

WASHINGTON STATE COLLEGE OF OHIO  
(FORMERLY KNOWN AS WASHINGTON  
STATE COMMUNITY COLLEGE)  
(A COMPONENT UNIT OF THE STATE OF OHIO)  
WASHINGTON COUNTY, OHIO

*SINGLE AUDIT*

FOR THE FISCAL YEAR ENDED JUNE 30, 2024



[www.reacpa.com](http://www.reacpa.com)



# OHIO AUDITOR OF STATE KEITH FABER

65 East State Street  
Columbus, Ohio 43215  
ContactUs@ohioauditor.gov  
800-282-0370

Board of Trustees  
Washington State College of Ohio  
710 Colegate Drive  
Marietta, Ohio 45750

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

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. Washington State College of Ohio is responsible for compliance with these laws and regulations.



Keith Faber  
Auditor of State  
Columbus, Ohio

December 24, 2024

**This page intentionally left blank.**

WASHINGTON STATE COLLEGE OF OHIO  
WASHINGTON COUNTY, OHIO  
JUNE 30, 2024

TABLE OF CONTENTS

<i>TITLE</i>	<i>PAGE</i>
Independent Auditor's Report .....	1-3
Management's Discussion and Analysis.....	4-10
Basic Financial Statements:	
Statement of Net Position.....	11
Statement of Revenues, Expenses and Changes in Net Position .....	12
Statement of Cash Flows .....	13
Notes to the Financial Statements.....	14-47
Required Supplementary Information:	
Schedule of the College's Proportionate Share of the Net Pension Liability.....	48-49
Schedule of the College's Contributions - Pension.....	50-51
Schedule of the College's Proportionate Share of the Net OPEB Liability/ (Asset).....	52-53
Schedule of the College's Contributions - OPEB .....	54-55
Notes to the Required Supplementary Information .....	56-59
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 <i>Government Auditing Standards</i> .....	60-61
Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance.....	62-64
Schedule of Expenditures of Federal Awards.....	65
Notes to Schedule of Expenditures of Federal Awards .....	66
Schedule of Findings and Questioned Costs.....	67-68

**This page intentionally left blank.**



**Independent Auditor's Report**

Board of Trustees  
Washington State College of Ohio  
Washington County, Ohio  
710 Colegate Drive  
Marietta, OH 45750

**Report on the Audit of the Financial Statements**

***Opinions***

We have audited the financial statements of the business-type activities and the aggregate discretely presented component unit of Washington State College of Ohio, Washington County, Ohio (the College), a component unit of the State of Ohio, as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component unit of the College as of June 30, 2024 and 2023, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinions***

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

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

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

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

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

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

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

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

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

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and pension and other post-employment benefit schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting



for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2024 on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

*Rea & Associates, Inc.*

Rea & Associates, Inc.  
Marietta, Ohio  
October 15, 2024

**Washington State College of Ohio**  
**(fka Washington State Community College)**  
**Washington County, Ohio**  
Management's Discussion and Analysis  
For the Fiscal Years Ended June 30, 2024 and 2023  
(Unaudited)

---

**Management's Discussion and Analysis**

Washington State College of Ohio (the College) Management's Discussion and Analysis (MD&A) of its financial condition provides an overview of the financial performance of the College for the years ended June 30, 2024 and June 30, 2023. This discussion has been prepared by management and should be read in conjunction with the accompanying financial statements and notes.

**Financial Highlights**

The College's financial statements for fiscal year 2024 reported net position of \$24,209,964. The College's financial statements for fiscal year 2023 reported net position of \$21,100,778.

The College's enrollment in fiscal year 2024 increased in Full-time Equivalent (FTE) from the previous year. The total FTE for fiscal year 2024, as reported to the Ohio Department of Higher Education, was 2,463, up from 2,414 reported for fiscal year 2023. The College's enrollment in fiscal year 2023 also increased in Full-time Equivalent (FTE) from the previous year.

**Using the Annual Report**

This annual report consists of a series of financial statements, prepared in accordance with Governmental Accounting Standards Board (GASB) Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities* (GASB 35).

One of the most important questions asked about College finances is whether the College is better off as a result of the year's activities. One key to answering this question is the financial statements of the College. The Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows present financial information on the College, in a format similar to that used by corporations, and present a long-term view of the College's finances. The College's net position (the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources) are one indicator of the College's financial health. Over time, increases or decreases in net position are an indicator of the improvement or erosion of the College's financial health, when considered in conjunction with non-financial facts such as enrollment levels and conditions of facilities.

The Statement of Net Position includes all assets and deferred outflows of resources, and all liabilities and deferred inflows of resources. It is prepared under the accrual basis of accounting, whereby revenues and assets are recognized when the service is provided and expenses and liabilities are recognized when others provide the service, 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. GASB 35 requires state appropriations to be classified as non-operating revenues. Accordingly, the College will generate a net operating loss prior to the addition of non-operating revenues. The utilization of long-lived assets, referred to as capital assets, is reflected in the financial statements as depreciation, which amortizes the cost of an asset over its expected useful life.

Another 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, financing and investing activities.

**Washington State College of Ohio**  
**(fka Washington State Community College)**  
**Washington County, Ohio**  
Management's Discussion and Analysis  
For the Fiscal Years Ended June 30, 2024 and 2023  
(Unaudited)

---

**Condensed Financial Information**

*Statements of Net Position (in thousands)*

	<b>2024</b>	<b>2023</b>	<b>2022</b>
<b>Assets</b>			
Current assets	\$ 20,732	\$ 17,958	\$ 16,494
Non-Current Assets			
Net OPEB Asset	566	807	650
Capital Assets, Net	17,506	17,247	16,711
<i>Total Assets</i>	<u>38,804</u>	<u>36,012</u>	<u>33,855</u>
<b>Deferred Outflows of Resources</b>			
Pension	2,020	2,347	2,186
OPEB	448	241	261
<i>Total Deferred Outflows of Resources</i>	<u>2,468</u>	<u>2,588</u>	<u>2,447</u>
<b>Liabilities</b>			
Current Liabilities	4,297	3,977	4,110
Non-Current Liabilities	10,564	10,910	7,052
<i>Total Liabilities</i>	<u>14,861</u>	<u>14,887</u>	<u>11,162</u>
<b>Deferred Inflow of Resources</b>			
Pension	930	1,006	4,925
OPEB	1,271	1,607	1,506
<i>Total Deferred Inflows of Resources</i>	<u>2,201</u>	<u>2,613</u>	<u>6,431</u>
<b>Net Position</b>			
Net Investment in Capital Assets	17,506	17,247	16,375
Restricted	2,247	297	303
Unrestricted	4,457	3,556	2,031
<i>Total Net Position</i>	<u>\$ 24,210</u>	<u>\$ 21,100</u>	<u>\$ 18,709</u>

A review of the College's Statement of Net Position at June 30, 2024 shows that the College continues to maintain a strong financial position.

**Assets and Deferred Outflows of Resources**

As of June 30, 2024, the College's total assets and deferred outflows of resources amount to \$41,272,278. Capital assets represented the College's largest asset. Cash and cash equivalents represented the next largest asset followed by accounts receivable, net of allowance for doubtful accounts. As of June 30, 2023, the College's total assets and deferred outflows amount to \$38,600,544.

**Washington State College of Ohio**  
**(fka Washington State Community College)**  
**Washington County, Ohio**

Management's Discussion and Analysis  
For the Fiscal Years Ended June 30, 2024 and 2023  
(Unaudited)

---

Total assets increased in fiscal year 2024 primarily due to an increase in cash and cash equivalents and accounts receivable. Cash and cash equivalents increased as result of conservative budgeting and accounts receivable increased due to the timing of revenues earned versus cash received.

**Liabilities and Deferred Inflows of Resources**

At June 30, 2024, the College's liabilities and deferred inflows of resources totaled \$17,062,314. The College's net pension liability and net OPEB liability represent \$10,333,270. Accounts payable, accrued liabilities, deposits and deferred student tuition and fees represented \$4,014,200. During fiscal year 2024 current liabilities increased significantly as a result of an increase in unearned revenue. Unearned revenue increased as a result of an increase in early enrollment for the upcoming fall 2024 semester. At June 30, 2023, the College's liabilities and deferred inflows totaled \$17,499,766. The College's net pension liability and net OPEB liability represent \$10,669,546. Accounts payable, accrued liabilities, deposits and deferred student tuition and fees represented \$3,729,109.

There were significant changes in Net Pension Liabilities and Net OPEB Liabilities and Assets in both fiscal year 2024 and 2023. These fluctuations are due to changes in the retirement systems unfunded liabilities that are passed through to the College's financial statements. All components of pension and OPEB accruals contribute to the fluctuations in deferred inflows/outflows and Net Pension Liabilities and Net OPEB Liabilities and Assets and are described in more detail in the accompanying notes.

**Net Position**

Net position at June 30, 2024 totaled \$24,209,964. Investment in capital assets totaled \$17,506,473 of total net position. Net position at June 30, 2023 totaled \$21,100,778. Investment in capital assets totaled \$17,247,434 of total net position.

