

**NORTH CENTRAL STATE COLLEGE  
RICHLAND COUNTY**



**SINGLE AUDIT**

**FOR THE YEAR ENDED JUNE 30, 2021**

**PLATTENBURG**  
Certified Public Accountants



OHIO AUDITOR OF STATE  
KEITH FABER



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Board of Trustees  
North Central State College  
2441 Kenwood Circle  
Mansfield, Ohio 44903

We have reviewed the *Independent Auditor's Report* of the North Central State College, Richland County, prepared by Plattenburg & Associates, Inc., for the audit period July 1, 2020 through June 30, 2021. 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. The North Central State College is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio

December 20, 2022

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**NORTH CENTRAL STATE COLLEGE  
 RICHLAND COUNTY  
 FOR THE YEAR ENDED JUNE 30, 2021**

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## INDEPENDENT AUDITOR'S REPORT

Board of Trustees  
North Central State College, Richland County, Ohio

### Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of the North Central State College (the College) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the College's basic financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Opinions

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the College, as of June 30, 2021, 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.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedules of pension information and other postemployment benefit information be presented to supplement the basic financial statements. Such information, 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 and Other Information*

Our audit was conducted to opine on the College's basic financial statements taken as a whole.

The Schedule of Expenditures of Federal Awards presents 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 financial statements.

The schedule is management's responsibility, and derives from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this information to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 24, 2021, on our consideration of the College's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 College's internal control over financial reporting and compliance.

*Plattenburg & Associates, Inc.*

Plattenburg & Associates, Inc.

Cincinnati, Ohio

November 24, 2021



**North Central State College**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2021*  
*Unaudited*

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The Management's Discussion and Analysis (MD&A) of the financial condition of North Central State College (hereafter referred to as the College) provides an overview of the financial performance for the year ended June 30, 2021. This discussion has been prepared by management and should be read in conjunction with the accompanying financial statements and notes.

**Financial Highlights**

The Statement of Net Position includes all assets, liabilities, deferred inflows and deferred outflows. It is prepared under the accrual basis of accounting, whereby revenues and assets are recognized when earned and expenses and liabilities are recognized when an obligation has been incurred, regardless of when cash is exchanged.

The Statement of Revenues, Expenses, and Changes in Net Position presents the revenues earned and expenses incurred during the year. Activities are reported as either operating or non-operating. State appropriations are classified as non-operating revenues. The College generated an operating loss. For fiscal year 2021, the College had an increase in net position of \$2,680,028 after including net non-operating revenue. The utilization of long-lived assets, referred to as capital assets, is reflected in the financial statements as depreciation, which allocates the cost of an asset over its expected useful life.

An important factor to consider when evaluating financial viability is the College's ability to meet financial obligations as they become due. The Statement of Cash Flows presents information related to cash inflows and outflows, summarized by operating, capital and related, non-capital and related, and investing financing activities.

The financial statements include not only the College itself (known as the primary institution), but also one organization for which the College is financially accountable, which is the North Central State College Foundation. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

**North Central State College**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2021*  
*Unaudited*

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**The Statement of Net Position**

Condensed Financial Information			
Statement of Net Position			
	2021		2020
Current Assets	\$ 19,879,946		\$ 17,489,670
Non-Current Assets	22,428,373		22,964,359
Deferred Outflows	2,529,100		2,416,553
Total Assets and Deferred Outflows	44,837,419		42,870,582
Current Liabilities	5,445,260		5,684,092
Non-Current Liabilities	16,471,356		16,995,890
Deferred Inflows	3,209,806		3,159,631
Total Liabilities and Deferred Inflows	25,126,422		25,839,613
Net Position			
Net Investment in Capital Assets	18,275,809		19,593,016
Unrestricted	1,435,188		(2,562,047)
Total Net Position	\$ 19,710,997		\$ 17,030,969

The net pension liability (NPL) is the largest single liability reported by the College at June 30, 2021 and is reported pursuant to GASB Statement 68, “Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27.” For fiscal year 2018, the College adopted 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 College’s actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

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

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

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

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the College 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 College's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's change in net pension liability and net OPEB liability, respectively, not accounted for as deferred inflows/outflows. As a result of implementing GASB 75, the College is reporting a net OPEB liability and deferred inflows/outflows of resources related to OPEB on the accrual basis of accounting.

**North Central State College**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2021*  
*Unaudited*

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**Assets and Deferred Outflows**

As of June 30, 2021, the College's total assets and deferred outflows amounted to \$44,837,419. Capital assets, net of related depreciation totaled \$18,275,809, represented the College's largest asset. Cash and cash equivalents including investments totaling \$13,741,995 was the College's second largest asset. Student accounts receivable of \$4,414,535 represented the next largest asset.

**Liabilities and Deferred Inflows**

At June 30, 2021, the College's liabilities and deferred inflows totaled \$25,126,422, comprised of current liabilities of \$5,445,260 and non-current liabilities totaling \$16,471,356. Unearned income represented \$4,124,620 of liabilities and deferred inflows. Total liabilities and deferred inflows decreased during the year ended June 30, 2021 by \$713,191. This decrease is mainly attributable to the deferred pension inflows.

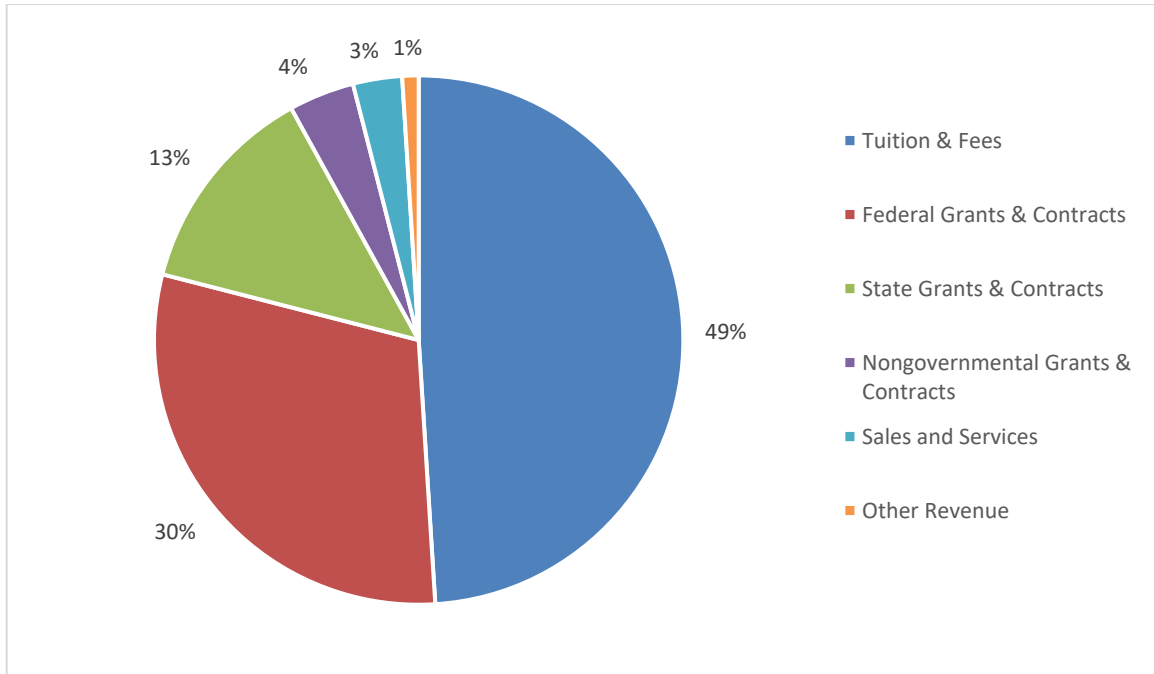
**Net Position**

Unrestricted net position at June 30, 2021 totaled \$1,435,188. Net investment in capital assets totaled \$18,275,809. Total net position increased by \$2,680,028 during the year ended June 30, 2021.

<b>The Statement of Revenues, Expenses, and Changes in Net Position</b>		
Condensed Financial Information		
Statement of Revenues, Expenses, and Changes in Net Position		
	2021	2020
Total Operating Revenues	\$ 10,386,286	\$ 10,580,014
Total Operating Expenses	19,867,473	20,652,923
Operating Loss	(9,481,187)	(10,072,909)
Non-Operating Revenues	12,037,872	11,654,300
Capital Appropriations	123,343	1,619,240
Increase (Decrease) in Net Position	2,680,028	3,200,631
Net Position, Beginning of Year	17,030,969	13,830,338
Net Position, End of Year	\$ 19,710,997	\$ 17,030,969

**Operating Revenues**

Total operating revenues were \$10,386,286 for the year ended June 30, 2021. The most significant sources of operating revenue for the College are net student tuition and fees, 49 percent, federal grants and contracts, 30 percent, nongovernmental grants and contracts, 4 percent, and state and local grants and contracts, 13 percent. It is important to note that tuition and fees appear net of scholarship allowances of \$5,551,432. Total operating revenues decreased by \$193,728 due mainly to the decrease in student tuition and fees.

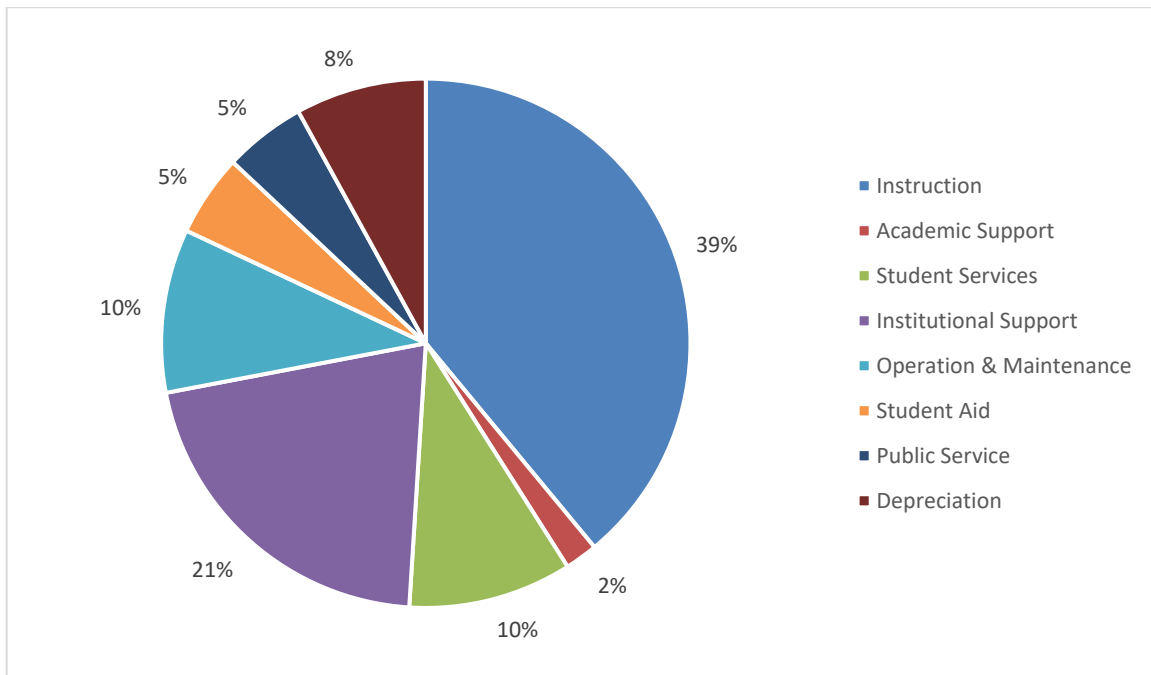


**Non-operating Revenues**

The other significant recurring sources of revenue essential to the operation of the College are state appropriations and some federal grants and contracts, which are considered non-operating revenue. The College's state appropriation for the fiscal year ended June 30, 2021, amounted to \$9,393,827. This represents an increase of \$899,027 from the College's appropriation for the prior year.

**Operating Expenses**

Operating expenses totaled \$19,867,473. The majority of the College's operating funds are expended directly for the primary mission of the College instruction, 39 percent, academic support, 2 percent, and institutional support, 21 percent. For the year ended June 30, 2021, student aid totaled \$1,074,709 or 5 percent. Operating expenses decreased \$785,450 from prior year.



