,414	14.00%
2023	1,202,288	(1,202,288)	-	8,587,771	14.00%
2022	1,134,948	(1,134,948)	-	8,106,771	14.00%
2021	1,144,519	(1,144,519)	-	8,175,136	14.00%
2020	1,157,016	(1,157,016)	-	8,264,400	14.00%
2019	1,103,557	(1,103,557)	-	7,882,550	14.00%
2018	1,073,853	(1,073,853)	-	7,670,379	14.00%
2017	1,030,378	(1,030,378)	-	7,359,843	14.00%
2016	985,580	(985,580)	-	7,039,857	14.00%
2015	1,025,868	(1,025,868)	-	7,327,629	14.00%

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST EIGHT AND TEN FISCAL YEARS

Fiscal Year (1) (2)	Center's Proportion of the Net OPEB Liability	Center's Proportionate Share of the Net OPEB Liability	Center's Covered Payroll	Center's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2024	0.055253000%	\$ 910,262	\$ 2,358,229	38.60%	30.02%
2023	0.059887900%	840,832	2,422,586	34.71%	30.34%
2022	0.064187600%	1,214,803	2,401,371	50.59%	24.08%
2021	0.060494300%	1,314,739	2,169,064	60.61%	18.17%
2020	0.055641200%	1,399,259	2,040,644	68.57%	15.57%
2019	0.054217900%	1,504,151	1,951,089	77.09%	13.57%
2018	0.057792100%	1,550,988	1,987,964	78.02%	12.46%
2017	0.057373040%	1,635,344	1,853,800	88.22%	11.49%

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Center's Covered Payroll	Contributions as a Percentage of Covered Payroll
2024	\$ 11,401	\$ (11,401)	\$ -	\$ 2,303,336	0.00%
2023	10,073	(10,073)	-	2,358,229	0.43%
2022	8,207	(8,207)	-	2,422,586	0.34%
2021	7,932	(7,932)	-	2,401,371	0.33%
2020	5,462	(5,462)	-	2,169,064	0.25%
2019	20,050	(20,050)	-	2,040,644	0.98%
2018	20,050	(20,050)	-	1,951,089	1.03%
2017	19,780	(19,780)	-	1,987,964	0.99%
2016	10,600	(10,600)	-	1,853,800	0.57%
2015	13,817	(13,817)	-	1,888,816	0.73%
	29,292				

(1) Amounts presented for each fiscal year were determined as of the Center'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

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST EIGHT AND TEN FISCAL YEARS

Fiscal Year (1) (2)	Center's Proportion of the Net OPEB Liability/(Asset)	Center's Proportionate Share of the Net OPEB Liability/(Asset)	Center's Covered Payroll	Center's Proportionate Share of the Net OPEB Liability/(Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability/(Asset)
2024	0.063000890%	\$ (1,225,280)	\$ 8,587,771	14.27%	168.52%
2023	0.062337930%	(1,614,136)	8,106,771	19.91%	230.73%
2022	0.066409671%	(1,400,194)	8,175,136	17.13%	174.73%
2021	0.067854070%	(1,192,535)	8,264,400	14.43%	182.10%
2020	0.066904380%	(1,108,097)	7,882,550	14.06%	174.74%
2019	0.067283560%	(1,081,178)	7,670,379	14.10%	176.00%
2018	0.066247170%	2,584,720	7,359,843	35.12%	47.10%
2017	0.067226070%	3,595,268	7,039,857	51.07%	37.30%

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Center's Covered Payroll	Contributions as a Percentage of Covered Payroll
2024	\$ -	\$ -	\$ -	\$ 8,858,414	0.00%
2023	-	-	-	8,587,771	0.00%
2022	-	-	-	8,106,771	0.00%
2021	-	-	-	8,175,136	0.00%
2020	-	-	-	8,264,400	0.00%
2019	-	-	-	7,882,550	0.00%
2018	-	-	-	7,670,379	0.00%
2017	-	-	-	7,359,843	0.00%
2016	-	-	-	7,039,857	0.00%
2015	-	-	-	7,327,629	0.00%

(1) Amounts presented for each fiscal year were determined as of the Center'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

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL 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 schedule of revenues, 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	\$ (169,347)
Net adjustment for revenue accruals	51,868
Net adjustment for expenditure accruals	(502,740)
Net adjustment for other sources/uses	366,203
Funds budgeted elsewhere	(110,108)
Adjustments for encumbrances	<u>112,300</u>
GAAP Basis	<u>\$ (251,824)</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 public school support fund, customer service fund, flower fund, workers' compensation and unclaimed monies fund, termination benefits fund, and management information systems fund.

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL 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.

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL 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.
- There were no changes in benefits terms from amounts previously reported for fiscal year 2024.

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.

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL 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%.

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL 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 when 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 when 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.

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL 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.