*This space intentionally left blank*

**Washington State College of Ohio**  
**(fka Washington State Community College)**  
**Washington County, Ohio**  
Management's Discussion and Analysis  
For the Fiscal Years Ended June 30, 2024 and 2023  
(Unaudited)

---

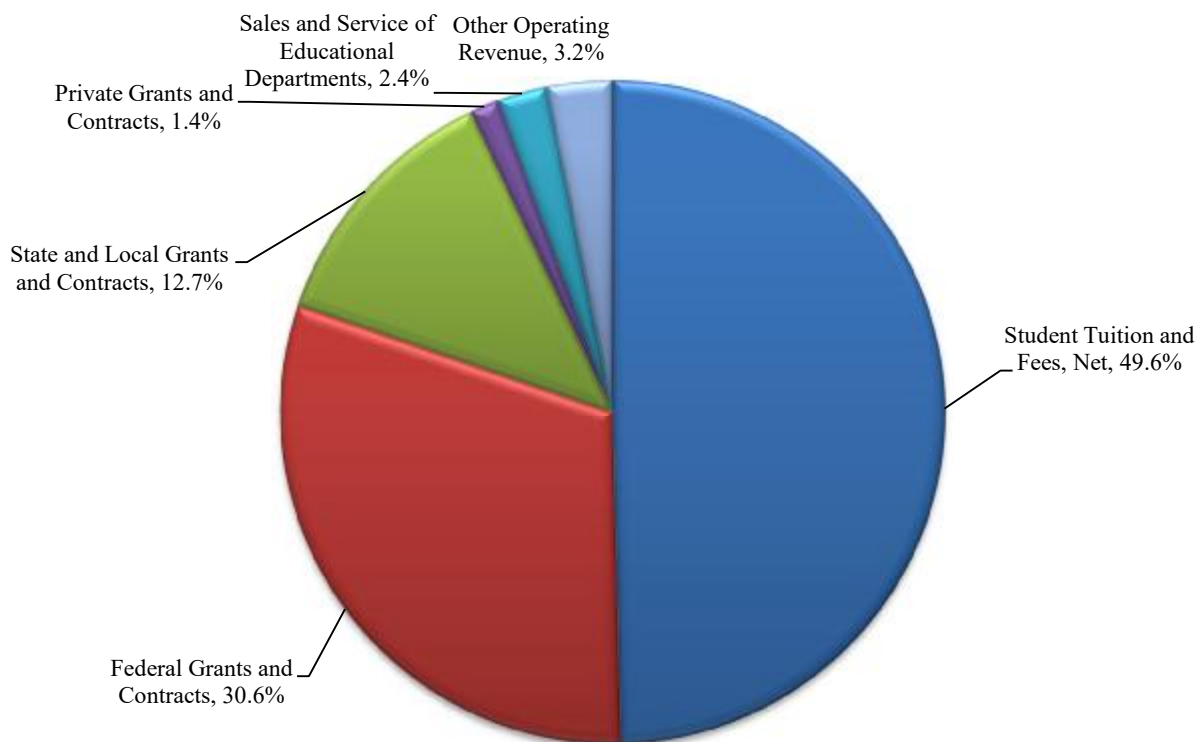
***Statements of Revenues, Expenses, and Changes in Net Position (in thousands)***

	<u><b>2024</b></u>	<u><b>2023</b></u>	<u><b>2022</b></u>
<b>Operating Revenues</b>			
Student Tuition and Fees, Net	\$ 3,514	\$ 3,722	\$ 4,320
Grants and Contracts	3,173	1,157	1,108
Sales and Service	171	201	183
Other Operating Revenue	226	210	422
<i>Total Operating Revenues</i>	<u>7,084</u>	<u>5,290</u>	<u>6,033</u>
<b>Operating Expenses</b>			
Educational and General	14,307	12,836	12,190
Depreciation	1,207	1,111	977
Scholarships and Fellowships	1,567	1,427	3,838
<i>Total Operating Expenses</i>	<u>17,081</u>	<u>15,374</u>	<u>17,005</u>
Operating Loss	(9,997)	(10,084)	(10,972)
<b>NONOPERATING REVENUES</b>			
State Appropriations	7,343	6,823	6,442
Federal Grants	272	1,512	3,181
Pell Grant Awards	3,306	2,725	2,503
Investment Income	398	103	14
<i>Total Non-Operating Revenues</i>	<u>11,319</u>	<u>11,163</u>	<u>12,140</u>
Income (Loss) Before Other Revenues Expenses, Gains, and Losses	1,322	1,079	1,168
Capital Appropriations	<u>1,788</u>	<u>1,312</u>	<u>2,110</u>
Increase (Decrease) in Net Position	3,110	2,391	3,278
Beginning Net Position	<u>21,100</u>	<u>18,709</u>	<u>15,431</u>
Ending Net Position	<u><u>\$ 24,210</u></u>	<u><u>\$ 21,100</u></u>	<u><u>\$ 18,709</u></u>

**Washington State College of Ohio**  
**(fka Washington State Community College)**  
**Washington County, Ohio**  
Management's Discussion and Analysis  
For the Fiscal Years Ended June 30, 2024 and 2023  
(Unaudited)

---

**Operating Revenues**



Total operating revenues were \$7,084,097 for the year ended June 30, 2024. The most significant sources of operating revenue for the College are student tuition and fees, net of scholarship and allowance and federal grants and contracts. Total operating revenues were \$5,290,119 for the year ended June 30, 2023.

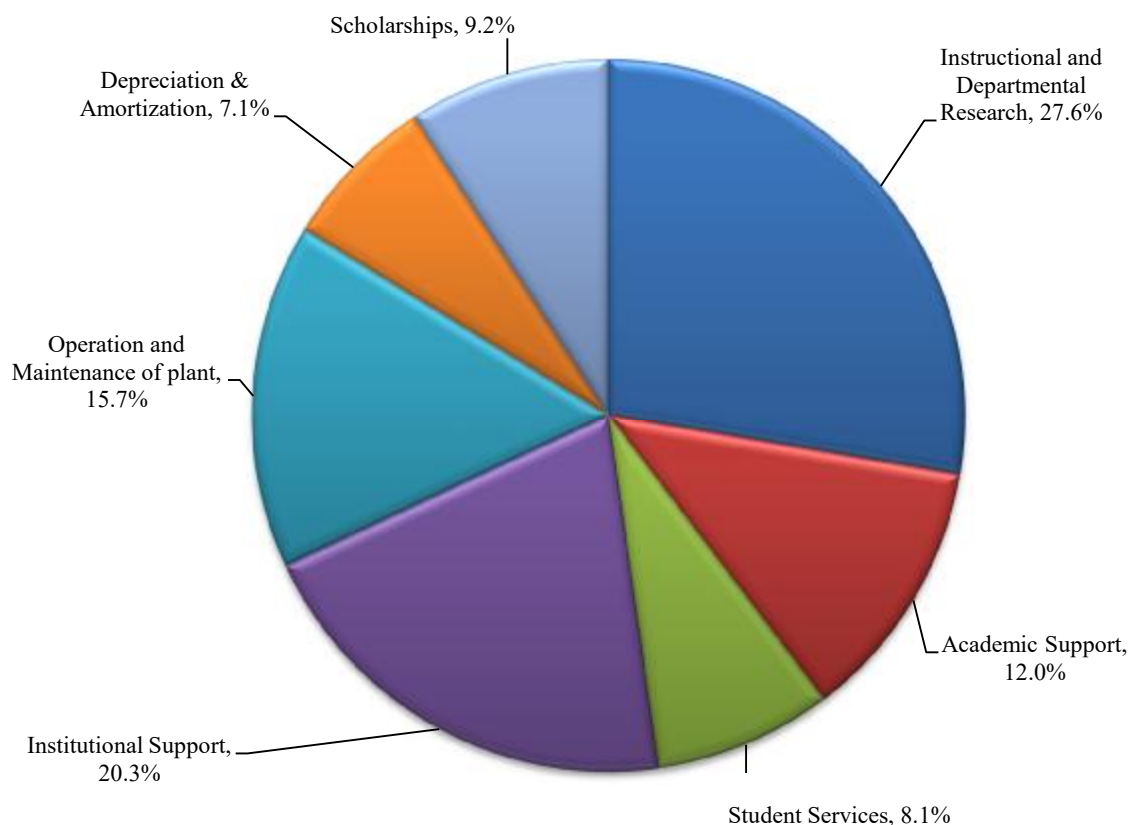
In 2024, there was a increase in federal grants and contracts. This increase was primarily caused by new grant funding from the USDA for nursing students. In 2023, there was a decrease in student tuition and fees. This decrease was primarily caused by an increase in scholarship allowances.

There are other significant recurring sources of revenues essential to the operation of the College, including state appropriations and Pell grant awards which are considered non-operating revenues as defined by GASB 35. The College also received Higher Education Emergency Relief funds to assist with COVID response that are considered non-operating revenues. The College's state appropriations for the year ended June 30, 2024, amounted to \$7,343,255. This represents an increase of \$520,442 from the College's appropriations for the prior fiscal year. The College's state appropriations for the year ended June 30, 2023, amounted to \$6,822,813. This represents an increase of \$380,732 from the College's appropriations for fiscal year 2022. During fiscal year 2024 Pell grant awards increased \$580,878 and Federal grants decreased \$1,240,403. Federal grants decreased significantly in 2024 and 2023 due to the College receiving significantly less COVID related funding year over year. Capital appropriations decreased significantly in fiscal year 2023 due to a large health sciences building renovation that was primarily completed in fiscal year 2022.

**Washington State College of Ohio**  
**(fka Washington State Community College)**  
**Washington County, Ohio**  
Management's Discussion and Analysis  
For the Fiscal Years Ended June 30, 2024 and 2023  
(Unaudited)

---

**Operating Expenses**



Operating expenses for 2024, including \$1,207,197 of depreciation, totaled \$17,081,005. As depicted in the chart above, the majority of the College's operating funds are expended directly for the primary mission of the College, instruction, scholarships, and institutional support. One of the College's core values is to provide students access to the College with the opportunity to succeed. The College's continued investment in student financial aid programs and student support services reflects this commitment. For the year ended June 30, 2024, student financial aid related to tuition and fees totaled \$3,637,201 which included scholarships and fellowships, and scholarship allowances.

Operating expenses for 2023, including \$1,110,706 of depreciation, totaled \$15,373,250. For the year ended June 30, 2023 student financial aid related to tuition and fees totaled \$3,244,812 which included scholarships and fellowships, and scholarship allowances.

Overall operating expenses increased in 2024. Academic support and operation and maintenance of plant expenses both increased. These increases are the result of new programs at the College and building maintenance. Overall operating expenses decreased in 2023. Scholarship expenses decreased as a result of more emergency aid awarded directly to students as part of the Higher Education Emergency Relief funds provided by the department of education. In addition, changes in operating expenses are associated with changes in the College's proportionate share of the net pension liability, net OPEB liability/asset and related accruals. As previously indicated, these items are explained in detail within their respective notes.