**The Statement of Cash Flows**

The primary purpose of the statement of cash flows is to provide information about the cash receipts and cash payments made by the College during the period. The statement of cash flows also helps financial statement readers assess:

- the College's ability to generate future net cash flows,
- the College's ability to meet obligations as they become due, and
- the College's need for external financing.

Major sources of cash inflows included in operating activities are grants and contracts \$5,139,025 and student tuition and fees \$4,924,099. The largest cash outflows for operating activities were to employees, for wages and benefits, \$12,254,143, for student aid, \$1,080,253, for utilities and maintenance, \$1,662,859, and to suppliers, \$2,276,873.

The largest cash receipts in the non-capital financing activities group are the non-operating appropriation from the State of Ohio, \$9,393,827.

### **Capital Assets**

Capital assets, net of accumulated depreciation, totaled \$18,275,809 at June 30, 2021, a net decrease of \$1,317,207 from the prior year-end. Depreciation expense for the year ended June 30, 2021 amounted to \$1,671,885. More detailed information about the College's capital assets is presented in Note 5 to the financial statements.

### **Debt**

As of June 30, 2021, the College had \$562,405 in notes payable.

### **Factors Impacting Future Periods**

As institutions of higher education continue to face challenges due to COVID-19, our responsibility to our students, our region, our business partners, our community and our State remain the same, to enhance access and affordability, maintain excellent and reputable academic programs that facilitate student success, and promote a culture of fiscal discipline and accountability has remained our foremost aspiration.

The College continues to remain prudent, conservative, and strategic in managing institutional resources to achieve its goals of providing educational services to the North Central Ohio region. The College over the next year will continue to rely mostly on enrollment demand and state support, as these two represent the most significant drivers of the College's revenue base, along with wise and effective resource planning and management.

To remain successful, the College will continue its efforts to foster partnerships and relationships with a wide variety of constituents and in a variety of manners, positioning itself as the region's preferred provider of talent, knowledge, and innovation.

Furthermore, the College is fully committed to continue making sound fiscal decisions to withstand future economic uncertainties, while remaining dedicated to its core mission of Access, Success, and Resources.

### **Contacting the College's Financial Management**

This financial report is designed to provide the Ohio Department of Higher Education, our citizens, taxpayers, investors, and creditors with a general overview of the College's finances, and demonstrate the College's accountability for the money it received. If you have questions about this report or need additional financial information, contact **Lori McKee, Vice President for Business and Administrative Services at 419-755-4828.**

**North Central State College**  
Statement of Net Position  
As of June 30, 2021

	Primary Institution	Component Unit
<b>ASSETS</b>		
Current Assets		
Cash & Cash Equivalents	\$ 7,631,762	\$ 776,603
Investments	6,105,233	6,601,905
Student Accounts Receivable, Net	4,414,535	-
Intergovernmental Receivables	1,574,442	-
Prepaid Expenses & Deferred Charges	153,974	-
Contributions Receivable	-	3,267
Interest in Assets held by Richland Co Foundation	-	350,000
Total Current Assets	19,879,946	7,731,775
Noncurrent Assets		
Restricted Cash & Cash Equivalents	5,000	-
Net OPEB Asset	613,393	-
Other Receivables	3,534,171	488
Capital Assets, net	18,275,809	2,007
Total Noncurrent Assets	22,428,373	2,495
<b>DEFERRED OUTFLOWS</b>		
Other postemployment benefits	426,829	-
Pension	2,102,271	-
Total Deferred Outflows	2,529,100	-
Total Assets and Deferred Outflows	44,837,419	7,734,270
<b>LIABILITIES</b>		
Current Liabilities		
Accounts Payable & Accrued Liabilities	199,540	46,339
Unearned Income	4,124,620	-
Accrued Wages	1,030,261	-
Notes Payable - Current Portion	90,839	-
Total Current Liabilities	5,445,260	46,339
Noncurrent Liabilities		
Compensated Absences	426,692	-
Net OPEB Liability	1,715,851	-
Net Pension Liability	13,857,247	-
Notes Payable - Long Term Portion	471,566	-
Total Noncurrent Liabilities	16,471,356	-
<b>DEFERRED INFLOWS</b>		
Other postemployment benefits	2,061,862	-
Pension	1,147,944	-
Total Deferred Inflows	3,209,806	-
Total Liabilities and Deferred Inflows	25,126,422	46,339
<b>NET POSITION</b>		
Net Investment in Capital Assets	18,275,809	-
Restricted for		
Nonexpendable		
Scholarships	-	4,200,365
Expendable		
Student Grants and Scholarships	-	2,633,342
Unrestricted	1,435,188	854,224
Total Net Position	19,710,997	7,687,931
Total Liabilities, Deferred Inflows & Net Position	\$ 44,837,419	\$ 7,734,270

See accompanying notes to the basic financial statements.



**North Central State College**  
Statement of Revenues, Expenses, and Changes in Net Position  
For the Fiscal Year Ended June 30, 2021

	Primary Institution	Component Unit
<b>REVENUES</b>		
Operating Revenues:		
Tuition, Fees and Other Student Charges, Net	\$ 5,088,535	\$ -
Federal Grants and Contracts	3,110,424	-
State and Local Grants and Contracts	1,411,065	-
Nongovernmental Grants and Contracts	415,799	-
Sales and Services	321,599	-
Contributions	-	534,601
Fundraising	-	78,180
Other Operating Revenue	38,864	98,772
Total Operating Revenues	<u>10,386,286</u>	<u>711,553</u>
<b>EXPENSES</b>		
Operating Expenses		
Educational and General:		
Instruction	7,710,710	-
Academic Support	328,012	92,359
Student Services	2,045,649	-
Institutional Support	4,171,300	-
Operation and Maintenance of Plant	1,880,220	-
Student Aid and Scholarships	1,074,709	344,376
Public Service	984,988	-
Depreciation	1,671,885	-
Other Expenditures	-	64,620
Total Operating Expenses	<u>19,867,473</u>	<u>501,355</u>
Operating Income (Loss)	<u>(9,481,187)</u>	<u>210,198</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
State Appropriations	9,393,827	-
Federal Grants & Contracts	2,641,388	-
Investment Income, Net	10,529	1,483,531
Interest on Indebtedness	(7,872)	-
Net Nonoperating Revenues (Expenses)	<u>12,037,872</u>	<u>1,483,531</u>
Income (Loss) Before Other Revenues and Expenses	2,556,685	1,693,729
Capital Appropriations	<u>123,343</u>	<u>-</u>
Change in Net Position	2,680,028	1,693,729
<b>NET POSITION</b>		
Net Position, Beginning of Year	17,030,969	5,994,202
Net Position, End of Year	<u>\$ 19,710,997</u>	<u>\$ 7,687,931</u>

See accompany notes to the basic financial statements.

**North Central State College**  
Statement of Cash Flows  
For the Fiscal Year Ended June 30, 2021

	Primary Institution	Component Unit
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		
<i>Cash Flows from Operating Activities:</i>		
Tuition and Fees	\$ 4,924,099	\$ -
Gifts, Grants and Contracts	5,139,025	658,474
Payments to Suppliers	(2,276,873)	(80,760)
Payments to Employees and for Benefits	(12,254,143)	-
Payments for Scholarships and Fellowships	-	(344,376)
Payments for Utilities and Maintenance	(1,662,859)	11,447
Payments for Student Aid	(1,080,253)	-
Sales and Service of Educational Activities	321,599	-
Other Receipts (Payments)	(2,056,513)	71,523
Net Cash Provided (Used) by Operating Activities	<u>(8,945,918)</u>	<u>316,308</u>
<i>Cash Flows from Non-Capital and Related Financing Activities:</i>		
FFEL Loans Received	1,428,805	-
FFEL Loans Disbursed	(1,428,805)	-
Federal Grants & Contracts	2,641,388	-
State Appropriations	9,393,827	-
Net Cash Provided (Used) by Non-Capital and Related Financing Activities	<u>12,035,215</u>	<u>-</u>
<i>Cash Flows from Capital and Related Financing Activities:</i>		
Purchases of Capital Assets	(354,678)	-
Capital Appropriations	123,342	-
Payment of Note	(89,714)	-
Interest on Note Payable	(7,872)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(328,922)</u>	<u>-</u>
<i>Cash Flows from Investing Activities:</i>		
Sales (Purchases) of Investments	(6,869)	15,061
Interest on Investments	10,529	-
Net Cash Provided (Used) by Investing Activities	<u>3,660</u>	<u>15,061</u>
Net Increase (Decrease) in Cash and Cash Equivalents	2,764,035	331,369
Cash and Cash Equivalents, Beginning of Year	<u>4,872,727</u>	<u>445,234</u>
Cash and Cash Equivalents, End of Year	<u>\$ 7,636,762</u>	<u>\$ 776,603</u>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>		
Operating Income (Loss)	\$ (9,481,187)	\$ 210,198
Adjustments to Reconcile Operating Loss to Net Cash Provided (Used) by Operating Activities:		
Depreciation	1,671,885	-
Change in Assets, Liabilities, Deferred Outflows of Resources, and Deferred Inflows of Resources Which Provided (Used) Cash		
Receivables, Net	(387,479)	125,268
Prepaid Expenses	(24,660)	11,447
Payables	28,600	7,975
Accrued Wages	99,431	-
Unearned Income	(367,988)	(38,580)
Compensated Absences	(90,238)	-
Net OPEB Asset	11,547	-
Net Pension Liability	125,795	-
Net OPEB Liability	(469,252)	-
Deferred Outflows of Resources - Net Pension Expense	25,059	-
Deferred Outflows of Resources - Net OPEB Expense	(137,606)	-
Deferred Inflows of Resources - Net Pension Expense	(316,669)	-
Deferred Inflows of Resources - Net OPEB Expense	366,844	-
Net Cash Provided (Used) by Operating Activities	<u>\$ (8,945,918)</u>	<u>\$ 316,308</u>

See accompanying notes to the basic financial statements.

**NOTE 1 - DESCRIPTION OF THE ENTITY**

North Central Ohio Technical Institute (the “College”) was chartered in 1969 under provisions of Section 3357 of the Ohio Revised Code. This action of the Ohio Board of Regents and the Secretary of State created the Technical College in the contiguous counties of Ashland, Crawford, and Richland. In August of 1999, the Board of Trustees changed the name of the College to North Central State College. The College is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The College offers associate degree programs and certificate programs that prepare individuals to be technicians and paraprofessionals in business technologies, engineering technologies, health technologies, and public service technologies. The College also offers noncredit continuing education classes and customized contract-training services to companies and employees in the service area. The College is directed by a Board of Trustees, the members of which are public representatives of Ashland, Crawford and Richland Counties.

GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, an amendment of GASB Statement No. 14 which was implemented by the College, further clarifies that certain organizations warrant inclusion as part of the financial reporting entity because of the nature and significance of their relationship with the primary government, including their ongoing financial support of the primary government. The College has determined that the North Central State College Foundation (the “Foundation”) meets this definition and is therefore included as a discretely presented component unit in the College’s financial statements. The Foundation’s financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles as prescribed by the FASB. See Note 14 for additional disclosures regarding the Foundation.

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

The financial statements of the College have been prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant of the College’s accounting policies are described below:

A. *Basis of Presentation* – The College applies GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*; GASB Statement No. 35, *Basic Financial Statements – and Management’s Discussion and Analysis – for Public Colleges and Universities*; GASB Statement No. 37, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments: Omnibus*; and GASB Statement No. 38, *Certain Financial Statement Note Disclosures*. The financial statement presentation required by GASB Statements No. 34/35 is intended to provide a

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

comprehensive, entity-wide perspective of the College's assets, liabilities, net position, revenues, expenses, changes in net position, and cash flows.

*B. Basis of Accounting* - The financial statements of the College have been prepared using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The College reports as a "business type activity" as defined by GASB Statement No. 34. Business type activities are those that are financed in whole or in part by fees charged to external parties for goods or services. The full scope of the College's activities is considered to be a single business type activity and accordingly, is reported within a single column in the basic financial statements.

*C. Budgetary Process* - The budget is an annual plan for the financial operations of the College that establishes a basis of control and evaluation of activities financed through the current funds of the College. Formal adoption of the budget into the accounting records is not legally mandated and, thus, the College does not integrate the budget into its accounts.

*D. Cash and Investments* - For purposes of presentation on the Statement of Net Position and the Statement of Cash Flows, investments with maturities of three months or less at the time they are purchased are considered to be cash equivalents. Investments are reported at fair value which is based on quoted market prices.