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-Through Grantor Number	Expenditures	Non-Cash Expenditures
<u>U.S. Department of Agriculture</u>				
<i>Passed through Ohio Department of Education</i>				
Child Nutrition Cluster:				
School Breakfast Program	10.553	044594-05PU-11	\$ 65,936	\$ 0
National School Lunch Program	10.555	044594-LLP4-11	220,943	28,728
COVID-19 - School Lunch Program	10.555	044594-LLP4-11	31,083	0
Total Child Nutrition Cluster			<u>317,962</u>	<u>28,728</u>
School Meals Equipment	10.579	N/A	<u>25,304</u>	
Total U.S. Department of Agriculture			<u>343,266</u>	<u>28,728</u>
<u>U.S. Department of Treasury</u>				
<i>Passed through Ohio Facilities Construction Commission</i>				
Coronavirus State and Local Fiscal Recovery	21.027	N/A	<u>19,140</u>	<u>0</u>
Total U.S. Department of Treasury			<u>19,140</u>	<u>0</u>
<u>U.S. Department of Education</u>				
<i>Direct Awards</i>				
Student Financial Assistance Cluster:				
Federal Pell Grant Program	84.063	N/A	7,832	0
Federal Direct Student Loans	84.268	N/A	<u>28,759</u>	<u>0</u>
Total Student Financial Assistance Cluster			<u>36,591</u>	<u>0</u>
<i>Total Direct Awards</i>			<u>36,591</u>	<u>0</u>
<i>Passed through Ohio Department of Education</i>				
Education Stabilization Fund -				
COVID-19 ARP ESSER	84.425U		105,193	0
COVID-19 Homeless	84.425W		15,710	0
COVID-19 Governor's Emergency Education Relief Fund	84.425C	N/A	<u>23,594</u>	<u>0</u>
			<u>144,497</u>	<u>0</u>
Adult Education - Basic Grants to States	84.002	N/A	<u>337,057</u>	<u>0</u>
Career and Technical Education - Basic Grants to States	84.048	N/A	<u>699,496</u>	<u>0</u>
<i>Total Passed Through Ohio Department of Education</i>			<u>1,181,050</u>	<u>0</u>
Total U.S. Department of Education			<u>1,217,641</u>	<u>0</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 1,580,047</u>	<u>\$ 28,728</u>

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

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Trumbull Career and Technical Center under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented 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 Trumbull Career and Technical Center, it is not intended to and does not present the financial position, changes in net position, or cash flows of Trumbull Career and Technical Center.

NOTE 2: 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 the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3: INDIRECT COST RATE

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

NOTE 4: CHILD NUTRITION CLUSTER

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

NOTE 5: FOOD DONATION PROGRAM

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

**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**

Trumbull Career and Technical Center
Trumbull County
528 Educational Highway
Warren, Ohio 44483

To the Members of the Board of Education:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Trumbull Career and Technical Center, Trumbull County, Ohio, (the Center) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Center's basic financial statements, and have issued our report thereon dated December 26, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Center's internal control over financial reporting (internal control) to determine the 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 Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Center's internal control.

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

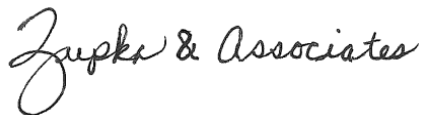
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Center's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 Center's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Center's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Zupka & Associates".

Zupka & Associates
Certified Public Accountants

December 26, 2024

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

Trumbull Career and Technical Center
Trumbull County
528 Educational Highway
Warren, Ohio 44483

To the Members of the Board of Education:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Trumbull Career and Technical Center, Trumbull County, Ohio's (the Center) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the Center's major federal program for the year ended June 30, 2024. The Center's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

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

Basis for Opinion on Each Major Federal Program

We conducted an 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 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 Trumbull Career and Technical Center, and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Trumbull Career and Technical Center'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 to the Trumbull Career and Technical Center's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Trumbull Career and Technical Center's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Trumbull Career and Technical Center'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 Trumbull Career and Technical Center's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Trumbull Career and Technical Center's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Trumbull Career and Technical Center's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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

A handwritten signature in cursive script that reads "Zupka & Associates".

Zupka & Associates
Certified Public Accountants

December 26, 2024

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
UNIFORM GUIDANCE
JUNE 30, 2024**

1. SUMMARY OF AUDITOR'S RESULTS

2024(i)	Type of Financial Statement Opinion	Unmodified
2024(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
2024(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
2024(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
2024(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
2024(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
2024(v)	Type of Major Programs' Compliance Opinions	Unmodified
2024(vi)	Are there any reportable findings under 2 CFR 200.516(a)?	No
2024(vii)	Major Programs (list):	
	Career and Technical Education - Basic Grants to States - ALN #84.048	
2024(viii)	Dollar Threshold: A/B Program	Type A: \$750,000 Type B: All Others less than \$750,000
2024(ix)	Low Risk Auditee?	Yes

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

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO
SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

The prior audit report, as of June 30, 2023, included no citations. Management letter recommendations have been corrected, repeated, or procedures instituted to prevent occurrences in this audit period.

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OHIO AUDITOR OF STATE KEITH FABER



TRUMBULL CAREER AND TECHNICAL CENTER

TRUMBULL 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 4/17/2025

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