**Washington State College of Ohio**  
**(fka Washington State Community College)**  
**Washington County, Ohio**

Management's Discussion and Analysis  
For the Fiscal Years Ended June 30, 2024 and 2023  
(Unaudited)

---

**Capital Assets**

Capital assets, net of accumulated depreciation, totaled \$17,506,473 at June 30, 2024, a net increase of \$259,039 from the prior year-end due to additions exceeding depreciation expense. The College had significant classroom equipment additions during the fiscal year. Capital assets, net of accumulated depreciation, totaled \$17,247,434 at June 30, 2023, a net increase of \$536,839 from the prior year-end due to additions exceeding depreciation expense. For more information on the College's capital assets see Note 6.

**Looking Ahead**

Washington State Community College remains committed to providing access to high quality, affordable education to all residents of the Mid-Ohio Valley. The College's current annual tuition and fees of \$5,100 (for 30 credit hours) remains competitive among Ohio two-year colleges. There is a direct relationship between the level of State support and the College's ability to control tuition growth, as declines in State appropriations generally result in increased tuition levels. The State's budget bill allowed the College to increase tuition during fiscal year 2020 and 2021 up to \$5 per credit hour each academic year for the biennium. The College increased tuition by \$5 per credit hour effective spring 2021. The State's budget bill also allowed the College to increase tuition during fiscal year 2022 and 2023 up to \$5 per credit hour each academic year for the biennium. The College increased tuition by \$5 per credit hour effective summer 2022. The College also removed the Connectivity Fee (\$25 per online course) effective summer 2022.

The College proactively manages its financial position and adopts budgetary guidelines and principles that address cost reductions and revenue enhancement. However, the College faces significant cost pressures in the future. These relate to attracting and retaining high quality faculty and staff, increasing costs of health insurance, volatile energy prices and others.

Paramount to the continuing success of the College is its accreditation by the Higher Learning Commission, which was successfully reaffirmed during fiscal year 2018 and is due for renewal in fiscal year 2028.



**Washington State College of Ohio**  
**(fka Washington State Community College)**  
**Washington County, Ohio**  
*Statement of Net Position*  
*June 30, 2024 and 2023*

	2024		2023	
	Washington State College of Ohio	Component Unit Washington State Foundation	Washington State College of Ohio	Component Unit Washington State Foundation
<b>Assets</b>				
<i>Current Assets:</i>				
Cash and Cash Equivalents	15,106,779	\$ 411,560	\$ 13,114,992	\$ 195,776
Accounts Receivable (Net of Allowance for Doubtful Accounts of \$236,708 in 2024 and 2023)	5,440,436	-	4,705,787	-
Prepaid Items	184,579	-	137,232	-
<i>Total Current Assets</i>	<u>20,731,794</u>	<u>411,560</u>	<u>17,958,011</u>	<u>195,776</u>
<i>Non-Current Assets:</i>				
Investments	-	2,143,189	-	1,925,043
Net OPEB Asset	565,674	-	806,790	-
Non-Depreciable Capital Assets	1,425,744	-	980,000	-
Depreciable Capital Assets, Net	16,080,729	-	16,267,434	-
<i>Total Non-Current Assets</i>	<u>18,072,147</u>	<u>2,143,189</u>	<u>18,054,224</u>	<u>1,925,043</u>
<i>Total Assets</i>	<u>38,803,941</u>	<u>2,554,749</u>	<u>36,012,235</u>	<u>2,120,819</u>
<b>Deferred Outflows of Resources</b>				
Pension	2,020,339	-	2,347,231	-
OPEB	447,998	-	241,078	-
<i>Total Deferred Outflows of Resources</i>	<u>2,468,337</u>	<u>-</u>	<u>2,588,309</u>	<u>-</u>
<b>Liabilities</b>				
<i>Current Liabilities:</i>				
Accounts Payable and Accrued Liabilities	1,720,019	-	1,637,921	10,663
Unearned Revenue	2,256,146	-	2,048,749	-
Deposits	38,035	-	42,439	-
Claims Payable	242,439	-	205,300	-
Compensated Absences - Current Portion	40,691	-	42,451	-
<i>Total Current Liabilities</i>	<u>4,297,330</u>	<u>-</u>	<u>3,976,860</u>	<u>10,663</u>
<i>Non-Current Liabilities</i>				
Net Pension Liability	9,445,317	-	9,936,546	-
Net OPEB Liability	887,953	-	733,000	-
Compensated Absences	230,579	-	240,553	-
<i>Total Non-Current Liabilities</i>	<u>10,563,849</u>	<u>-</u>	<u>10,910,099</u>	<u>-</u>
<i>Total Liabilities</i>	<u>14,861,179</u>	<u>-</u>	<u>14,886,959</u>	<u>10,663</u>
<b>Deferred Inflows of Resources</b>				
Pension	930,116	-	1,006,227	-
OPEB	1,271,019	-	1,606,580	-
<i>Total Deferred Inflows of Resources</i>	<u>2,201,135</u>	<u>-</u>	<u>2,612,807</u>	<u>-</u>
<b>Net Position</b>				
Investment in Capital Assets	17,506,473	-	17,247,434	-
Restricted for:				
Nonexpendable				
Scholarship and Fellowships	-	682,402	-	662,402
Expendable				
Scholarship and Fellowships	-	1,519,612	-	1,179,913
Capital Projects	376,249	102,753	296,875	90,879
OPEB	565,674	-	-	-
Other Purposes	1,305,253	-	-	-
Unrestricted	4,456,315	249,982	3,556,469	176,962
<i>Total Net Position</i>	<u>\$ 24,209,964</u>	<u>\$ 2,554,749</u>	<u>\$ 21,100,778</u>	<u>\$ 2,110,156</u>

The accompanying notes are an integral part of these financial statements.

**Washington State College of Ohio**  
**(fka Washington State Community College)**  
**Washington County, Ohio**  
*Statement of Revenues, Expenses and Changes in Net Position*  
*For the Fiscal Years Ended June 30, 2024 and 2023*

	2024		2023	
	Washington State College of Ohio	Component Unit Washington State Foundation	Washington State College of Ohio	Component Unit Washington State Foundation
<b>Operating Revenues</b>				
Student Tuition and Fees (Net of Scholarship Allowances of \$2,070,499 in 2024 and \$1,817,552 in 2023)	\$ 3,514,104	\$ -	\$ 3,722,091	\$ -
Federal Grants and Contracts	2,170,027	-	987,736	-
State and Local Grants and Contracts	903,221	-	144,000	-
Private Grants and Contracts	100,000	433,081	25,000	339,586
Sales and Service of Educational Departments	170,684	-	200,847	-
Other Operating Revenues	226,061	-	210,445	-
<b>Total Operating Revenues</b>	<b>7,084,097</b>	<b>433,081</b>	<b>5,290,119</b>	<b>339,586</b>
<b>Operating Expenses</b>				
Educational and General				
Instructional and Departmental Research	4,739,848	-	4,870,292	-
Academic Support	2,046,417	-	1,163,865	-
Student Services	1,378,498	-	1,112,101	-
Institutional Support	3,463,901	171,435	3,885,793	96,179
Operation and Maintenance of Plant	2,678,442	-	1,803,233	-
Depreciation	1,207,197	-	1,110,706	-
Scholarships and Fellowships	1,566,702	140,869	1,427,260	171,200
<b>Total Operating Expenses</b>	<b>17,081,005</b>	<b>312,304</b>	<b>15,373,250</b>	<b>267,379</b>
<b>Operating Income (Loss)</b>	<b>(9,996,908)</b>	<b>120,777</b>	<b>(10,083,131)</b>	<b>72,207</b>
<b>Non-Operating Revenues (Expense)</b>				
State Appropriations (Subsidy)	7,343,255	-	6,822,813	-
Investment Income	398,280	323,816	103,444	212,414
Federal Grants	271,841	-	1,512,244	-
Pell Grant Awards	3,305,331	-	2,724,453	-
<b>Total Non-Operating Revenues (Expense)</b>	<b>11,318,707</b>	<b>323,816</b>	<b>11,162,954</b>	<b>212,414</b>
<b>Income (Loss) Before Other Revenues, Expenses, Gains and Losses</b>	<b>1,321,799</b>	<b>444,593</b>	<b>1,079,823</b>	<b>284,621</b>
Capital Appropriations	1,787,387	-	1,311,863	-
<b>Change in Net Position</b>	<b>3,109,186</b>	<b>444,593</b>	<b>2,391,686</b>	<b>284,621</b>
<b>Net Position Beginning of Year</b>	<b>21,100,778</b>	<b>2,110,156</b>	<b>18,709,092</b>	<b>1,825,535</b>
<b>Net Position End of Year</b>	<b>\$ 24,209,964</b>	<b>\$ 2,554,749</b>	<b>\$ 21,100,778</b>	<b>\$ 2,110,156</b>

The accompanying notes are an integral part of these financial statements.