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 College 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 advance notice is appreciated for deposits and withdrawals of \$25 million or more. STAR Ohio reserves the right to limit the transaction to \$100 million per day, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

*E. Accounts Receivable* - Receivables at year end, consist primarily of student tuition and fees, and grants due from other agencies. Student tuition and fees are reported net using the direct write-off method.

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

F. Capital Assets - Donated land, buildings, improvements, and equipment are recorded at their acquisition value on the date of the gift. The College capitalizes assets other than land and building improvements that have a value or cost in excess of \$2,500 and an expected useful life of one or more years. Land and building improvements that significantly increase the value or useful life of the asset of more than \$12,500 and \$25,000, respectively, are also capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements which extend the useful life or increase the capacity or operating efficiency of the asset are capitalized at cost. Infrastructure assets, consisting of sidewalks, parking lots, lighting systems and signage, are capitalized and reported. Capital assets, with the exception of land, are depreciated using the straight-line method and full-month convention over the following useful lives:

Land Improvements	20-30 years
Buildings	40 years
Building Improvements	7-30 years
Equipment	5-20 years
Vehicles	5-10 years
Infrastructure	25 years
Leasehold Improvements	7-30 years

G. Noncurrent Long-Term Liabilities - Noncurrent long-term liabilities include compensated absences that will not be paid within the next fiscal year.

H. Unearned Tuition and Fees - Unearned tuition and fees is principally comprised of receipts relating to tuition and fees received in advance of the sessions that are primarily or fully conducted in the next accounting period. The College recognizes this revenue in the fiscal year that the sessions are predominately conducted.

I. Compensated Absences - GASB Statement No. 16, *Accounting for Compensated Absences*, specifies that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both of the following conditions are met:

1. The employees' rights to receive compensation are attributable to services already rendered.
2. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

Other compensated absences with characteristics similar to vacation leave are those which are not contingent on a specific event outside the control of the employer and employee. Further, sick leave and other similar compensated absences are those which are contingent on a specific event that is outside the control of the employer and employee. The College has accrued a liability for these compensated absences using the termination method when the following criteria are met:

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

The benefits are earned by the employees and it is probable that the employer will compensate the employees for the benefits through cash payments conditioned on the employees' retirement ("termination payments").

The sick leave liability has been based on the College's past experience of making termination payments for sick leave.

*J. Operating and Non-Operating Revenues and Expenses*

The College presents its revenues and expenses as operating or non-operating based on recognition definitions per GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trusts Funds and Governmental Entities That Use Proprietary Fund Accounting*. Operating activities are those activities that are necessary and essential to the mission of the College. Operating revenues include all charges to customers, grants received for student financial assistance, and interest earned on loans. Grants received for student financial assistance are considered operating revenues because they provide resources for student charges and such programs are necessary and essential to the mission of the College. Revenues from non-exchange transactions and state appropriations that represent subsidies or gifts to the College, as well as investment income, are considered non-operating since these are investing, capital, or noncapital financial activities. Revenues received for capital financing activities, as well as related expenses, are considered neither operating nor non-operating activities and are presented after non-operating activities on the accompanying Statement of Revenues, Expenses and Changes in Net Position.

*K. Deferred Outflows and Inflows of Resources*

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense) until then. For the College, deferred outflows of resources are reported on the statement of net position. (See Note 7 and Note 8)

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the College, deferred inflows of resources relate to pension and/or other postemployment benefits (OPEB). The amount is deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension and/or OPEB are reported in the statement of net position. (See Note 7 and Note 8)

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

For purposes of measuring the net pension/OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense,

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

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 investments at fair value.

*M. Scholarship Allowances*

Student tuition and fees revenue is reported net of scholarship allowances in the accompanying Statement of Revenues, Expenses and Changes in Net Position.

The scholarship allowance represents the difference between actual charges for goods and services provided by the College and the amount that is paid by the student or by third parties on the students' behalf. Student financial assistance grants, such as Pell grants, and other federal, state, or nongovernmental programs, are recorded as operating revenues in the Statement of Revenues, Expenses and Changes in Net Position. To the extent that revenues from these programs are used to satisfy tuition, fees, and other charges, the College has recorded a scholarship allowance discount.

*N. Net Position*

The College's net position is classified as follows:

*Net Investment in Capital Assets* – This is comprised of capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvements of those assets.

*Restricted Net Position - Nonexpendable* – Nonexpendable restricted net position include endowments and similar type assets whose use is limited by donors or other outside sources and as a condition of the gift, the principal is to be maintained in perpetuity

*Restricted Net Position - Expendable* – Expendable restricted net position include resources in which the College is legally or contractually obligated to spend the resources in accordance with restrictions imposed by external parties.

*Unrestricted* – Net position whose use by the College is not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by action of management or the Board of Trustees or may otherwise be limited by contractual agreements with outside parties.

*O. Income Taxes* – Income taxes have not been provided on the general operations of the College because, as a state institution, its income is exempt from Federal income taxes under Section 115 of the Internal Revenue Code.

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

*P. Use of Estimates* - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and disclosure in the footnotes. Actual results could differ from those estimates.

**NOTE 3 - CASH AND CASH EQUIVALENTS AND INVESTMENTS**

*A. Policies and Practices* - It is the responsibility of the Business and Finance Department to deposit and invest the College's idle funds. The College's practice is to limit investments to United States Treasury notes and bills, collateralized certificates of deposit and repurchase agreements, insured and/or collateralized demand deposit accounts or obligations of other United States agencies for which the principal and interest is guaranteed by the United States Government. The College does not enter into reverse repurchase agreements. The investment and deposit of College monies is governed by the Ohio Revised Code. Investment of the College's monies is restricted to certificates of deposit, savings accounts, money market accounts and the State Treasurer's Investment Pool (STAR Ohio), obligations of the United States Government or certain agencies thereof and certain industrial revenue bonds issued by other governmental entities.

The College may also enter into repurchase agreements with any eligible depository for a period not exceeding thirty days. Public depositories must give security for all public funds on deposit. These institutions may specifically collateralize individual accounts in lieu of amounts insured by the Federal Deposit Insurance Corporation (FDIC), or may pledge a pool of government securities. Repurchase agreements must be secured by the specific government securities upon which the repurchase agreements are based. State law does not require security for the public deposits and investments to be maintained in the College's name.

*B. Cash on Hand* - At June 30, 2021, the College had \$2,200 in un-deposited cash on hand which is reported as part of cash and cash equivalents on the Statement of Net Position.

*C. Deposits* - Custodial credit risk for deposits is the risk that in the event of bank failure, the College will not be able to recover deposits or collateral securities that are in the possession of an outside party. The College has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or be protected by: Eligible securities pledged to the College and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.



**North Central State College**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ended June 30, 2021

**NOTE 3 - CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)**

At June 30, 2021, \$0 of the College's bank balance of \$8,729,303 was exposed to custodial credit risk because it was uninsured and collateralized. The College's financial institution was approved for a reduced collateral rate through the Ohio Pooled Collateral System.

*D. Investments* – The following investments are permitted under both the Ohio Revised Code and North Central State College investment policy.

As of June 30, 2021, the primary government had the following investment (based on quoted market prices) and maturity (in years):

	Market / Carrying Value	Maturity				Fair Value Hierarchy
		Less Than One Year	1-2 years	3-5 years	No Maturity	
Money Market Investments	\$ 56,039	\$ -	\$ -	\$ -	\$ 56,039	2
US Govt Agy - Exempt State	\$ 1,807,492	\$ 453,278	\$ 303,165	\$ 1,051,049	\$ -	2
US Govt Agy - Exempt State	\$ 1,190,453	\$ 150,223	\$ -	\$ 1,040,230	\$ -	2
Star Ohio*	\$ 3,051,249	\$ 3,051,249	\$ -	\$ -	\$ -	N/A
<b>Total</b>	<b>\$ 6,105,233</b>	<b>\$ 3,654,750</b>	<b>\$ 303,165</b>	<b>\$ 2,091,279</b>	<b>\$ 56,039</b>	

\* Net asset value per share

*Interest rate risk:* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The College's policy is to invest in allowable investments per the Ohio Revised Code. The Ohio Revised Code limits the purchase of securities to those with a maturity of no more than five years from the date of purchase unless matched to a specific obligation or debt of the College. The College's investment policy also allows the entering into a repurchase agreement with any eligible depository for a period not exceeding thirty days and commercial paper of the highest quality maturing within 270 days.

*Credit risk:* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Ohio Revised Code limits investments to US Treasury (bills, notes, bonds), securities issued by federal agencies and instrumentalities, commercial paper with the highest classification established by at least two nationally recognized standard rating service, State of Ohio bonds or obligations and mutual bond funds with acceptable underlying assets. Standard & Poor's has assigned STAR Ohio a rating of AAAM. The remaining assets carry a rating of Aaa and AA+.

*Concentration of credit risk:* Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The College does not have an investment policy that provides for diversification to avoid concentration in securities of one type or securities of one financial institution. Our portfolio is properly diversified.

**NOTE 3 - CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)**

*Custodial credit risk:* For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The College is not exposed to custodial credit risk for its investments.

Statement No. 72 of the Government Accounting Standards Board (“GASB”) Fair Value Measurements and Applications, set forth the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of fair value hierarchy under GASB 72 are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets and liabilities in active markets that the College has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liability in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Unobservable inputs reflect the College’s own assumptions about the inputs market participants would use in pricing the asset or liability (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances and may include the College’s own data.

The asset’s level within the hierarchy is based on the lowest level of input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The determination of what constitutes observable requires judgment by the College’s management. College management considers observable data to be that market data which is readily available, regularly distributed or updated, reliable, and verifiable, not proprietary, and provided by multiple independent sources that are actively involved in the relevant market.

The categorization of an investment with the hierarchy is based upon the relative observability of the inputs to its fair value measurement and does not necessarily correspond to College management’s perceived risk of that investment.

**NOTE 3 - CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)**

In instances whereby inputs used to measure fair value fall into difference levels in the above fair value hierarchy, fair value measurement in their entirety are categorized based on the lowest level input that is significant to the valuation. The College's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset and liability.

**NOTE 4 - RECEIVABLES**

Receivables as of June 30, 2021 are summarized as follows:

	Gross Receivables	Allowance for Doubtful Accounts	Net Receivable	Unearned Tuition and Fees
Student Accounts	\$ 4,893,414	\$ 478,879	\$ 4,414,535	\$ 4,124,620
Intergovernmental	1,574,442		1,574,442	
Other	3,534,171		3,534,171	
Total Receivables	<u>\$ 10,002,027</u>	<u>\$ 478,879</u>	<u>\$ 9,523,148</u>	<u>\$ 4,124,620</u>

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**NOTE 5 - CAPITAL ASSETS**

Capital assets as of June 30, 2021 are summarized as follows:

	Balance 7/1/2020	Additions	Deletions	Balance 6/30/2021
<i><u>Non-Depreciable Assets</u></i>				
Land	225,629	-	-	225,629
CIP	-	-	-	-
	225,629	-	-	225,629
<i><u>Depreciable Assets</u></i>				
Land Improvements	2,196,543	-	-	2,196,543
Buildings	14,809,029	-	-	14,809,029
Building Improvements	15,129,094	-	-	15,129,094
Infrastructure	674,536	-	-	674,536
Leasehold Improvements	4,427,362	-	-	4,427,362
Vehicles	124,716	-	(27,988)	96,728
Equipment	8,037,315	357,477	-	8,394,792
	45,398,595	357,477	(27,988)	45,728,084
<i><u>Accumulated Depreciation</u></i>				
Land Improvements	(1,417,222)	(74,199)	-	(1,491,421)
Buildings	(9,337,772)	(263,603)	-	(9,601,375)
Building Improvements	(5,041,611)	(632,871)	-	(5,674,482)
Infrastructure	(287,945)	(26,982)	-	(314,927)
Leasehold Improvements	(2,943,626)	(149,919)	-	(3,093,545)
Vehicles	(97,979)	(12,645)	25,189	(85,435)
Equipment	(6,905,053)	(511,666)	-	(7,416,719)
	(26,031,208)	(1,671,885)	25,189	(27,677,904)
	19,593,016	(1,314,408)	(2,799)	18,275,809

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## **NOTE 6 - STATE SUPPORT**

The College is a state-assisted institution of higher education that receives a student-based subsidy from the State of Ohio. The subsidy is determined annually based upon a formula devised by the Ohio Board of Regents, adjusted to state resources available.