**Washington State College of Ohio**  
**(fka Washington State Community College)**  
**Washington County, Ohio**  
*Statement of Cash Flows*  
*For the Fiscal Years Ended June 30, 2024 and 2023*

	2024		2023	
	Washington State College of Ohio	Component Unit Washington State Foundation	Washington State College of Ohio	Component Unit Washington State Foundation
<b>Cash Flows from Operating Activities</b>				
Tuition and Fees	\$ 3,191,907	\$ -	\$ 3,834,326	\$ -
Grants and Contracts	2,888,802	433,081	1,080,466	339,586
Payments to Suppliers and Utilities	(3,024,682)	(182,098)	(2,908,929)	(85,815)
Payments to Employees and Benefits	(11,446,822)	-	(10,319,371)	-
Payments for Scholarships and Fellowships	(1,521,615)	(140,869)	(1,427,260)	(171,200)
Other Receipts	264,339	-	340,075	-
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>(9,648,071)</u>	<u>110,114</u>	<u>(9,400,693)</u>	<u>82,571</u>
<b>Cash Flows from Noncapital Financing Activities</b>				
State Appropriations	7,343,255	-	6,822,813	-
Federal Grants	271,841	-	1,512,244	-
Pell Grant Awards	3,305,331	-	2,724,453	-
<i>Net Cash Provided by (Used for) Noncapital Financing Activities</i>	<u>10,920,427</u>	<u>-</u>	<u>11,059,510</u>	<u>-</u>
<b>Cash Flows from Capital and Related Financing Activities</b>				
Capital Appropriations	1,787,387	-	1,647,916	-
Purchases of Capital Assets	(1,466,236)	-	(1,983,598)	-
<i>Net Cash Provided by (Used for) Capital and Related Financing Activities</i>	<u>321,151</u>	<u>-</u>	<u>(335,682)</u>	<u>-</u>
<b>Cash Flows from Investing Activities</b>				
Sales (Purchases) of Investments	-	(218,146)	-	(281,141)
Interest on Investments	398,280	323,816	103,444	212,414
<i>Net Cash Provided by (Used for) Investing Activities</i>	<u>398,280</u>	<u>105,670</u>	<u>103,444</u>	<u>(68,727)</u>
<i>Net Increase (Decrease) in Cash and Investments</i>	1,991,787	215,784	1,426,579	13,844
<i>Cash and Cash Equivalents Beginning of Year</i>	13,114,992	195,776	11,688,413	181,932
<i>Cash and Cash Equivalents End of Year</i>	<u>\$ 15,106,779</u>	<u>\$ 411,560</u>	<u>\$ 13,114,992</u>	<u>\$ 195,776</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</b>				
Operating Income (Loss)	\$ (9,996,908)	\$ 120,777	\$ (10,083,131)	\$ 72,207
Adjustments:				
Depreciation	1,207,197	-	1,110,706	-
(Increase) Decrease in Assets and Deferred Outflows:				
Accounts Receivable, Net	(734,649)	-	(20,052)	-
Other Assets	(47,347)	-	(16,016)	-
Net OPEB Asset	241,116	-	(156,954)	-
Deferred Outflows - Pension/OPEB	119,972	-	(141,429)	-
Increase (Decrease) in Liabilities and Deferred Inflows:				
Accounts Payable	82,098	(10,663)	(39,228)	10,364
Deposits Held for Others	(4,404)	-	2,801	-
Unearned Revenue	207,397	-	(125,658)	-
Claims Payable	37,139	-	25,009	-
Compensated Absences Payable	(11,734)	-	24,335	-
Deferred Inflows - Pension/OPEB	(411,672)	-	(3,818,237)	-
Net Pension Liability	(491,229)	-	4,048,204	-
Net OPEB Liability/Asset	154,953	-	(211,043)	-
<i>Net Cash Provided by (Used For) Operating Activities</i>	<u>\$ (9,648,071)</u>	<u>\$ 110,114</u>	<u>\$ (9,400,693)</u>	<u>\$ 82,571</u>

The accompanying notes are an integral part of these financial statements.

**Washington State College of Ohio**  
**(fka Washington State Community College)**  
**Washington County, Ohio**

Notes to Financial Statements

For the Fiscal Years Ended June 30, 2024 and 2023

---

**Note 1 – Description of the Reporting Entity**

---

Washington State Community College was originally chartered on September 17, 1971 as Washington Technical College by the Ohio Department of Higher Education, formerly known as the Ohio Board of Regents in accordance with Section 3357.02 of the Ohio Revised Code. In 1991, the College's charter was revised to conform to the provisions of Section 3358.02 of the Ohio Revised Code and began operating under its current name as a state community college. In fiscal year 2024 the College requested to change its name to Washington State College of Ohio (the College) to better align its name with the substantive changes it has recently undertaken as well as to better align with higher education policies of the state. The College is a component unit of the State of Ohio, operates under an appointed Board of Trustees, and is fully accredited by the Higher Learning Commission ([www.hlcommission.org](http://www.hlcommission.org)).

The Washington State Community College Foundation (the Foundation) is a legally separate, tax-exempt organization supporting the College. The Foundation acts primarily as a fundraising organization to supplement the resources that are available to the College in support of its programs. Although the College does not control the timing or amount of receipts from the Foundation, the majority of resources, or income thereon that the Foundation holds and invests, are restricted to the activities of the College by donors. Based upon the provisions in Governmental Accounting Standards Board (GASB) Statement No. 14: *Reporting Entity* and subsequent amendments in various GASB pronouncements, the Foundation is considered a component unit of the College and is discretely presented in the College's financial statements.

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

---

**Basis of Presentation**

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by GASB.

GASB Statement No. 35: *Basic Financial Statements — and Management's Discussion and Analysis — for Public Colleges and Universities*, as amended by subsequent GASB Statements establishes standards for external financial reporting for public colleges and universities and requires that resources be classified for accounting and reporting purposes into the following net position categories:

**Net investment in capital assets**

Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.

**Restricted**

*Nonexpendable*

Net position subject to externally imposed stipulations that they be maintained permanently by the College. These include the Foundation's permanent endowment funds.

*Expendable*

Net position of which use by the College is subject to externally imposed stipulations that can be fulfilled by actions of the College pursuant to those stipulations or that expire by the passage of time.

**Unrestricted**

Net position of which 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.

**Washington State College of Ohio**  
**(fka Washington State Community College)**  
**Washington County, Ohio**  
Notes to Financial Statements  
For the Fiscal Years Ended June 30, 2024 and 2023

---

The financial statement presentation required by the appropriate GASB Statement is intended to provide a comprehensive, entity-wide perspective of the College's assets, deferred outflows, liabilities, deferred inflows, net position, revenues, expenses, changes in net position and cash flows.

**Basis of Accounting**

The financial statements have been prepared using the flow of economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when an obligation has been incurred. The College reports as a Business Type Activity (BTA) as defined by GASB 35. BTAs are those activities that are financed in whole or part by fees charged to external parties for goods and services.

In accordance with GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary funds and Other Governmental Entities That Uses Proprietary Fund Accounting*, the College is required to follow all applicable GASB pronouncements.

**Cash and Cash Equivalents**

This classification appears on the Statement of Net Position and the Statement of Cash Flows and includes petty cash and cash on deposit with private banks in checking and savings accounts.

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

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 for deposits and withdrawals of \$100 million or more is appreciated. STAR Ohio reserves the right to limit the transaction to \$250 million per day.

**Capital Assets**

Capital assets are stated at cost at date of acquisition or, in the case of gifts, at acquisition value at date of gift. Equipment with a unit cost of \$5,000 or more and having an estimated useful life of greater than one year is capitalized. Renovations to buildings, infrastructure and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. Routine repairs and maintenance are charged to operating expense in the year in which the expense is incurred.

Depreciation of capital assets is computed on a straight-line basis over the estimated useful lives of the respective assets, generally 20 years for land improvements, 10 to 40 years for buildings and fixed equipment, and 4 to 10 years for equipment.

**Washington State College of Ohio**  
**(fka Washington State Community College)**  
**Washington County, Ohio**

Notes to Financial Statements  
For the Fiscal Years Ended June 30, 2024 and 2023

---

**Investments**

Investments are stated at fair value.

**Accounts Receivable**

Accounts receivable represents the balance of unpaid student tuition charges, federal and state grants receivable, and miscellaneous receivables owed to the College.

**Allowance for Doubtful Accounts**

The allowance for doubtful accounts is determined by management based on the College's historical losses, specific student circumstances and general economic conditions. Periodically, management reviews accounts receivable and records an allowance for specific students based on current circumstances and charges off the receivable against the allowance when all attempts to collect the receivable have failed.

**Restricted Asset Spending Policy**

The College's policy is that restrictions on assets cannot be fulfilled by the expenditure of unrestricted funds for similar purposes. The determination on whether restricted or unrestricted funds are expended for a particular purpose is made on a case-by-case basis. Restricted funds remain restricted until spent for the intended purpose.

**Operating Activities**

The College defines operating activities, as reported on the Statements of Revenues, Expenses, and Changes in Net Position, as those that generally result from exchange transactions such as payments received for providing goods and services and payments made for services and good received. Nearly all of the College's expenses are from exchange transactions. Certain significant revenues relied upon for operations such as state appropriations, gifts, and investment income are recorded as non-operating revenues in accordance with GASB Statement No. 35. In addition, the GASB Implementation Guide has indicated Pell grants should be considered non-operating revenues beginning in fiscal year 2009.

**Prepaid Expenses**

Payments made to vendors for services that will benefit periods beyond each year end are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expense is reported in the year in which services are consumed.

**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 reported amounts of assets, liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Non-current Long-Term Liabilities**

Non-current long-term liabilities include net pension liability, net other postemployment benefits liability, and compensated absences that will not be paid within the next fiscal year.

**Claims Liability**

The College is self-insured for certain employee health programs. A liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, is recorded.

**Washington State College of Ohio**  
**(fka Washington State Community College)**  
**Washington County, Ohio**

Notes to Financial Statements  
For the Fiscal Years Ended June 30, 2024 and 2023

---

**Compensated Absences**

The College has adopted GASB No. 16.

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 these conditions are met:

- a. The employee's right to receive compensation is attributable to services already rendered.
- b. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

For vacation leave the College posts a liability for 100% of accumulated vacation time.

A liability for sick leave and other compensated absences with similar characteristics (hereinafter referred to as "sick leave") should be accrued using one of the following termination approaches:

- a. The sick leave liability generally would be an estimate based on governmental entity's past experience of making termination payments for sick leave, adjusted for the effects of changes in its termination payment policy and other current factors. This approach is known as the termination payment method.
- b. The sick leave liability would be an accrual for those employees expected to become eligible in the near future based on assumptions concerning the probability that individual employees or classes or groups of employees will become eligible to receive termination benefits. This accumulation should be reduced to the maximum amount allowed as a termination benefit. This approach is known as the vesting method.

For the sick leave liability, the College uses the vesting method. The College posts a liability for any employee with ten years of service to the College. These accumulations are reduced to the maximum amount allowed as a termination payment.

**Scholarship Allowances**

Student tuition and fees revenue and certain other revenues from College charges are reported net of scholarship allowances in the accompanying Statement of Revenues, Expenses, and Changes in Net Position. The scholarship allowance is the difference between the actual charge for goods and services provided by the College and the amount that is paid by students 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 either operating or non-operating revenues in the accompanying Statement of Revenues, Expenses, and Changes in Net Position. The College has recorded a scholarship allowance discount to the extent that revenues from these programs are used to satisfy tuition, fees, and other charges.

**Budgetary Process**

Annually, the Business Office develops a balanced budget for the College based on projected expenditures from department directors and anticipated revenue, including tuition and fees and the subsidy from the Ohio Department of Higher Education. The Board of Trustees approves the budget.

**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.

**Washington State College of Ohio**  
**(fka Washington State Community College)**  
**Washington County, Ohio**  
Notes to Financial Statements  
For the Fiscal Years Ended June 30, 2024 and 2023

---

**Unearned Revenue**

Unearned revenue is comprised primarily of receipts relating to tuition and student fees in advance of the services to be provided and grant funds not earned as of June 30, 2024 and 2023.

**Deferred Outflows and Inflows of Resources**

A deferred outflow of resources is a consumption of net assets by the College that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net assets by the College that is applicable to a future reporting period.

For the College, deferred outflows and inflows of resources for pensions and other postemployment benefits (OPEB) have been recorded on the statement of net position and are also explained further in Note 9 and Note 10.

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

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

**Note 3 – Implementation of New Accounting Principles**

---

For the fiscal year ended June 30, 2024, the College has implemented certain provisions of GASB Statement No. 99, *Omnibus 2022* and GASB Statement No. 100, *Accounting Changes and Error Corrections*.

GASB Statement No. 99 enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The implementation of certain provisions of GASB Statement No. 99 that relate to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 did not have an effect on the financial statements of the College.

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

**Note 4 - Cash, Cash Equivalents, and Investments**

---

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

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

Inactive deposits are public deposits the Board of Trustees has identified as not required for use within the current period of designation of depositories. Inactive deposits must either be evidenced by certificates of



**Washington State College of Ohio**  
**(fka Washington State Community College)**  
**Washington County, Ohio**

Notes to Financial Statements  
For the Fiscal Years Ended June 30, 2024 and 2023

---

deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing no more than one year from the date of deposit or by savings accounts including passbook accounts.

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

Interim monies held by the College can be deposited or invested in the following securities:

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

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short

**Washington State College of Ohio**  
**(fka Washington State Community College)**  
**Washington County, Ohio**  
Notes to Financial Statements  
For the Fiscal Years Ended June 30, 2024 and 2023

---

selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the College, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

### **Fair Value Measurements**

Statement No. 72 of the Government Accounting Standards Board (“GASB”) *Fair Value Measurements and Application*, 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 the 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 liabilities 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. The College had no investments subject to fair value measurement in fiscal year 2024.

### **Cash on Hand**

The College maintained cash on hand in the amount of \$750 at June 30, 2024 and 2023.

**Washington State College of Ohio**  
**(fka Washington State Community College)**  
**Washington County, Ohio**

Notes to Financial Statements  
For the Fiscal Years Ended June 30, 2024 and 2023

**Investments**

As of June 30, 2024 the College had the following investments:

Fiscal Year 2024:						
S&P Global Ratings	Investment Type	Measurement Value	Investment Maturities			Percent of Total
			12 Months or Less	12 to 36 Months	More Than 36 Months	
Net Asset Value (NAV):						
AAAm	STAR Ohio	\$ 5,129,373	\$ 5,129,373	\$ -	\$ -	100.00%

As of June 30, 2023 the College had no investments.

**Interest Rate Risk** Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The College's investment policy addresses interest rate risk by requiring that the College's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding that need to sell securities on the open market prior to maturity, and by investing operating funds primarily in short-term investments.

**Credit Risk** The College has no investment policy dealing with investment credit risk beyond the requirements in state statutes. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The weighted average of maturity of the portfolio held by STAR Ohio as of June 30, 2024, is 47 days and carries a rating of AAAm by S&P Global Ratings.

**Custodial Credit Risk – 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. At June 30, 2024, \$9,807,857 of the College's bank balance of \$10,307,857 was uninsured and collateralized. At June 30, 2023, \$12,537,668 of the College's bank balance of \$13,037,668 was uninsured and collateralized. The College's financial institution was approved for a reduced collateral rate through the Ohio Pooled Collateral System.

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% of the deposits being secured; or

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

**Washington State College of Ohio**  
**(fka Washington State Community College)**  
**Washington County, Ohio**

Notes to Financial Statements  
For the Fiscal Years Ended June 30, 2024 and 2023

**Note 5 - Accounts Receivable**

Accounts receivable as of June 30, 2024 and 2023 are as follows:

	2024		
	Gross Receivable	Allowance	Net Receivable
Students	\$ 2,872,604	\$ 236,708	\$ 2,635,896
Reimbursement receivable - grants and contracts	2,432,022	-	2,432,022
Other	372,518	-	372,518
<b>Total</b>	<b>\$ 5,677,144</b>	<b>\$ 236,708</b>	<b>\$ 5,440,436</b>

	2023		
	Gross Receivable	Allowance	Net Receivable
Students	\$ 2,384,123	\$ 236,708	\$ 2,147,415
Reimbursement receivable - grants and contracts	2,147,576	-	2,147,576
Other	410,796	-	410,796
<b>Total</b>	<b>\$ 4,942,495</b>	<b>\$ 236,708</b>	<b>\$ 4,705,787</b>

**Note 6 - Capital Assets**

Capital assets as of June 30, 2024 and 2023 are summarized as follows:

	2024			
	2023	Additions	Reductions	2024
<b>Non-Depreciable Capital Assets:</b>				
Land	\$ 980,000	\$ -	\$ -	\$ 980,000
Construction In Progress	-	445,744	-	445,744
<b>Total Non-Depreciable Capital Assets</b>	<b>980,000</b>	<b>445,744</b>	<b>-</b>	<b>1,425,744</b>
<b>Depreciable Capital Assets:</b>				
Buildings	29,108,075	66,437	-	29,174,512
Land Improvements	3,468,322	35,123	-	3,503,445
Movable equipment	5,815,386	918,932	-	6,734,318
<b>Total Depreciable Capital Assets</b>	<b>38,391,783</b>	<b>1,020,492</b>	<b>-</b>	<b>39,412,275</b>
<b>Accumulated Depreciation:</b>				
Buildings	15,198,379	867,507	-	16,065,886
Land Improvements	3,128,986	29,247	-	3,158,233
Movable Equipment	3,796,984	310,443	-	4,107,427
<b>Total Accumulated Depreciation</b>	<b>22,124,349</b>	<b>1,207,197</b>	<b>-</b>	<b>23,331,546</b>
<b>Depreciable Capital Assets, Net of Accumulated Depreciation</b>	<b>16,267,434</b>	<b>(186,705)</b>	<b>-</b>	<b>16,080,729</b>
<b>Total Capital assets, net</b>	<b>\$ 17,247,434</b>	<b>\$ 259,039</b>	<b>\$ -</b>	<b>\$ 17,506,473</b>

**Washington State College of Ohio**  
**(fka Washington State Community College)**

**Washington County, Ohio**

Notes to Financial Statements

For the Fiscal Years Ended June 30, 2024 and 2023

	2023			
	2022	Additions	Reductions	2023
<b>Non-Depreciable Capital Assets:</b>				
Land	\$ 980,000	\$ -	\$ -	\$ 980,000
Construction In Progress	1,884,622	26,198	1,910,820	-
<b>Total Non-Depreciable Capital Assets</b>	<b>2,864,622</b>	<b>26,198</b>	<b>1,910,820</b>	<b>980,000</b>
<b>Depreciable Capital Assets:</b>				
Buildings	26,296,102	2,811,973	-	29,108,075
Land Improvements	3,415,163	53,159	-	3,468,322
Movable equipment	5,148,351	667,035	-	5,815,386
<b>Total Depreciable Capital Assets</b>	<b>34,859,616</b>	<b>3,532,167</b>	<b>-</b>	<b>38,391,783</b>
<b>Accumulated Depreciation:</b>				
Buildings	14,382,248	816,131	-	15,198,379
Land Improvements	3,101,086	27,900	-	3,128,986
Movable Equipment	3,530,309	266,675	-	3,796,984
<b>Total Accumulated Depreciation</b>	<b>21,013,643</b>	<b>1,110,706</b>	<b>-</b>	<b>22,124,349</b>
<b>Depreciable Capital Assets, Net of Accumulated Depreciation</b>	<b>13,845,973</b>	<b>2,421,461</b>	<b>-</b>	<b>16,267,434</b>
<b>Total Capital assets, net</b>	<b>\$ 16,710,595</b>	<b>\$ 2,447,659</b>	<b>\$ 1,910,820</b>	<b>\$ 17,247,434</b>

**Note 7 - Accounts Payable and Accrued Liabilities**

Accounts payable and accrued liabilities as of June 30, 2024 and 2023 are as follows:

	2024	2023
Payable to vendors and contractors	\$ 706,229	\$ 708,875
Accrued Wages and Benefits	903,075	842,814
Other Accrued Liabilities	110,715	86,232
<b>Total</b>	<b>\$ 1,720,019</b>	<b>\$ 1,637,921</b>

**Note 8 - Long-Term Liabilities**

The College's long-term liabilities during fiscal years 2024 and 2023 were as follows:

	2024				
	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Compensated absences	\$ 283,004	\$ 10,093	\$ (21,827)	\$ 271,270	\$ 40,691
Net Pension Liability					
STRS	6,926,507	-	(662,949)	6,263,558	-
SERS	3,010,039	171,720	-	3,181,759	-
Net OPEB Liability					
SERS	733,000	154,953	-	887,953	-
<b>Total long-term liabilities</b>	<b>\$ 10,952,550</b>	<b>\$ 336,766</b>	<b>\$ (684,776)</b>	<b>\$ 10,604,540</b>	<b>\$ 40,691</b>

**Washington State College of Ohio**  
**(fka Washington State Community College)**  
**Washington County, Ohio**

Notes to Financial Statements  
For the Fiscal Years Ended June 30, 2024 and 2023

	2023				
	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Compensated absences	\$ 258,669	\$ 32,052	\$ (7,717)	\$ 283,004	\$ 42,451
Net Pension Liability					
STRS	3,940,747	2,985,760	-	6,926,507	-
SERS	1,947,595	1,062,444	-	3,010,039	-
Net OPEB Liability					
SERS	944,043	-	(211,043)	733,000	-
Total long-term liabilities	<u>\$ 7,091,054</u>	<u>\$ 4,080,256</u>	<u>\$ (218,760)</u>	<u>\$ 10,952,550</u>	<u>\$ 42,451</u>

### **Note 9 – Defined Benefit Pension Plans**

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

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

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

The net pension/OPEB liability (asset) represents the College’s proportionate share of each pension/OPEB plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension 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 this estimate annually.