In addition to the student subsidies, the State of Ohio provides the funding for and constructs major plant facilities on the College's campus. The funding is obtained from the issuance of special obligation bonds by the Ohio Public Facilities Commission, which in turn causes the construction and subsequent lease of the facility by the Ohio Board of Regents. Upon completion of the facility, the Board of Regents turns over control to the College which capitalizes the cost thereof. Neither the obligation for the special obligation bonds issued by the Ohio Public Facilities Commission nor the annual debt service charges for principal and interest on the bonds are reflected in the financial statements of the College.

These are currently being funded through appropriations to the Ohio Board of Regents by the Ohio General Assembly. Construction in progress for any portion of the facilities being financed by the state agencies for use by the College is recorded on the College's books of account as costs are incurred.

The facilities are not pledged as collateral for the special obligation bonds. Instead, the bonds are supported by a pledge of monies in the Higher Education Bond Service Fund established in the custody of the Treasurer of State. If sufficient monies are not available from this fund, a pledge exists to assess a special student fee uniformly applicable to students in state-assisted institutions of higher education throughout the State.

Outstanding debt issued by the Ohio Public Facilities Commission is not included on the College's Statement of Net Position. In addition, the appropriations by the Ohio General Assembly to the Board of Regents for payment of debt services are not shown as appropriation revenue received by the College and the related debt service payments are not recorded in the accounts of the College.

## **NOTE 7 - DEFINED BENEFIT PENSION PLANS**

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

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

Pensions and OPEB are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions/OPEB are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period.

The net pension/OPEB liability (asset) represent the College's proportionate share of each pension/OPEB plan's collective actuarial present value of projected benefit payments attributable

**NOTE 7 - DEFINED BENEFIT PENSION PLANS (continued)**

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.

Ohio Revised Code limits the College's obligation for this liability to annually required payments. The College cannot control benefit terms or the manner in which pensions/OPEB are financed; however, the College 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 8 for the required OPEB disclosures.

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

**Plan Description**

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

**NOTE 7 - DEFINED BENEFIT PENSION PLANS (continued)**

Age and service requirements for retirement are as follows:

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

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

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

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost of living adjustment (COLA) on the first anniversary date of the benefit. 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 is 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 percent and with a floor of 0 percent.

**Changes in Benefits between Measurement Date and the Fiscal Year End**

In September 2020, the Board of Trustees approved a 0.5 percent cost-of-living adjustment (COLA) for eligible retirees and beneficiaries in 2021. The effects of these changes are unknown.

**Funding Policy**

Plan members are required to contribute 10 percent of their annual covered salary and the College is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2021, the allocation to pension, death benefits, and Medicare B was 14.0 percent. For fiscal year 2021, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The College's contractually required contribution to SERS was \$371,041 for fiscal year 2021.

**NOTE 7 - DEFINED BENEFIT PENSION PLANS (continued)**

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

**Plan Description**

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

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

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of living increases are not affected by this change. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five year of service credit and age 65, or 35 years of service credit and at least age 60.

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

The DC Plan allows members to place all their member contributions and 9.53 percent of the 14 percent employer contributions into an investment account. The member determines how to allocate the member and employer money among various investment choices offered by STRS. The remaining 4.47 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

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



**NOTE 7 - DEFINED BENEFIT PENSION PLANS (continued)**

account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age fifty and after termination of employment.

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

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. New members must have at least ten years of qualifying service credit that apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. Eligible survivors of members who die before service retirement may qualify for monthly benefits. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

**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 2021 employer and employee contribution rate of 14 percent was equal to the statutory maximum rates. For fiscal year 2021, the full employer contribution was allocated to pension.

The College's contractually required contribution to STRS was \$494,189 for fiscal year 2021.

**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, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The College's proportion of the net pension liability was based on the College'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:

**North Central State College**  
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**NOTE 7 - DEFINED BENEFIT PENSION PLANS (continued)**

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$5,412,336	\$8,444,911	\$13,857,247
Proportion of the Net Pension Liability:			
Current Measurement Date	0.08182890%	0.03490146%	
Prior Measurement Date	<u>0.09003820%</u>	<u>0.03773247%</u>	
Change in Proportionate Share	-0.00820930%	-0.00283101%	
Pension Expense	\$298,156	\$401,260	\$699,416

At June 30 2021, 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>
<u>Deferred Outflows of Resources</u>			
Differences between expected and actual experience	\$10,513	\$18,948	\$29,461
Changes of assumptions	0	453,329	453,329
Net difference between projected and actual earnings on pension plan investments	343,574	410,677	754,251
Contributions subsequent to the measurement date	<u>371,041</u>	<u>494,189</u>	<u>865,230</u>
Total Deferred Outflows of Resources	<u>\$725,128</u>	<u>\$1,377,143</u>	<u>\$2,102,271</u>
<u>Deferred Inflows of Resources</u>			
Differences between expected and actual experience	\$0	\$53,999	\$53,999
Changes in employer proportionate share of net pension liability	<u>307,411</u>	<u>786,534</u>	<u>1,093,945</u>
Total Deferred Inflows of Resources	<u>\$307,411</u>	<u>\$840,533</u>	<u>\$1,147,944</u>

\$865,230 reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year			
Ending June 30:	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
2022	(\$197,289)	(\$12,044)	(\$209,333)
2023	(6,812)	(100,323)	(107,135)
2024	143,209	84,438	227,647
2025	<u>107,568</u>	<u>70,350</u>	<u>177,918</u>
Total	<u>\$46,676</u>	<u>\$42,421</u>	<u>\$89,097</u>

**NOTE 7 - DEFINED BENEFIT PENSION PLANS (continued)**

**Actuarial Assumptions - SERS**

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

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

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2020, are presented below:

Inflation	3.00%
Future Salary Increases, including inflation	3.50% - 18.20%
COLA or Ad Hoc COLA	2.50%
Investment Rate of Return	7.50% net of investments expense, including inflation
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)

Mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females. Mortality among service retired members, and beneficiaries were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120 percent of male rates, and 110 percent of female rates. Mortality among disabled members were based upon the RP-2000 Disabled Mortality Table, 90 percent for male rates and 100 percent for female rates, set back five years is used for the period after disability retirement. The most recent experience study was completed for the five year period ended June 30, 2015.

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

**NOTE 7 - DEFINED BENEFIT PENSION PLANS (continued)**

Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating an arithmetic weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalanced uncorrelated asset classes.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00%	1.85%
US Stocks	22.50%	5.75%
Non-US Stocks	22.50%	6.50%
Fixed Income	19.00%	2.85%
Private Equity	12.00%	7.60%
Real Assets	17.00%	6.60%
Multi-Asset Strategies	5.00%	6.65%
Total	<u>100.00%</u>	

**Discount Rate**

The total pension liability was calculated using the discount rate of 7.50 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.50 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

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

Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.50 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Proportionate share of the net pension liability	\$7,414,239	\$5,412,336	\$3,732,701

**NOTE 7 - DEFINED BENEFIT PENSION PLANS (continued)**

**Changes in Actuarial Assumptions between Measurement Date and the Fiscal Year End**

Based on a new experience study for the five years ending June 30, 2020, the SERS Board lowered the investment rate of return from 7.50 percent to 7.00 percent, lowered inflation from 3.00 percent to 2.40 percent, reduced wage inflation from 3.50 percent to 3.25 percent, reduced COLA from 2.50 percent to 2.00 percent, along with certain other changes for the actuarial valuation as of June 30, 2021. The effects of these changes are unknown.

**Actuarial Assumptions - STRS**

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2020, actuarial valuation are presented below:

Inflation	2.50%
Projected salary increases	12.50% at age 20 to 2.50% at age 65
Investment Rate of Return	7.45%, net of investment expenses, including inflation
Discount Rate of Return	7.45%
Payroll Increases	3.00%
Cost-of-Living Adjustments (COLA)	0%, effective July 1, 2017

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

Actuarial assumptions used in the July 1 2020, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

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:

**NOTE 7 - DEFINED BENEFIT PENSION PLANS (continued)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return *</u>
Domestic Equity	28.00%	7.35%
International Equity	23.00%	7.55%
Alternatives	17.00%	7.09%
Fixed Income	21.00%	3.00%
Real Estate	10.00%	6.00%
Liquidity Reserves	1.00%	2.25%
<b>Total</b>	<b>100.00%</b>	

\*10 Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25%, but does not include investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

**Discount Rate**

The discount rate used to measure the total pension liability was 7.45 percent as of June 30, 2020. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2020. Therefore, the long-term expected rate of return on pension plan investments of 7.45 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2020.

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

The following table presents the County's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.45 percent, as well as what the College's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.45 percent) or one-percentage-point higher (8.45 percent) than the current rate:

	1% Decrease 6.45%	Current Discount Rate 7.45%	1% Increase 8.45%
Proportionate share of the net pension liability	\$12,024,084	\$8,444,911	\$5,411,861

**Changes in Actuarial Assumptions between Measurement Date and the Fiscal Year End**

The STRS Board approved a change in the discount rate from 7.45 percent to 7.00 percent for the June 30, 2021 valuation. The effect on the net pension liability is unknown.

**NOTE 8 – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS**

See Note 7 for a description of the net pension liability.

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

**Health Care Plan Description**

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

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

**Funding Policy**

State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2021, no allocation was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, prorated if less than a full year of service credit was earned. For fiscal year 2021, this amount was \$23,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2021, the College's surcharge obligation was \$21,540.

**NOTE 8 – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS (continued)**

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The College’s contractually required contribution to SERS was \$21,540 for fiscal year 2021.

**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 Plan is included in the report of STRS which can be obtained by visiting [www.strsoh.org](http://www.strsoh.org) or by calling (888) 227-7877.

**Funding Policy**

Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. All benefit recipients pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2021, STRS did not allocate any employer contributions to post-employment health care.

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

The net OPEB liability (asset) was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of that date. The College's proportion of the net OPEB liability (asset) was based on the College's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share:

	SERS	STRS	Total
Proportionate Share of the Net OPEB Liability	\$1,715,851	\$0	\$1,715,851
Proportionate Share of the Net OPEB (Asset)	0	(613,393)	(613,393)
Proportion of the Net OPEB Liability/Asset:			
Current Measurement Date	0.07895040%	0.03490146%	
Prior Measurement Date	0.08689010%	0.03773247%	
Change in Proportionate Share	-0.00793970%	-0.00283101%	
OPEB Expense	(\$148,123)	(\$58,804)	(\$206,927)



**North Central State College**  
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**NOTE 8 – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS (continued)**

At June 30 2021, reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	SERS	STRS	Total
<u>Deferred Outflows of Resources</u>			
Differences between expected and actual experience	\$22,536	\$39,304	\$61,840
Changes of assumptions	292,493	10,125	302,618
Net difference between projected and actual earnings on OPEB plan investments	19,334	21,497	40,831
Contributions subsequent to the measurement date	21,540	0	21,540
<b>Total Deferred Outflows of Resources</b>	<b>\$355,903</b>	<b>\$70,926</b>	<b>\$426,829</b>
<u>Deferred Inflows of Resources</u>			
Differences between expected and actual experience	\$872,630	\$122,179	\$994,809
Changes of assumptions	43,218	582,621	625,839
Changes in employer proportionate share of net OPEB liability	356,819	84,395	441,214
<b>Total Deferred Inflows of Resources</b>	<b>\$1,272,667</b>	<b>\$789,195</b>	<b>\$2,061,862</b>

\$21,540 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (adjustment to net OPEB asset) in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year			
Ending June 30:	SERS	STRS	Total
2022	(\$197,685)	(\$180,728)	(\$378,413)
2023	(196,286)	(166,177)	(362,463)
2024	(196,514)	(161,073)	(357,587)
2025	(171,783)	(150,556)	(322,339)
2026	(126,729)	(29,435)	(156,164)
Thereafter	(49,307)	(30,300)	(79,607)
<b>Total</b>	<b>(\$938,304)</b>	<b>(\$718,269)</b>	<b>(\$1,656,573)</b>

**Actuarial Assumptions - SERS**

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

**NOTE 8 – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS (continued)**

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

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

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2020, are presented below:

Inflation	3.00%
Wage Increases	3.50% to 18.20%
Investment Rate of Return	7.50% net of investment expense, including inflation
Municipal Bond Index Rate:	
Measurement Date	2.45%
Prior Measurement Date	3.13%
Single Equivalent Interest Rate, net of plan investment expense, including price inflation:	
Measurement Date	2.63%
Prior Measurement Date	3.22%
Medical Trend Assumption:	
Medicare	5.25% to 4.75%
Pre-Medicare	7.00% to 4.75%

Mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and Scale BB, 120 percent of male rates and 110 percent of female rates. RP-2000 Disabled Mortality Table with 90 percent for male rates and 100 percent for female rates set back five years.