The 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.

**Washington State College of Ohio**  
**(fka Washington State Community College)**  
**Washington County, Ohio**  
Notes to Financial Statements  
For the Fiscal Years Ended June 30, 2024 and 2023

---

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

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

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

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

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire after August 1, 2017
Full Benefits	Any age with 30 years of service credit	Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit
Actuarially Reduced Benefits	Age 60 with 5 years of service credit 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, may be included in this plan.

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

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

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, 2024, the allocation to pension, death benefits, and Medicare B was 14.0 percent. For fiscal year 2024, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

**Washington State College of Ohio**  
**(fka Washington State Community College)**  
**Washington County, Ohio**

Notes to Financial Statements  
For the Fiscal Years Ended June 30, 2024 and 2023

---

The College's contractually required contribution to SERS was \$343,243 for fiscal year 2024 and \$319,826 for fiscal year 2023.

***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 upon a determination by its actuary that it was necessary to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of living increases are not affected by this change. Effective July 1, 2022, a one-time ad-hoc COLA of 3 percent of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2023 as long as they retired prior to July 1, 2018. Effective July 1, 2023, a one-time ad-hoc COLA of 1 percent of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2024 as long as they retired prior to July 1, 2019. Pursuant to Ohio Revised Code 3307.67(E) the STRS Ohio Retirement Board may adjust the COLA upon a determination by the board's actuary that a change will not materially impair the fiscal integrity of the system or is necessary to preserve the fiscal integrity of the system. Eligibility charges will be phased in until August 1, 2023, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 34 years of service credit at any age.

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

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



**Washington State College of Ohio**  
**(fka Washington State Community College)**  
**Washington County, Ohio**

Notes to Financial Statements  
For the Fiscal Years Ended June 30, 2024 and 2023

The Combined plan offers features of both the DB Plan and the DC Plan. In the Combined plan, 12 percent of the 14 percent member rate is deposited into the member's DC account and the remaining 2 percent is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50 and after termination of employment.

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

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. New members on or after July 1, 2013, must have at least ten years of qualifying service credit to apply for disability benefits. Members in the DC plan who become disabled are entitled only to their account balance. Eligible survivors of members who die before service retirement may qualify for monthly benefits. If a member of the DC plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

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

The College's contractually required contribution to STRS was \$611,728 for fiscal year 2024 and \$549,996 for fiscal year 2023.

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

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

	SERS	STRS	Total
Proportion of the Net Pension Liability:			
Current Measurement Date	0.0575830%	0.02908557%	
Prior Measurement Date	0.0556510%	0.03115820%	
Change in Proportionate Share	0.0019320%	-0.00207263%	
Proportionate Share of the Net			
Pension Liability	\$ 3,181,759	\$ 6,263,558	\$ 9,445,317
Pension Expense	\$ 337,549	\$ 376,974	\$ 714,523

**Washington State College of Ohio**  
**(fka Washington State Community College)**  
**Washington County, Ohio**  
Notes to Financial Statements  
For the Fiscal Years Ended June 30, 2024 and 2023

Following is information related to the proportionate share and pension expense measured as of June 30, 2022:

	SERS	STRS	Total
Proportion of the Net Pension Liability:			
Current Measurement Date	0.0556510%	0.03115820%	
Prior Measurement Date	0.0527845%	0.03082104%	
Change in Proportionate Share	<u>0.0028665%</u>	<u>0.00033716%</u>	
Proportionate Share of the Net			
Pension Liability	\$ 3,010,039	\$ 6,926,507	\$ 9,936,546
Pension Expense	\$ 148,455	\$ 690,117	\$ 838,572

Other than contributions made subsequent to the measurement date and differences between projected and actual earnings on investments; deferred inflows/outflows of resources are recognized in pension expense beginning in the current period, using a straight line method over a closed period equal to the average of the expected remaining services lives of all employees that are provided with pensions, determined as of the beginning of the measurement period. Net deferred inflows/outflows of resources pertaining to the differences between projected and actual investment earnings are similarly recognized over a closed five-year period.

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

	SERS	STRS	Total
<b>Deferred Outflows of Resources</b>			
Differences between Expected and			
Actual Experience	\$ 136,759	\$ 228,355	\$ 365,114
Changes of Assumptions	22,537	515,838	538,375
Changes in Proportion and Differences between			
College Contributions and Proportionate			
Share of Contributions	127,270	34,609	161,879
College Contributions Subsequent to the			
Measurement Date	343,243	611,728	954,971
<b>Total Deferred Outflows of Resources</b>	<u>\$ 629,809</u>	<u>\$ 1,390,530</u>	<u>\$ 2,020,339</u>
<b>Deferred Inflows of Resources</b>			
Differences between Expected and			
Actual Experience	\$ -	\$ 13,897	\$ 13,897
Net Difference between Projected and			
Actual Earnings on Pension Plan Investments	44,724	18,773	63,497
Changes of Assumptions	-	388,278	388,278
Changes in Proportion and Differences between			
College Contributions and Proportionate			
Share of Contributions	-	464,444	464,444
<b>Total Deferred Inflows of Resources</b>	<u>\$ 44,724</u>	<u>\$ 885,392</u>	<u>\$ 930,116</u>

\$954,971 reported as deferred outflows of resources related to pension resulting from College contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of

**Washington State College of Ohio**  
**(fka Washington State Community College)**  
**Washington County, Ohio**  
Notes to Financial Statements  
For the Fiscal Years Ended June 30, 2024 and 2023

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

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2025	\$ 105,309	\$ (170,045)	\$ (64,736)
2026	(91,668)	(343,948)	(435,616)
2027	225,830	531,568	757,398
2028	2,371	(124,165)	(121,794)
Total	<u>\$ 241,842</u>	<u>\$ (106,590)</u>	<u>\$ 135,252</u>

At June 30, 2023, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	SERS	STRS	Total
<b>Deferred Outflows of Resources</b>			
Differences between Expected and Actual Experience	\$ 121,909	\$ 88,670	\$ 210,579
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	241,028	241,028
Changes of Assumptions	29,702	828,895	858,597
Changes in Proportion and Differences between College Contributions and Proportionate Share of Contributions	106,048	61,157	167,205
College Contributions Subsequent to the Measurement Date	319,826	549,996	869,822
<b>Total Deferred Outflows of Resources</b>	<u>\$ 577,485</u>	<u>\$ 1,769,746</u>	<u>\$ 2,347,231</u>
<b>Deferred Inflows of Resources</b>			
Differences between Expected and Actual Experience	\$ 19,760	\$ 26,495	\$ 46,255
Net Difference between Projected and Actual Earnings on Pension Plan Investments	105,036	-	105,036
Changes of Assumptions	-	623,920	623,920
Changes in Proportion and Differences between College Contributions and Proportionate Share of Contributions	45,018	185,998	231,016
<b>Total Deferred Inflows of Resources</b>	<u>\$ 169,814</u>	<u>\$ 836,413</u>	<u>\$ 1,006,227</u>

***Actuarial Assumptions - SERS***

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

**Washington State College of Ohio**  
**(fka Washington State Community College)**  
**Washington County, Ohio**

Notes to Financial Statements  
For the Fiscal Years Ended June 30, 2024 and 2023

---

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

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

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

Inflation	2.40 percent
Future Salary Increases, including inflation	3.25 percent to 13.58 percent
Investment Rate of Return	7.00 percent net of System expenses
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
COLA or Ad Hoc COLA	2.0 percent, on or after April 1, 2018, COLAs for future retirees will be delayed for three years following commencement

Mortality rates were based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward two years and adjusted 81.35 percent for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward five years and adjusted 103.3 percent for males and set forward three years and adjusted 106.8 percent for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

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

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

**Washington State College of Ohio**  
**(fka Washington State Community College)**  
**Washington County, Ohio**

Notes to Financial Statements  
For the Fiscal Years Ended June 30, 2024 and 2023

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

**Discount Rate** The total pension liability for 2023 was calculated using the discount rate of 7.00 percent. The discount rate did not use a municipal bond rate. The projection of cash flows used to determine the discount rate assumed employers would contribute the actuarially determined contribution rate of projected compensation over the remaining 21-year amortization period of the unfunded actuarial accrued liability. The actuarially determined contribution rate of fiscal year 2023 was 14.00 percent. Projected inflows from investment earnings were calculated using the long term assumed investment rate of return, 7.00 percent. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability. The annual money weighted rate of return, calculated as the internal rate of return on pension plan investments, for fiscal year 2023 was 6.90 percent.

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

<b>Fiscal Year 2024:</b>	1% Decrease	Current Discount Rate	1% Increase
College's Proportionate Share of the Net Pension Liability	\$ 4,696,111	\$ 3,181,759	\$ 1,906,203
 <b>Fiscal Year 2023</b>			
	1% Decrease	Current Discount Rate	1% Increase
College's Proportionate Share of the Net Pension Liability	\$ 4,430,634	\$ 3,010,039	\$ 1,813,207

**Actuarial Assumptions - STRS**

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

**Washington State College of Ohio**  
**(fka Washington State Community College)**  
**Washington County, Ohio**

Notes to Financial Statements  
For the Fiscal Years Ended June 30, 2024 and 2023

Inflation	2.50 percent
Salary Increases	From 2.5 percent to 8.5 percent, based on service
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation
Discount Rate of Return	7.00 percent
Payroll Increases	3.00 percent
Cost-of-Living Adjustments (COLA)	0.00 percent, effective July 1, 2017

For 2023 and 2022, Post-retirement mortality rates for healthy retirees are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110 percent for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95 percent for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disable Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

Actuarial assumptions used in the June 30, 2023, valuation, were based on the results of the latest available actuarial experience study, which is for the period July 1, 2015, through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

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

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

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

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

**Discount Rate.** The discount rate used to measure the total pension liability was 7.00 percent as of June 30, 2023. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2023. Therefore, the long-term expected rate of return on pension plan investments of 7.00 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2023 and 2022.

**Washington State College of Ohio**  
**(fka Washington State Community College)**  
**Washington County, Ohio**  
Notes to Financial Statements  
For the Fiscal Years Ended June 30, 2024 and 2023

---

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

	1% Decrease	Current Discount Rate	1% Increase
<b><u>Fiscal Year 2024:</u></b>			
College's Proportionate Share of the Net Pension Liability	\$ 9,631,968	\$ 6,263,558	\$ 3,414,807
	1% Decrease	Current Discount Rate	1% Increase
<b><u>Fiscal Year 2023</u></b>			
College's Proportionate Share of the Net Pension Liability	\$ 10,463,431	\$ 6,926,507	\$ 3,935,365

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

#### **Note 10 – Defined Benefit OPEB Plans**

---

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

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

**Health Care Plan Description** - The 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. The following types of credit purchased after January 29, 1981, do not count toward health care coverage eligibility: military, federal, out-of-state, municipal, private school, exempted, and early retirement incentive credit. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Annual Comprehensive Financial Report which can be obtained on SERS' website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

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

**Washington State College of Ohio**  
**(fka Washington State Community College)**  
**Washington County, Ohio**  
Notes to Financial Statements  
For the Fiscal Years Ended June 30, 2024 and 2023

---

However, during any period in which the 20-year solvency period is not achieved, the System shall manage the Health Care Fund on a pay-as-you-go basis.

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. 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 2023 and 2024, no allocation was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2024, this amount was \$30,000. For fiscal year 2023, this amount was \$25,000. Statutes provide that no employer shall pay a health care surcharge greater than 2.00 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.50 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2024, the College's surcharge obligation was \$13,158. For fiscal year 2023, the College's surcharge obligation was \$10,515. 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 equal to its surcharge obligation for fiscal year 2024 and 2023.

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

Plan Description – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Health care premiums were reduced by a Medicare Part B premium credit beginning in 2023. The Plan is included in the report of STRS which can be obtained by visiting [www.strsoh.org](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. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2024, and 2023 STRS did not allocate any employer contributions to post-employment health care.

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

The net OPEB liability (asset) was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an 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



**Washington State College of Ohio**  
**(fka Washington State Community College)**  
**Washington County, Ohio**  
Notes to Financial Statements  
For the Fiscal Years Ended June 30, 2024 and 2023

---

the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense measured as of June 30, 2023:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the Net OPEB Liability (Asset):			
Current Measurement Date	0.0538988%	0.02908557%	
Prior Measurement Date	<u>0.0522076%</u>	<u>0.03115820%</u>	
Change in Proportionate Share	<u>0.0016912%</u>	<u>-0.00207263%</u>	
Proportionate Share of the Net			
OPEB Liability (Asset)	\$ 887,953	\$ (565,674)	
OPEB Expense	\$ (95,690)	\$ (37,564)	\$ (133,254)

Following is information related to the proportionate share and OPEB expense measured as of June 30, 2022:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the Net OPEB Liability (Asset):			
Current Measurement Date	0.0522076%	0.03115820%	
Prior Measurement Date	<u>0.0498812%</u>	<u>0.03082104%</u>	
Change in Proportionate Share	<u>0.0023264%</u>	<u>0.00033716%</u>	
Proportionate Share of the Net			
OPEB Liability (Asset)	\$ 733,000	\$ (806,790)	
OPEB Expense	\$ (82,285)	\$ (155,409)	\$ (237,694)

Other than contributions made subsequent to the measurement date and differences between projected and actual earnings on investments; deferred inflows/outflows of resources are recognized in OPEB expense beginning in the current period, using a straight-line method over a closed period equal to the average of the expected remaining services lives of all employees that are provided with pensions, determined as of the beginning of the measurement period. Net deferred inflows/outflows of resources pertaining to the differences between projected and actual investment earnings are similarly recognized over a closed five-year period.

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

**Washington State College of Ohio**  
**(fka Washington State Community College)**  
**Washington County, Ohio**

Notes to Financial Statements  
For the Fiscal Years Ended June 30, 2024 and 2023

	SERS	STRS	Total
<b>Deferred Outflows of Resources</b>			
Differences between Expected and Actual Experience	\$ 1,848	\$ 882	\$ 2,730
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	6,881	1,008	7,889
Changes of Assumptions	300,239	83,331	383,570
Changes in Proportion and Differences between College Contributions and Proportionate Share of Contributions	30,152	10,499	40,651
College Contributions Subsequent to the Measurement Date	13,158	-	13,158
<b>Total Deferred Outflows of Resources</b>	<u>\$ 352,278</u>	<u>\$ 95,720</u>	<u>\$ 447,998</u>

<b>Deferred Inflows of Resources</b>			
Differences between Expected and Actual Experience	\$ 457,947	\$ 86,281	\$ 544,228
Changes of Assumptions	252,191	373,225	625,416
Changes in Proportion and Differences between College Contributions and Proportionate Share of Contributions	82,354	19,021	101,375
<b>Total Deferred Inflows of Resources</b>	<u>\$ 792,492</u>	<u>\$ 478,527</u>	<u>\$ 1,271,019</u>

\$13,158 reported as deferred outflows of resources related to OPEB resulting from College contributions subsequent to the measurement date will be recognized as a reduction/addition to the net OPEB liability/asset in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2025	\$ (157,417)	\$ (178,321)	\$ (335,738)
2026	(132,452)	(79,273)	(211,725)
2027	(85,131)	(27,598)	(112,729)
2028	(48,248)	(38,115)	(86,363)
2029	(28,162)	(34,706)	(62,868)
Thereafter	(1,962)	(24,794)	(26,756)
Total	<u>\$ (453,372)</u>	<u>\$ (382,807)</u>	<u>\$ (836,179)</u>

At June 30, 2023, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

**Washington State College of Ohio**  
**(fka Washington State Community College)**  
**Washington County, Ohio**

Notes to Financial Statements  
For the Fiscal Years Ended June 30, 2024 and 2023

	SERS	STRS	Total
<b>Deferred Outflows of Resources</b>			
Differences between Expected and Actual Experience	\$ 6,163	\$ 11,697	\$ 17,860
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	3,808	14,043	17,851
Changes of Assumptions	116,593	34,365	150,958
Changes in Proportion and Differences between College Contributions and Proportionate Share of Contributions	39,145	4,749	43,894
College Contributions Subsequent to the Measurement Date	10,515	-	10,515
<b>Total Deferred Outflows of Resources</b>	<u>\$ 176,224</u>	<u>\$ 64,854</u>	<u>\$ 241,078</u>
<b>Deferred Inflows of Resources</b>			
Differences between Expected and Actual Experience	\$ 468,879	\$ 121,164	\$ 590,043
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	-	-	-
Changes of Assumptions	300,901	572,092	872,993
Changes in Proportion and Differences between College Contributions and Proportionate Share of Contributions	110,459	33,085	143,544
<b>Total Deferred Inflows of Resources</b>	<u>\$ 880,239</u>	<u>\$ 726,341</u>	<u>\$ 1,606,580</u>

***Actuarial Assumptions - SERS***

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

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

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

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

**Washington State College of Ohio**  
**(fka Washington State Community College)**  
**Washington County, Ohio**  
Notes to Financial Statements  
For the Fiscal Years Ended June 30, 2024 and 2023

	June 30, 2023	June 30, 2022
Inflation	2.40 percent	2.40 percent
Future Salary Increases, including Inflation	3.25 percent to 13.58 percent	3.25 percent to 13.58 percent
Investment Rate of Return	7.00 percent net of investment expense	7.00 percent net of investment expense,
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)	
Fiduciary Net Position is Projected to be Depleted	2048	2044
Municipal Bond Index Rate		
Measurement Date	3.86 percent	3.69 percent
Prior Measurement Date	3.69 percent	1.92 percent
Single Equivalent Interest Rate		
Measurement Date	4.27 percent	4.08 percent
Prior Measurement Date	4.08 percent	2.27 percent
Health Care Cost Trend Rate		
Medicare	5.125 to 4.40 percent	5.125 to 4.40 percent
Pre-Medicare	6.75 to 4.40 percent	6.75 to 4.40 percent
Medical Trend Assumption		
Measurement Date	6.75 to 4.40 percent	7.00 to 4.40 percent

Mortality rates among healthy retirees were based on the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females. Mortality rates for contingent survivors were based on PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5 percent for males and adjusted 122.5 percent for females. Mortality rates for actives is based on PUB-2010 General Amount Weighted Below Median Employee mortality table. Mortality rates are projected using a fully generational projection with Scale MP-2020.

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

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

**Washington State College of Ohio**  
**(fka Washington State Community College)**  
**Washington County, Ohio**  
Notes to Financial Statements  
For the Fiscal Years Ended June 30, 2024 and 2023

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

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

**Sensitivity of the College's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates** The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability and what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.27 percent) and higher (5.27 percent) than the current discount rate (4.27 percent). Also shown is what the net OPEB liability would be based on health care cost trend rates that are one percentage point lower (5.75 percent decreasing to 3.40 percent) and higher (7.75 percent decreasing to 5.40 percent) than the current rate (6.75 percent decreasing to 4.40 percent).