The most recent experience study was completed for the five year period ended June 30, 2015.

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2010 through 2015, and was adopted by the Board on April 21, 2016. Several factors are considered in evaluating the long-term rate of

**NOTE 8 – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS (continued)**

return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.50 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. 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 target asset allocation and best estimates of arithmetic real rates of return for each major asset class, as used in the June 30, 2015 five-year experience study, are summarized as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	2.00%	1.85%
US Stocks	22.50%	5.75%
Non-US Stocks	22.50%	6.50%
Fixed Income	19.00%	2.85%
Private Equity	12.00%	7.60%
Real Assets	17.00%	6.60%
Multi-Asset Strategies	5.00%	6.65%
Total	<u>100.00%</u>	

**Discount Rate**

The discount rate used to measure the total OPEB liability at June 30, 2020 was 2.63 percent. The discount rate used to measure total OPEB liability at June 30, 2019, was 3.22 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the state statute contribution rate of 2.00 percent of projected covered employee payroll each year, which includes a 1.50 percent payroll surcharge and 0.50 percent of contributions from the basic benefits plan. Based on these assumptions, the OPEB plan’s fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2025. Therefore, the long-term expected rate of return on OPEB plan assets was used to present value the projected benefit payments through the fiscal year ending June 30, 2024, and the Fidelity General Obligation 20-year Municipal Bond Index rate of 2.45 percent, as of June 30, 2020 (i.e. municipal bond rate), was used to present value the projected benefit payments for the remaining years in the projection. The total present value of projected benefit payments from all years was then used to determine the single rate of

**NOTE 8 – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS (continued)**

return that was used as the discount rate. The projection of future benefit payments for all current plan members was until the benefit payments ran out.

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

The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.63%) and higher (3.63%) than the current discount rate (2.63%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.00% decreasing to 3.75%) and higher (8.00% decreasing to 5.75%) than the current rate.

	1% Decrease (1.63%)	Current Discount Rate (2.63%)	1% Increase (3.63%)
Proportionate share of the net OPEB liability	\$2,100,158	\$1,715,851	\$1,410,326
	1% Decrease (6.00% decreasing to 3.75%)	Current Trend Rate (7.00% decreasing to 4.75%)	1% Increase (8.00% decreasing to 5.75%)
Proportionate share of the net OPEB liability	\$1,351,102	\$1,715,851	\$2,203,613

**Changes in Actuarial Assumptions between Measurement Date and the Fiscal Year End**

Based on a new experience study for the five years ending June 30, 2020, the SERS Board reduced the wage growth assumption from 3.50 percent to 3.25 percent and increased the health care rate of return from 5.25 percent to 7.00 percent. The effects of these changes are unknown.

**Actuarial Assumptions - STRS**

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2020, actuarial valuation are presented below:

**NOTE 8 – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS (continued)**

Inflation	2.50%
Projected salary increases	12.50% at age 20 to 2.50% at age 65
Investment Rate of Return	7.45%, net of investment expenses, including inflation
Payroll Increases	3.00%
Discount Rate of Return	7.45%
Health Care Cost Trends:	
Medical	
Pre-Medicare	5.00% initial, 4% ultimate
Medicare	-6.69% initial, 4% ultimate
Prescription Drug	
Pre-Medicare	6.50% initial, 4% ultimate
Medicare	11.87% initial, 4% ultimate

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

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

Actuarial assumptions used in the June 30, 2020, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

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

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:

**NOTE 8 – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS (continued)**

Asset Class	Target Allocation	Long-Term Expected Rate of Return*
Domestic Equity	28.00%	7.35%
International Equity	23.00%	7.55%
Alternatives	17.00%	7.09%
Fixed Income	21.00%	3.00%
Real Estate	10.00%	6.00%
Liquidity Reserves	1.00%	2.25%
Total	<u>100.00%</u>	

\*10 Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25%, but does not include investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

**Discount Rate**

The discount rate used to measure the total OPEB liability was 7.45 percent as of June 30, 2020. The projection of cash flows used to determine the discount rate assumes STRS continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2020. Therefore, the long-term expected rate of return on health care plan investments of 7.45 percent was used to measure the total OPEB liability as of June 30, 2020.

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

The following table represents the net OPEB asset as of June 30, 2020, calculated using the current period discount rate assumption of 7.45 percent, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.45 percent) or one percentage point higher (8.45 percent) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
Proportionate share of the net OPEB (asset)	(\$533,691)	(\$613,393)	(\$681,016)
	1% Decrease	Current Trend Rate	1% Increase
Proportionate share of the net OPEB (asset)	(\$676,819)	(\$613,393)	(\$536,130)

**North Central State College**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ended June 30, 2021

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**NOTE 9 - LONG-TERM LIABILITIES**

Changes in long-term liabilities are as follows:

	Balance 7/1/2020	Additions	Subtractions	Balance 6/30/2021	Current Portion
Compensated Absences	\$ 516,930	\$426,692	\$ 516,930	\$ 426,692	
Net OPEB Liability	\$ 2,185,103		\$ 469,252	\$ 1,715,851	
Net Pension Liability	\$ 13,731,452	\$ 125,795		\$ 13,857,247	
Note Payable - From Direct Borrowings	\$ 652,119		\$ 89,714	\$ 562,405	\$90,839
<b>Total Long-Term Liabilities</b>	<b>\$ 17,085,604</b>	<b>\$ 552,487</b>	<b>\$ 1,075,896</b>	<b>\$ 16,562,195</b>	<b>\$ 90,839</b>

Note Payable

During fiscal year 2015, the College entered into an Energy Loan agreement with the Ohio Development Services Agency to upgrade certain building components to provide energy efficiencies and other improvements. The total borrowing amount authorized under this agreement is \$1 million. Principal, interest and service fee payments are scheduled to be made semi-annually of \$48,791.81. This note bears interest of 1% and the final payment is scheduled for January 1, 2027.

The College's outstanding notes from direct borrowing related to capital and related financing activities of \$562,405 is secured with collateral pledging student-based subsidy-income ("SSI") from the State of Ohio. This subsidy is determined annually based on a formula devised by the Ohio Department of Higher Education (ODHE). The College and ODHE have entered into an agreement to collaterally assign the SSI to the Ohio Development Services Agency in the case of default. In an event of default, outstanding amounts may either become due immediately or the Director may increase the interest rate on the outstanding balance of the loan up to 10% per annum.

Maturity of outstanding debt is a follows:

Fiscal Year Ending June 30,	Principal	Interest	Principal Balance
2022	90,838.54	4,048.25	471,566.59
2023	91,977.58	3,364.82	379,589.01
2024	93,130.89	2,672.84	286,458.12
2025	94,298.65	2,602.18	192,159.47
2026	95,481.07	1,262.73	96,678.40
2027	96,678.40	544.38	-
	<u>562,405.13</u>	<u>14,495.20</u>	

**North Central State College**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ended June 30, 2021

**NOTE 10 - OPERATING EXPENSES BY FUNCTION AND NATURAL CLASS**

	Payroll and Benefits	Supplies and Other Services	Utilities and Maintenance	Student Aid and Scholarships	Depreciation Expense	Other Expense	Total
Instruction	6,446,379	747,353	95,697	-	-	421,281	7,710,710
Academic support	199,098	-	120,974	-	-	7,940	328,012
Student services	1,838,650	92,256	39,034	5,543	-	70,166	2,045,649
Institutional support	1,982,265	1,208,311	285,401	-	-	695,323	4,171,300
Operation & maintenance of plant	640,815	96,026	1,125,693	-	-	17,686	1,880,220
Student aid	-	-	-	1,074,709	-	-	1,074,709
Public service	761,847	132,927	-	-	-	90,214	984,988
Depreciation	-	-	-	-	1,671,885	-	1,671,885
<b>Total operating expenses</b>	<b>11,869,054</b>	<b>2,276,873</b>	<b>1,666,799</b>	<b>1,080,252</b>	<b>1,671,885</b>	<b>1,302,610</b>	<b>19,867,473</b>

**NOTE 11 - CONTINGENCIES**

A. Federal and State Grants

The College participates in certain state and federally-assisted grant programs. These programs are subject to financial and compliance audits by the grantors or their representatives. In the opinion of the College, no material grant disbursements will be disallowed.

B. Litigation

The College is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the College's counsel that resolutions of these matters will not have a material adverse effect on the financial condition of the College.

**NOTE 12 - RISK MANAGEMENT**

The College is exposed to various risks of loss related to torts; theft; damage to or destruction of assets; errors and omissions; employee injuries; and natural disasters. By maintaining comprehensive insurance coverage with private carriers, the College has addressed these various types of risk. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years. There has not been a significant reduction of coverage from the prior fiscal year.



**NOTE 13 – IMPLEMENTATION OF NEW ACCOUNTING PRINCIPLES**

For fiscal year 2021, the College implemented GASB Statement No. 84, Fiduciary Activities and related guidance from (GASB) Implementation Guide No. 2019-2 and GASB Statement No. 90, Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61.

GASB Statement No. 84 established specific criteria for identifying activities that should be reported as fiduciary activities and clarifies whether and how business type activities should report their fiduciary activities. Due to the implementation of GASB Statement No. 84, the College will no longer be reporting agency funds. The College reviewed its agency funds and no funds will be reported in the new fiduciary fund classification of custodial funds. The implementation of GASB Statement No. 84 did not have an effect on the financial statements of the College.

GASB Statement No. 90 improves consistency in the measurement and comparability of the financial statement presentation of majority equity interests in legally separate organizations. This Statement also provides guidance for reporting a component unit if a government acquires a 100 percent equity interest in that component unit. The implementation of GASB Statement No. 90 did not have an effect on the financial statements of the College

**NOTE 14 - COMPONENT UNIT DISCLOSURES- NORTH CENTRAL STATE COLLEGE FOUNDATION**

**DESCRIPTION OF THE FOUNDATION**

North Central State College Foundation, Inc. (the Foundation) financial statements have been prepared on an accrual basis of accounting, under the provisions of FASB Accounting Standards Codification (ASC) No. 958 “Not-for-Profit Entities”. The Foundation is a not-for-profit organization established in accordance with Section 501(c) (3) of the Internal Revenue Code. The Foundation operates under a Board of Trustees who is appointed, not to be less than twelve, but not to exceed forty members. The Foundation is organized primarily to engage in activities and programs to provide support and services to the North Central State College (the College).

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Contributions and Promises to Give*

Gifts received without donor stipulations are reported as revenue and net assets without donor restrictions. Gifts received with a donor stipulation that limits their use are reported as revenue and net assets with donor restrictions. When a donor-stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions that are originally restricted by the donor and for which the restriction is met in the same time period are recorded as revenue and net assets without donor restriction. Conditional promises are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met. The Foundation requires an initial minimum balance of \$10,000 to establish a scholarship fund.

**NOTE 14 - COMPONENT UNIT DISCLOSURES- NORTH CENTRAL STATE COLLEGE FOUNDATION (Continued)**

*Financial Statement Presentation*

The Foundation has adopted the provisions of FASB Accounting Standards Codification (ASC) No. 958 *Not-for-Profit Entities*. Under ASC No. 958 the Foundation is required to report information regarding its financial position and activities according to two classes of net assets as follows:

**Without Donor Restrictions**

Net assets that are not subject to donor-imposed restrictions (donors include other types of contributors, including makers of certain grants).

**With Donor Restrictions**

Net assets that are subject to donor-imposed restrictions (donors include other types of contributors, including makers of certain grants).

When a donor restriction expires, that is, when a stipulated time restriction expires or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

There are terminology differences due to the College implementing GASB Statements 63 and 65. During fiscal year 2013, the College implemented the above-mentioned statements, which resulted in a terminology change for reporting from the term “net assets” to “net position”. The Statements of Financial Position and the Statement of Activities use this terminology to be consistent with the College’s reporting. However, the terminology has not been changed in this footnote.

With the exceptions of the above mentioned presentation adjustments to conform to the College’s GASB reporting format, no modifications have been made to the Foundation’s financial information in the College’s financial report.

*Cash and Cash Equivalents*

The Foundation considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

*Investments*

The Foundation reports investments in marketable securities with readily determined fair values and all investments in debt securities are reported at their fair values in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets. Investments are pooled for making investment transactions and are carried at market value. Interest and dividend income, as well as realized and unrealized gains and losses, are allocated to net assets without or with donor restrictions.

**NOTE 14 - COMPONENT UNIT DISCLOSURES- NORTH CENTRAL STATE COLLEGE FOUNDATION (Continued)**

*Donated Service and Facilities*

The Foundation has no employees or property (other than cash and investments). Substantially all clerical and management duties are presently performed by business office personnel who are employees of North Central State College, utilizing equipment and facilities of North Central State College.

For accounting purposes, the value of facilities is considered immaterial and it has not been recognized in the financial statements. However, the value of the services provided by College personnel have been recognized in the Statement of Revenues, Expenses, and Changes in Net Assets as personnel reimbursement expenses as required by the accrual basis of accounting.

*Prepaid Expenses*

Certain payments to vendors for fundraising activities reflect costs applicable to future accounting periods and are recorded as prepaid items.

*Capital Assets*

Capital assets acquired by the Foundation consist of office equipment. All expenditures for capital assets in excess of \$1,000 are capitalized. Depreciation expense is computed using the straight-line method over the estimated useful lives of the assets not to exceed ten years.

*Deferred Income*

Deferred income results from various fundraising activities. It represents amounts received from sponsors, vendors, and sales of admission tickets in advance. Deferred income is recognized as revenue in the period that the fundraising activity actually occurs.

*Estimates*

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

**INVESTMENTS**

The various investments in fixed income securities, mutual funds and other investment securities are exposed to various risks, such as interest rate, market fluctuations, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in values of investment securities could occur in the near term and those changes could materially affect the amounts reported in the financial statements.

**North Central State College**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ended June 30, 2021

**NOTE 14 - COMPONENT UNIT DISCLOSURES- NORTH CENTRAL STATE COLLEGE FOUNDATION (Continued)**

At June 30, 2021, investments consisted of the following:

	Market / Carrying Value	Maturity					
		Less Than One Year	1-2 years	3-5 years	6-7 Years	Various within Fund	No Maturity
Money Market Investments - US Government Obligations	\$ 103,266	\$ 13,886	\$ -	\$ -	\$ -	\$ 20,862	\$ 68,518
Coporate Bonds	\$ 51,396	\$ 25,562	\$ 25,834	\$ -	\$ -	\$ -	\$ -
Mututal Funds - Fixed Income	\$ 1,411,728	\$ -	\$ -	\$ -	\$ -	\$ 1,411,728	\$ -
Mututal Funds - Equity Securities	\$ 2,682,556	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,682,556
Common Stock	\$ 459,869	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 459,869
ADR / Foreign Equities	\$ 1,673,948	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,673,948
Perferred Stock	\$ 143,488	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 143,488
ADR / Foreign Preferred	\$ 6,413	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,413
REIT	\$ 39,189	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,189
Rights and Warrants	\$ 30,052	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,052
Marketable LLC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Partnerships	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total</b>	<b>\$ 6,601,905</b>	<b>\$ 39,448</b>	<b>\$ 25,834</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,432,590</b>	<b>\$ 5,104,033</b>

The Foundation determines the fair market values of its financial instruments based on the fair value hierarchy established in ASC No. 820, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the Foundation's own assumptions based on market data and on assumptions that market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The Standard describes three levels within its hierarchy that may be used to measure fair value:

Level 1 Inputs: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2 Inputs: Significant other observable inputs other than Level 1 quoted prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

**NOTE 14 - COMPONENT UNIT DISCLOSURES- NORTH CENTRAL STATE COLLEGE FOUNDATION (Continued)**

Level 3 Inputs: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

The fair value of investments held by the Foundation at June 30, 2021 is summarized as follows:

Investment Type	Quoted Prices In Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money Market Investments - US Government Obligations	\$ 103,266	\$ -	\$ -
Corporate Bonds	\$ 51,396	\$ -	\$ -
Mutual Funds - Fixed Income	\$ 1,411,728	\$ -	\$ -
Mutual Funds - Equity Securities	\$ 2,682,556	\$ -	\$ -
Common Stock	\$ 459,869	\$ -	\$ -
ADR / Foreign Equities	\$ 1,673,948	\$ -	\$ -
Preferred Stock	\$ 143,488	\$ -	\$ -
ADR / Foreign Preferred	\$ 6,413	\$ -	\$ -
REIT	\$ 39,189	\$ -	\$ -
Rights and Warrants	\$ 30,052	\$ -	\$ -
<b>Total</b>	<b>\$ 6,601,905</b>	<b>\$ -</b>	<b>\$ -</b>

**CONTRIBUTIONS RECEIVABLE**

Unconditional promises to give are included in the financial statements as contributions receivable and contributions of the appropriate net asset category. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discount rate on those amounts is computed using a risk free interest rate applicable to the years in which the promises are to be received. The discount rate used for the year ended June 30, 2021 was 3.25%. The amortization of the discount is included in contribution revenue. Conditional promises to give are not included as support until conditions of those promises have been met.

**NOTE 14 - COMPONENT UNIT DISCLOSURES- NORTH CENTRAL STATE COLLEGE FOUNDATION (Continued)**

Contributions receivable consisted of the following at June 30, 2021:

Unconditional promises to give before unamortized discount and allowance for uncollectible contributions:

Without Donor Restrictions	1,305
With Donor Restrictions	2,500
Gross Unconditional promises to give	3,805
Less: Unamortized Discount	(157)
Less: Allowance for uncollectible contributions	(381)
Amounts due: Less than one year	3,267

**NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are available for the following purposes or periods:

Restricted Time/Purpose	\$ 2,283,342
Richland County Foundation	350,000
Donor restricted endowment - Scholarships For Students	4,200,365
<b>Total</b>	<b>\$ 6,833,707</b>

Net assets were released from donor restrictions by incurring expenses satisfying the purpose restriction specified by donors.

Scholarships for Students	\$186,866
Grants	0
Other	157,510
Total Released Net Assets	\$344,376

Net assets with donor restrictions are those whose use by the Foundation has been limited by donors to a specific time period or purpose. They are available for the use of providing scholarships to the College's students, providing professional development funds to the College staff and for purchasing equipment for the benefit of the College.

**North Central State College**  
*Notes to the Basic Financial Statements*  
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**NOTE 14 - COMPONENT UNIT DISCLOSURES- NORTH CENTRAL STATE COLLEGE FOUNDATION (Continued)**

The detail of non-endowment donor restrictions are as follows:

<b>Donor Restrictions:</b>	
Avita Health	3,196.00
ADA Ford Educ Aid	14,522.00
Alumni Association	4,922.00
Bennett	8,003.00
Brown Respiratory Care	3,755.00
Advancing Diversity	1,244.00
Crawford County Scholarships	16,440.00
Cardwell Neer	2,818.00
Carter Memorial	13,388.00
Chambers	1,458.00
Cobey	5,911.00
Coleman	8,799.00
Cress	8,625.00
Emerson	35,843.00
Diab	5,262.00
Dewald	28,299.00
Faculty	4,016.00
Forty Et Eight	8,664.00
Galion FOP	4,515.00
Garber	9,468.00
Gimble - Health Chair	403,816.00
G-R Civic	7,235.00
G-R Rupp	20,221.00
Gubkin	3,757.00
Hahn	5,361.00
Haring	9,034.00
Jenko	287,952.00
Hamilton Insurance Group	675.00
McCullum TFS - Health	39,427.00
Kroger	10,765.00
MIMA - Urban Center	5,864.00
Martin Speech	4,777.00
Necessities	78,838.00
Necessities - Crawford	34,930.00
Necessities - Shelby	38,443.00
Necessities - Wayne	17,401.00
Nursing	77,348.00
Title III	48,690.00
Orange and Blue	134,176.00
PTA Fund	14,289.00
Phillips Fund	21,066.00
President Emeritus	7,045.00
Phillips E Troop	10,035.00

**North Central State College**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2021*

**NOTE 14 - COMPONENT UNIT DISCLOSURES- NORTH CENTRAL STATE COLLEGE FOUNDATION (Continued)**

Plotts	3,556.00
Preston	12,779.00
Scheaffer	3,426.00
RMC	10,085.00
Searle - PTA	33,639.00
Searle - RN	35,077.00
Welsh	18,034.00
Tech Prep	5,594.00
Solt	5,686.00
Vetter	4,059.00
Wappner Funeral	1,295.00
YES Entrepreneur	12,959.00
ADA Ford Summer Access	2.00
ADA Ford Short Term Certificates	28,671.00
Ambassador	9.00
Scholarships (General)	32,698.00
Gimbel Scholarship	25,602.00
Gorman Fund	54,166.00
Mansfield University	5,780.00
Peoples Savings & Loan	1,000.00
Tuition Freedom	176,519.00
Tuition Freedom - Crawford	2,100.00
Radiology Merit Scholarship	91.00
Certificate Program	10,500.00
CDC Small Steps	3,513.00
NCSC Student Need Fund	26,306.00
Student Need Fund	6,116.00
Crawford Student Need Fund	840.00
Innovation Fund	302.00
OJA Conference/Scholarships	3,222.00
Response Fund	9,535.00
Double Dollars Campaign	18,810.00
Equipment	139,060.00
CC Project Fund	13,808.00
College Project Fund	14,348.00
Women's Leadership	808.00
Restricted Projects	15,358.00
Urban Center Fund	59,307.00
Temporarily Restricted Other	18,389.00
	2,283,342.00



**NOTE 14 - COMPONENT UNIT DISCLOSURES- NORTH CENTRAL STATE COLLEGE FOUNDATION (Continued)**

**Donor-Restricted Endowment Fund**

The Foundation's endowment fund was established to support scholarships for students. The original contributions to the endowment fund are donor restrictions that stipulate the original principal is to be held and invested by the Foundation indefinitely, and income from the fund is to be expended for scholarships for students. As required by generally accepted accounting principles, net assets associated with the endowment fund are classified and reported based on the existence of donor imposed restrictions.

At June 30, 2021, the endowment fund is composed of the following:

Endowment fund balance	\$4,200,365
Amount required to be invested in perpetuity	4,200,365
Amount available for appropriation	<u><u>\$0</u></u>

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**North Central State College**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2021*

**NOTE 14 - COMPONENT UNIT DISCLOSURES- NORTH CENTRAL STATE COLLEGE FOUNDATION (Continued)**

<b>Endowed Scholarships for Students:</b>	
Avita Health	10,000.00
ADA Ford Educ Aid	20,000.00
Alumni Association	26,322.00
Bennett	22,707.00
Brown Respiratory Care	12,116.00
Advancing Diversity	16,022.00
Crawford Cty Project Fund	10,075.00
Cardwell Neer	10,429.00
Carter Memorial	31,267.00
Chambers	5,000.00
Cobey	19,201.00
Coleman	25,502.00
Cress	26,800.00
Emerson	117,566.00
Diab	16,683.00
Dewald	98,179.00
Faculty	13,162.00
Forty Et Eight	25,000.00
Galion FOP	13,376.00
Garber	30,275.00
Gimble - Health Chair	910,000.00
G-R Civic	22,463.00
G-R Rupp	56,661.00
Gubkin	11,263.00
Hahn	15,754.00
Haring	24,334.00
Jenko	699,933.00
Hamilton Insurance Group	4,125.00
McCullum TFS - Health	150,000.00
Kroger	36,129.00
MIMA - Urban Center	17,906.00
Martin Speech	13,259.00

**NOTE 14 - COMPONENT UNIT DISCLOSURES- NORTH CENTRAL STATE COLLEGE FOUNDATION (Continued)**

Necessities	156,665.00
Necessities - Crawford	54,950.00
Necessities - Shelby	62,166.00
Necessities - Wayne	26,275.00
Nursing	237,873.00
Title III	150,000.00
Orange and Blue	403,048.00
PTA Fund	44,374.00
Phillips	48,000.00
President Emeritus	20,620.00
Phillips E Troop	28,973.00
Plotts Endowment	11,000.00
Preston	38,235.00
Sheaffer	11,708.00
RMC	31,922.00
Searle - PTA	100,000.00
Searle - RN	100,443.00
Welsh	53,678.00
Tech Prep	20,969.00
Solt	25,000.00
Vetter	12,125.00
Wappner Funeral	10,000.00
YES Entrepreneur	40,832.00
	4,200,365.00

Interpretation of UPMIFA: The Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the organization and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the organization
- (7) The investment policies of the organization

**NOTE 14 - COMPONENT UNIT DISCLOSURES- NORTH CENTRAL STATE COLLEGE FOUNDATION (Continued)**

Funds with Deficiencies: From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. Deficiencies of this nature that are in excess of related temporarily restricted amounts are reported in unrestricted net assets. The Foundation had no such amounts totaled as of June 30, 2021.

The changes in endowment net assets for the year ending June 30, 2021 are as follows:

Endowment net assets, July 1, 2020	\$4,143,385
Contributions	123,472
Investment return net	
Amounts appropriated for expenditure	<u>(66,492)</u>
Endowment net assets, June 30, 2021	<u><u>\$4,200,365</u></u>

**RICHLAND COUNTY FOUNDATION**

During 1991, the Foundation established a “Direct Fund” in which an irrevocable gift was made to the Richland County Foundation. This fund is identified by the Richland County Foundation as the North Central State College Foundation “Endowment Fund” and is subject to the provisions contained within the fund agreement dated December 31, 1991. This fund is the property of the Richland County Foundation, whereby, those funds will be held in perpetuity, and the investment income will be distributed to the Foundation annually to benefit the North Central State College. One of the provisions in this fund agreement, the variance power, concerns the power to vary some of the terms of the agreement. As defined by United States Treasury Regulations, the Richland County Foundation has the right to modify the terms of the fund agreement if in the judgment of the Richland County Foundation’s Board of Trustees, the restrictions and conditions in the agreement become unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community.

The portion of this fund contributed by the Foundation is considered a reciprocal transfer because the Foundation is also the beneficiary of this fund. This balance is shown on the Richland County Foundation’s Statement of Financial Position as a liability called “Funds Held as Agency Endowments”. This amounted to \$350,000 at June 30, 2021.

In addition, the portion of this fund contributed by unrelated third party donors is considered a contribution to the Richland County Foundation and is included in the net assets of Richland County Foundation. The amount recognized in the Statement of Financial Position of the Richland County Foundation at June 30, 2021 totaled \$423,632.

**NOTE 14 - COMPONENT UNIT DISCLOSURES- NORTH CENTRAL STATE COLLEGE FOUNDATION (Continued)**

**INCOME TAXES**

The Foundation is a not-for-profit corporation as described in Section 501 (c) (3) of the Internal Revenue Code, and the organization is exempt from federal and state income taxes.

**RELATED PARTY**

The Foundation is affiliated with the College. During the year ended June 30, 2021, the College provided the Foundation with professional services valued at \$92,359. The value of those services is included as personnel reimbursement expenses in the financial statements.

During the year ended June 30, 2021, the Foundation provided scholarships and support to the College of \$344,376.

**EXPENSE DISCLOSURES**

	Program Activities			Supporting Activities			Total Expenses	
	Scholarships	Professional Development	Personnel Reimbursement	Program Total	Management and General	Fund-Raising		Supporting Total
Wages and Benefits	0	0	92,359	92,359	0	0	0	92,359
Services and Professional Fees	186,866	0	0	186,866	5,379	0	5,379	192,245
Advertising Fees	0	0	0	0	0	0	0	0
Supplies, Printing, and Postage	0	0	0	0	3,524	0	3,524	3,524
Staff Development	0	138	0	138	0	0	0	138
Insurance	0	0	0	0	0	0	0	0
Software Licenses and Support	0	0	0	0	2,388	0	2,388	2,388
Misc Expense	157,510	0	0	157,510	30,972	22,219	53,191	210,701
Total Expenses	\$344,376	\$138	\$92,359	\$436,873	\$42,263	\$22,219	\$64,482	\$501,355

Some categories of expense are attributable to more than one activity and require allocation, applied on a consistent basis.

Wages and benefits are allocated on the basis of employee duties.

Services and Professional Fees are allocated when services are rendered by an outside person or entity outside of the skill set of Foundation employees.

Advertising fees are allocated when print / voice / or social media messaging takes place.

Supplies, printing and postage are allocated as such items are acquired.

Insurance is allocated when premiums are paid

Software licenses and support fees are allocated as annual fees or updates are required.

Depreciation is allocated when capital assets are acquired until the item is fully depreciated.

Miscellaneous expenses are assigned directly to specific activities as expenditures are made.

**NOTE 14 - COMPONENT UNIT DISCLOSURES- NORTH CENTRAL STATE COLLEGE FOUNDATION (Continued)**

**LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The following reflect the Foundation's financial assets as of the date of the Statement of Financial Position, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the financial statement date.

	<u>2021</u>
Cash and Cash Equivalents	\$776,603
Investments	6,601,905
Assets Held by Richland County Foundation	350,000
Contributions Receivable	3,267
Loan Receivable	488
	<u>7,732,263</u>
Less amounts unavailable for general expenditures within one year, due to:	
Donor-restricted purpose	2,633,342
Donor-restricted to maintain as an endowment	4,200,365
	<u>6,833,707</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$898,556</u></u>

As part of the Foundation's liquidity management, the Foundation invests cash in excess of requirements in various types of investments.

**SUBSEQUENT EVENTS**

The Foundation has evaluated events occurring between the end of its most recent fiscal year and November 24, 2021, the date the financial statements were issued. No material subsequent events were identified for recognition or disclosure.

**NEW ACCOUNTING PRINCIPLE**

The Foundation has adopted new accounting guidance, FASB ASU Topic 606, **Revenue from Contracts with Customers**. This guidance is pertaining to revenue from contracts with customers. The Foundation's financial statements were not impacted by the adoption of Topic 606.

**NOTE 15 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June of 2021 while the national state of emergency continues. During fiscal year 2021, the College received Coronavirus Aid, Relief and Economic Security (CARES) Act funding. Additional funding has been made available through the Consolidated Appropriations Act, 2021, pass by Congress on December 21, 2020 and/or the American Rescue Plan Act, passed by Congress on March 11, 2021.

# REQUIRED SUPPLEMENTARY INFORMATION





**North Central State College**  
*Notes to the Required Supplementary Information For  
the Fiscal Year Ended June 30, 2021*

North Central State College						
Required Supplementary Information						
Schedule of the College's Proportionate Share of the Net Pension Liability						
State Teachers Retirement System of Ohio						
Last Eight Fiscal Years (1) (2)						
					Proportionate	
	Proportion	Proportionate			Share of the Net Pension	Plan Fiduciary Net Position
	of the Net	Share of the Net	Covered		Liability as a Percentage	Percentage as a of the
Year	Pension Liability	Pension Liability	Payroll		of its Covered Payroll	Total Pension Liability
2021	0.03490146%	\$8,444,911	\$3,864,021		218.55%	75.50%
2020	0.03773247%	8,344,309	4,146,593		201.23%	77.40%
2019	0.03856299%	8,479,136	4,121,836		205.71%	77.31%
2018	0.04085127%	9,704,307	4,434,771		218.82%	75.30%
2017	0.04181508%	13,996,768	4,293,236		326.02%	66.80%
2016	0.04722145%	13,050,628	4,331,450		301.30%	72.10%
2015	0.05130503%	12,479,159	5,394,746		231.32%	74.70%
2014	0.05130503%	14,792,503	5,599,092		264.19%	69.30%
(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2014 is not available.						
(2) Amounts presented as of the College's measurement date which is the prior fiscal year end.						
See accompanying notes to the required supplementary information.						

**North Central State College**  
*Notes to the Required Supplementary Information For  
the Fiscal Year Ended June 30, 2021*

North Central State College						
Required Supplementary Information						
Schedule of the College's Proportionate Share of the Net Pension Liability						
School Employees Retirement System of Ohio						
Last Eight Fiscal Years (1) (2)						
Year	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position Percentage as a of the Total Pension Liability	
2021	0.08182890%	\$5,412,336	\$2,868,743	188.67%	68.55%	
2020	0.09003820%	5,387,143	3,088,822	174.41%	70.85%	
2019	0.09093950%	5,208,274	3,034,659	171.63%	71.36%	
2018	0.09844960%	5,882,146	3,915,886	150.21%	69.50%	
2017	0.10123880%	7,409,746	3,144,079	235.67%	62.98%	
2016	0.10861860%	6,197,883	3,096,077	200.19%	69.16%	
2015	0.11448500%	5,794,021	3,365,354	172.17%	71.70%	
2014	0.11448500%	6,810,796	3,373,172	201.91%	65.52%	

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2014 is not available.

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

See accompanying notes to the required supplementary information.

**North Central State College**  
*Notes to the Required Supplementary Information For  
the Fiscal Year Ended June 30, 2021*

North Central State College					
Required Supplementary Information					
Schedule of College's Contributions for Net Pension Liability					
State Teachers Retirement System of Ohio					
Last Eight Fiscal Years (1)					
Year	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2021	\$494,189	(\$494,189)	\$0	\$3,529,921	14.00%
2020	540,963	(540,963)	0	3,864,021	14.00%
2019	580,523	(580,523)	0	4,146,593	14.00%
2018	577,057	(577,057)	0	4,121,836	14.00%
2017	620,868	(620,868)	0	4,434,771	14.00%
2016	601,053	(601,053)	0	4,293,236	14.00%
2015	606,403	(606,403)	0	4,331,450	14.00%
2014	701,317	(701,317)	0	5,394,746	13.00%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2014 is not available.

See accompanying notes to the required supplementary information.

**North Central State College**  
*Notes to the Required Supplementary Information For  
the Fiscal Year Ended June 30, 2021*

North Central State College						
Required Supplementary Information						
Schedule of College's Contributions for Net Pension Liability						
School Employees Retirement System of Ohio						
Last Eight Fiscal Years (1)						
Year	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll	
2021	\$371,041	(\$371,041)	\$0	\$2,650,293	14.00%	
2020	401,624	(401,624)	0	2,868,743	14.00%	
2019	416,991	(416,991)	0	3,088,822	13.50%	
2018	409,679	(409,679)	0	3,034,659	13.50%	
2017	548,224	(548,224)	0	3,915,886	14.00%	
2016	440,171	(440,171)	0	3,144,079	14.00%	
2015	408,063	(408,063)	0	3,096,077	13.18%	
2014	466,438	(466,438)	0	3,365,354	13.86%	

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2014 is not available.

See accompanying notes to the required supplementary information.

**North Central State College**  
*Notes to the Required Supplementary Information For  
the Fiscal Year Ended June 30, 2021*

North Central State College						
Required Supplementary Information						
Schedule of the College's Proportionate Share of the Net OPEB (Asset)/Liability						
State Teachers Retirement System of Ohio						
Last Five Fiscal Years (1) (2)						
Year	Proportion of the Net OPEB (Asset)/Liability	Proportionate Share of the Net OPEB (Asset)/Liability	Covered Payroll	Proportionate Share of the Net OPEB (Asset)/Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position Percentage as a of the Total OPEB (Asset)/Liability	
2021	0.03490146%	(\$613,393)	\$3,864,021	(15.87%)	182.13%	
2020	0.03773247%	(624,940)	4,146,593	(15.07%)	174.74%	
2019	0.03856299%	(619,668)	4,121,836	(15.03%)	176.00%	
2018	0.04085127%	1,593,866	4,434,771	35.94%	47.10%	
2017	0.04181508%	2,236,281	4,293,236	52.09%	37.30%	
(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2017 is not available.						
(2) Amounts presented as of the College's measurement date which is the prior fiscal year end.						
See accompanying notes to the required supplementary information.						

**North Central State College**  
*Notes to the Required Supplementary Information For  
the Fiscal Year Ended June 30, 2021*

North Central State College						
Required Supplementary Information						
Schedule of the College's Proportionate Share of the Net OPEB Liability						
School Employees Retirement System of Ohio						
Last Five Fiscal Years (1) (2)						
Year	Proportion of the Net OPEB Liability	Proportionate Share of the Net OPEB Liability	Covered Payroll	Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position Percentage as a of the Total OPEB Liability	
2021	0.07895040%	\$1,715,851	\$2,868,743	59.81%	18.17%	
2020	0.08689010%	2,185,103	3,088,822	70.74%	15.57%	
2019	0.08806940%	2,443,283	3,034,659	80.51%	13.57%	
2018	0.09650590%	2,589,965	3,915,886	66.14%	12.46%	
2017	0.10230332%	2,916,023	3,144,079	92.75%	11.49%	

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

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

See accompanying notes to the required supplementary information.

**North Central State College**  
*Notes to the Required Supplementary Information For  
the Fiscal Year Ended June 30, 2021*

North Central State College						
Required Supplementary Information						
Schedule of College's Contributions for Net OPEB (Asset)/Liability						
State Teachers Retirement System of Ohio						
Last Six Fiscal Years (1)						
Year	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll	
2021	\$0	\$0	\$0	\$3,529,921	0.00%	
2020	0	0	0	3,864,021	0.00%	
2019	0	0	0	4,146,593	0.00%	
2018	0	0	0	4,121,836	0.00%	
2017	0	0	0	4,434,771	0.00%	
2016	0	0	0	4,293,236	0.00%	

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2016 is not available.

See accompanying notes to the required supplementary information.

**North Central State College**  
*Notes to the Required Supplementary Information For  
the Fiscal Year Ended June 30, 2021*

North Central State College						
Required Supplementary Information						
Schedule of College's Contributions for Net OPEB Liability						
School Employees Retirement System of Ohio						
Last Six Fiscal Years (1) (2)						
Year	Contractually Required Contribution (2)	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll	
2021	\$21,540	(\$21,540)	\$0	\$2,650,293	0.81%	
2020	22,514	(22,514)	0	2,868,743	0.78%	
2019	43,259	(43,259)	0	3,088,822	1.40%	
2018	44,149	(44,149)	0	3,034,659	1.45%	
2017	36,882	(36,882)	0	3,915,886	0.94%	
2016	50,515	(50,515)	0	3,144,079	1.61%	
(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2016 is not available.						
(2) Includes surcharge.						
See accompanying notes to the required supplementary information.						



**Note 1 – SERS Net Pension Liability**

**School Employees Retirement System (SERS)**

**Changes in Benefit Terms:**

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

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

2018: SERS changed from a fixed 3% annual increase to a Cost of Living Adjustment (COLA) based on the changed in the Consumer Price Index Index (CPI-W), with a cap of 2.5% and a floor of 0%.

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

**Changes in Assumptions:**

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

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

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

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

**Note 2 – STRS Net Pension Liability**

**State Teachers Retirement System (STRS)**

**Changes in Benefit Terms:**

2019-2021: There were no changes in benefit terms from the amounts reported for these fiscal years.

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

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

**Changes in Assumptions:**

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

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

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

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

**Note 3 – SERS Net OPEB (Asset)/Liability**

**School Employees Retirement System (SERS)**

**Changes in Benefit Terms:**

2017-2021: There were no changes in benefit terms from the amounts reported for these fiscal years.

**Note 3 – SERS Net OPEB (Asset)/Liability (Continued)**

**Changes in Assumptions:**

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

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

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

- (1) Discount Rate:
  - Prior Measurement Date 3.70%
  - Measurement Date 3.22%
- (2) Municipal Bond Index Rate:
  - Prior Measurement Date 3.62%
  - Measurement Date 3.13%
- (3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:
  - Prior Measurement Date 3.70%
  - Measurement Date 3.22%

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

- (1) Discount Rate:
  - Prior Measurement Date 3.63%
  - Measurement Date 3.70%
- (2) Municipal Bond Index Rate:
  - Prior Measurement Date 3.56%
  - Measurement Date 3.62%
- (3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:
  - Prior Measurement Date 3.63%
  - Measurement Date 3.70%

**North Central State College**  
*Notes to the Required Supplementary Information For  
the Fiscal Year Ended June 30, 2021*

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**Note 3 – SERS Net OPEB (Asset)/Liability (Continued)**

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

(1) Discount Rate:		
Fiscal Year 2018	3.63%	
Fiscal Year 2017	2.98%	
(2) Municipal Bond Index Rate:		
Fiscal Year 2018	3.56%	
Fiscal Year 2017	2.92%	
(3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:		
Fiscal Year 2018	3.63%	
Fiscal Year 2017	2.98%	

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

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

**Note 4 – STRS Net OPEB (Asset)/Liability**

**State Teachers Retirement System (STRS)**

**Changes in Benefit Terms:**

2021: There was no change to the claims costs process. Claim curves were updated to reflect the projected fiscal year end 2021 premium based on June 30, 2020 enrollment distribution. The non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984% to 2.055% per year of service. The non-Medicare frozen subsidy base premium was increased

**Note 4 – STRS Net OPEB (Asset)/Liability (Continued)**

effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

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

2019: The subsidy multiplier for non-Medicare benefit recipients was increased from 1.900% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased effective January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020. The Board is extending the current Medicare Part B partial reimbursement program for one year. Under this program, benefit recipients currently enrolled in the STRS Ohio Health Care Program and Medicare Part B receive \$29.90 per month to reimburse a portion of the Medicare Part B premium. The reimbursement was set to be reduced to \$0 beginning January 1, 2020. This impacts about 85,000 benefit recipients.

2018: The subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1 percent to 1.9 percent per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2019.

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

**Changes in Assumptions:**

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

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

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

**North Central State College**  
*Notes to the Required Supplementary Information For  
the Fiscal Year Ended June 30, 2021*

**Note 4 – STRS Net OPEB (Asset)/Liability (Continued)**

2018: The discount rate was increased from 3.26 percent to 4.13 percent based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB) and the long term expected rate of return was reduced from 7.75 percent to 7.45 percent. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

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

**North Central State College**  
*Schedule of Expenditures of Federal Awards*  
*For the Fiscal Year Ended June 30, 2021*

Federal Grantor/Pass Through Grantor Program Title	Assistance Listing Number	Pass Through Entity Number	Federal Expenditures
<b>United States Department of Education</b>			
<i>Direct Awards:</i>			
<i>Student Financial Assistance Cluster:</i>			
Federal Supplemental Educational Opportunity Grants	84.007	N/A	\$ 191,343
Federal Direct Student Loans	84.268	N/A	1,428,605
Federal Work-Study Program	84.033	N/A	25,108
Federal Pell Grant Program	84.063	N/A	<u>2,590,220</u>
<i>Total Federal Student Financial Assistance Cluster</i>			4,235,276
<i>TRIO Cluster:</i>			
TRIO - Student Support Services	84.042	N/A	<u>177,577</u>
<i>Total TRIO Cluster</i>			177,577
<i>Higher Education Institutional Aid</i>			
	84.031	N/A	30,589
COVID-19 Higher Education Emergency Relief Fund Student Aid Portion	84.425E	N/A	818,314
COVID-19 Higher Education Emergency Relief Fund Institutional Portion	84.425F	N/A	1,072,750
<i>Passed Through the Ohio Department of Education</i>			
COVID-19 Governor's Emergency Education Relief Fund	84.425C	N/A	<u>1,772</u>
<i>Total Education Stabilization Fund</i>			1,892,836
<i>Passed Through the Ohio Department of Education</i>			
Career and Technical Education - Basic Grants to States	84.048	3L90	<u>99,348</u>
<i>Total United States Department of Education</i>			<u>6,435,626</u>
<b>United States Department of Health and Human Services</b>			
<i>Direct Awards:</i>			
Head Start	93.600	N/A	<u>528,093</u>
<i>Total United States Department of Health and Human Services</i>			<u>528,093</u>
<b>United States Department of Labor</b>			
<i>Passed through the Ohio Department of Job and Family Services</i>			
Apprenticeship USA Grants	17.285	N/A	<u>29,067</u>
<i>Total United States Department of Labor</i>			<u>29,067</u>
<b>United States Department of Agriculture</b>			
<i>Passed Through the Ohio Department of Education</i>			
Child and Adult Care Food Program	10.558	CCCN/CCMN/LUCN	<u>16,485</u>
<i>Total United States Department of Agriculture</i>			<u>16,485</u>
<b>United States Department of the Treasury</b>			
<i>Passed Through the Ohio Department of Education</i>			
COVID-19 Coronavirus Relief Fund	21.019	5CV1	<u>462,372</u>
<i>Total United States Department of the Treasury</i>			<u>462,372</u>
<b>National Science Foundation</b>			
<i>Direct Awards:</i>			
Education and Human Resources	47.076	N/A	<u>47,730</u>
<i>Total National Science Foundation</i>			<u>47,730</u>
<i>Total Expenditures of Federal Awards</i>			<u>\$ 7,519,373</u>

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

**NORTH CENTRAL STATE COLLEGE**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Fiscal Year Ended June 30, 2021**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNT POLICIES**

The accompanying schedule of expenditures of federal awards includes federal grant activity of the College and is presented on the accrual basis of accounting. 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). The College did not elect to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE 2: FEDERAL DIRECT STUDENT LOANS**

The College participates in the Federal Direct Student Loan Program. The dollar amounts listed in the schedule of federal awards expenditures represents new loans advanced during the current fiscal year. The College is a direct lender of these loan funds; however the College is not responsible for collecting these loans in future periods.

<b>CFDA Number</b>	<b>Program Name</b>	<b>Amount</b>
84.268	Federal Subsidized Loans	\$ 730,082
84.268	Federal Unsubsidized Loans	<u>\$ 698,523</u>
	Total Federal Direct Student Loans	<u><u>\$ 1,428,605</u></u>



**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***

Board of Trustees  
North Central State College, Richland County, Ohio

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 business-type activities and the discretely presented component unit of the North Central State College (the College), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the College's basic financial statements and have issued our report thereon dated November 24, 2021.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the College's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we do not express an opinion on the effectiveness of the College's internal control.

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

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

**Compliance and Other Matters**

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

## Purpose of this Report

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

*Plattensburg & Associates, Inc.*

Plattensburg & Associates, Inc.  
Cincinnati, Ohio  
November 24, 2021

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

To the Board of Trustees  
North Central State College, Richland County, Ohio

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

We have audited the North Central State College's (the College) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the College's major federal programs for the year ended June 30, 2021. The College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the College's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the College's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the College's compliance.

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

In our opinion, the College, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

***Other Matters***

Subsequent to issuing our Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by Uniform Guidance dated November 24, 2021, we determined the Education Stabilization Fund ALN 84.425 should have been audited as a major program. We also determined that there was some additional testing required related to the Student Financial Aid Cluster.

## Report on Internal Control over Compliance

Management of the College is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the College's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the College's 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

*Plattenburg & Associates, Inc.*

Plattenburg & Associates, Inc.

Cincinnati, Ohio

November 24, 2021, except for the Education Stabilization Fund ALN 84.425 audited as a major federal program and some additional testing related to the Student Financial Aid Cluster, which are dated December 9, 2022.

**NORTH CENTRAL STATE COLLEGE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2021**

**Section I – Summary of Auditor’s Results**

**Financial Statements**

Type of auditor’s report issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? No
- Significant Deficiency(s) identified? None reported

Noncompliance material to financial statements noted? No

**Federal Awards**

Internal control over major federal programs:

- Material weakness(es) identified? No
- Significant Deficiency(s) identified? None reported

Type of auditor’s report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No

Identification of major federal programs:

- Student Financial Assistance Cluster 84.007, 84.033, 84.063, and 84.268
- Coronavirus Relief Fund 21.019
- Education Stabilization Fund:
  - HEERF-Student Aid Portion ALN 84.425E
  - HEERF-Institutional Portion ALN 84.425F
  - HEERF-Governors Emergency Education Relief Fund ALN 84.425C

Dollar threshold used to distinguish between Type A and Type B Programs \$750,000

Auditee qualified as low-risk auditee? Yes

**Section II – Findings Related to the Financial Statements Required to be reported in Accordance with GAGAS**

None

**Section III – Federal Award Findings and Questioned Costs**

None

**NORTH CENTRAL STATE COLLEGE  
SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2021**

Summary of Prior Audit Findings:

None Noted.

# OHIO AUDITOR OF STATE KEITH FABER



**NORTH CENTRAL STATE COLLEGE**

**RICHLAND 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 1/3/2023**

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

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