<b><u>Fiscal Year 2024</u></b>	1% Decrease	Current Discount Rate	1% Increase
College's Proportionate Share of the Net OPEB Liability	\$ 1,135,058	\$ 887,953	\$ 693,101
	1% Decrease	Current Trend Rate	1% Increase
College's Proportionate Share of the Net OPEB Liability	\$ 652,349	\$ 887,953	\$ 1,200,161

**Washington State College of Ohio**  
**(fka Washington State Community College)**  
**Washington County, Ohio**

Notes to Financial Statements  
For the Fiscal Years Ended June 30, 2024 and 2023

<b><u>Fiscal Year 2023</u></b>	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
College's Proportionate Share of the Net OPEB Liability	\$ 910,397	\$ 733,000	\$ 589,792
	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
College's Proportionate Share of the Net OPEB Liability	\$ 565,275	\$ 733,000	\$ 952,077

***Actuarial Assumptions – STRS***

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

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

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

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

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

**Washington State College of Ohio**  
**(fka Washington State Community College)**  
**Washington County, Ohio**  
Notes to Financial Statements  
For the Fiscal Years Ended June 30, 2024 and 2023

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:

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

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

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

**Discount Rate** The discount rate used to measure the total OPEB liability was 7.00 percent as of June 30, 2023 and 2022. The projection of cash flows used to determine the discount rate assumed STRS continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2023. Therefore, the long-term expected rate of return on health care plan investments of 7.00 percent was applied to all periods of projected health care costs to determine the total OPEB liability as of June 30, 2023 and 2022.

**Sensitivity of the College's Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate and Health Care Cost Trend Rate** The following table represents the net OPEB asset measured as of June 30, 2023, and 2022 calculated using the current period discount rate assumption of 7.00 percent, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
<b><u>Fiscal Year 2024</u></b>			
College's Proportionate Share of the Net OPEB (Asset)	\$ (478,769)	\$ (565,674)	\$ (641,359)
	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
College's Proportionate Share of the Net OPEB (Asset)	\$ (644,871)	\$ (565,674)	\$ (470,283)

**Washington State College of Ohio**  
**(fka Washington State Community College)**  
**Washington County, Ohio**

Notes to Financial Statements  
For the Fiscal Years Ended June 30, 2024 and 2023

<b>Fiscal Year 2023</b>	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
College's Proportionate Share of the Net OPEB (Asset)	\$ (745,856)	\$ (806,790)	\$ (858,985)
	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
College's Proportionate Share of the Net OPEB (Asset)	\$ (836,837)	\$ (806,790)	\$ (768,862)

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

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

**Note 11 – Operating Expenses by Natural Classification**

The College's operating expenses by natural classification were as follows for the years ended June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Salaries and wages	\$ 8,094,919	\$ 7,500,794
Employee benefits	2,935,407	2,659,090
Utilities	313,618	347,355
Supplies and other services	2,963,162	2,328,045
Depreciation	1,207,197	1,110,706
Student scholarships and financial aid	1,566,702	1,427,260
	<u>\$ 17,081,005</u>	<u>\$ 15,373,250</u>

**Note 12 - Risk Management**

**Comprehensive**

The College is exposed to various risks of loss related to torts, theft of, damage to, and destructions of assets, errors and omissions, injuries to employees and natural disasters. The College contracts with Markel Insurance Company and United Educators Insurance Company for general liability insurance. Property insurance, including boiler and machinery coverage, is contracted with Marsh USA, Inc. The College has not had a significant reduction in coverage from the prior year. There were no settled claims from these risks that have exceeded commercial insurance coverage for the past three years.

The College pays the State Worker's Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative cost.

The College provides life insurance, and accidental death and dismemberment insurance to its employees.



**Washington State College of Ohio**  
**(fka Washington State Community College)**  
**Washington County, Ohio**

Notes to Financial Statements  
For the Fiscal Years Ended June 30, 2024 and 2023

---

The College contracts with the Jefferson Health Plan for hospitalization and major medical, Trustmark Health Benefits, Inc. for dental insurance and Vision Service Plan for vision insurance. The College pays 80 percent of the total monthly premiums for dental and vision coverages and the employee pays for the remaining 20 percent. The College pays 80 percent, or 90 percent of the total monthly premiums for hospitalization and major medical and the employees pay the remaining 50 percent, 20 percent, or 10 percent depending on level of benefit chosen. Premiums are paid from the same funds that pay the employees' salaries.

The College is involved from time to time in routine litigation. Management does not believe that the ultimate resolution of this litigation will be material to its financial condition or results of operations.

**Medical Self-Insurance**

Effective January 1, 2019, medical insurance is offered to employees through a self-insurance plan. The College is a member of the Jefferson Health Plan, Health Benefits Program, a risk and cost saving pool, in which monthly premiums are paid to the fiscal agent who in turn pays the claims on the College's behalf. The claims liability of \$447,739 reported in the financial statements at June 30, 2024 is based on an estimate provided by the third party administrator and the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", as amended by GASB Statement No. 30, "Risk Financing Omnibus", which requires that a liability for unpaid claim costs, including estimates of costs relating to incurred, but not reported claims, be accrued at the estimated ultimate cost of settling the claims.

Changes in claims activity for the past three fiscal years are as follows:

Year	Beginning Balance	Current Year Claims	Claim Payments	Ending Balance
2024	\$ 205,300	\$ 1,677,459	\$ 1,640,320	\$ 242,439
2023	180,291	1,397,337	1,372,328	205,300
2022	137,399	1,282,001	1,239,109	180,291

**Note 13 – Related Party Transactions**

According to GASB, a related party is defined as a party that has the ability to influence, or is influenced by, the reporting entity. This includes individuals or entities that are related through control, ownership, or other significant relationships.

During the fiscal year ending June 30, 2024, the College did not engage in any transactions with related parties as defined above. There were no loans, advances, or other financial arrangements with individuals or entities that could be classified as related parties.

**Note 14 – Component Unit Disclosures**

The Washington State Community College Foundation (Foundation) is a legally separate, tax-exempt component unit of Washington State College of Ohio (College).

The accompanying financial statements of the Foundation have been prepared in accordance with pronouncements of the Financial Accounting Standards Board. As such, certain revenue recognition

**Washington State College of Ohio**  
**(fka Washington State Community College)**  
**Washington County, Ohio**

Notes to Financial Statements  
For the Fiscal Years Ended June 30, 2024 and 2023

---

criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information in the College's financial reporting entity for these differences.

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 as net assets released from restrictions.

Contributions to the Foundation are recognized and reported as revenue at fair value upon the earlier of the period in which a pledge becomes unconditional or the period in which the contribution is received.

**Cash and Cash Equivalents and Investments**

*Deposits*

Custodial credit risk is the risk of the inability to recover the value of deposits, investments, or collateral securities in the possession of an outside party in the event of a depository financial institution or counterparty failure to a transaction. The Foundation has not established a policy for deposits at this time.

As of June 30, 2024, \$62,335 of the College's bank balance of \$312,335 was uninsured and collateralized.

As of June 30, 2023, the Foundation's deposits were fully covered by FDIC.

*Investments*

Foundation investments are stated at fair value with changes in fair value being recognized as gains and losses during the period in which they occur. The following summarizes the fair value of investments of the Foundation as of June 30, 2024 and 2023:

Investment Type	2024 Fair Value	2023 Fair Value
Equities	1,624,519	1,404,534
Fixed Income	518,670	462,158
Money Market Funds	-	58,351
	<u>\$ 2,143,189</u>	<u>\$ 1,925,043</u>

As defined in FASB ASC 820, fair value is the price that would be received for an asset or paid to transfer a liability (an exit price) in the Foundation's principal or most advantageous market for the asset or

**Washington State College of Ohio**  
**(fka Washington State Community College)**  
**Washington County, Ohio**

Notes to Financial Statements  
For the Fiscal Years Ended June 30, 2024 and 2023

---

liability in an orderly transaction between market participants on the measurement date. FASB ASC 820 establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

*Level 1*

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*

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.

*Level 3*

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

Equities are deemed level 1 inputs and money market and fixed income are deemed level 2 inputs.

**Net Assets with Donor Restrictions**

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

	2024	2023
Time/Purpose Restricted	\$ 1,622,365	\$ 1,270,792
Donor Restricted Endowment	682,402	662,402
Total	<u>\$ 2,304,767</u>	<u>\$ 1,933,194</u>

*Donor-Restricted Endowment Fund*

The Foundation's endowment fund was established to support Washington State College of Ohio. The contributions to the endowment fund contain 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 support. 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.

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 perpetual in nature (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. The remaining portion of the donor-restricted endowment fund that is not classified as perpetual in nature is classified as purpose or time restricted until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA.

**Washington State College of Ohio**  
**(fka Washington State Community College)**  
**Washington County, Ohio**  
Notes to Financial Statements  
For the Fiscal Years Ended June 30, 2024 and 2023

---

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

- a. The duration and preservation of the fund
- b. The purposes of the organization and the donor-restricted endowment fund
- c. General economic conditions
- d. The possible effect of inflation and deflation
- e. The expected total return from income and the appreciation of investments
- f. Other resources of the organization
- g. The investment policies of the organization

The changes in endowment net assets for the years ending June 30, 2024 and 2023 are as follows:

	2024	2023
Endowment Net Assets, Beginning of Year	\$ 662,402	\$ 560,004
Contributions	20,000	90,055
Investment Return Net	-	12,343
Endowment Net Assets, End of Year	<u>\$ 682,402</u>	<u>\$ 662,402</u>

**Support Provided to the College**

During the years ended June 30, 2024 and 2023 the Foundation provided resources of \$268,657, and \$220,048, respectively, to or on behalf of the College for scholarships and other purposes.

**Liquidity and Availability of Financial Assets**

The following reflect the Foundation's financial assets as of the June 30, 2024 and June 30, 2023, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the financial statement date.

	2024	2023
Cash and Cash Equivalents	\$ 411,560	\$ 195,776
Investments	<u>2,143,189</u>	<u>1,925,043</u>
	2,554,749	2,120,819
Less Amounts Unavailable for General Expenditures Within One Year, Due To:		
Donor-Restricted Purpose or Time	1,622,365	1,270,792
Donor-Restricted to Maintain as an Endowment	<u>682,402</u>	<u>662,402</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 249,982</u>	<u>\$ 187,625</u>

As part of the Foundation's liquidity management, the Foundation invests cash in excess of requirements in various types of investments. The Foundation has a goal to maintain financial assets, which consist of cash and short-term investments, on hand to meet 30 days of normal operating expenses, which were, on average, approximately \$26,000 at June 30, 2024 and \$22,000 at June 30, 2023.

**Washington State College of Ohio**  
**(fka Washington State Community College)**  
**Washington County, Ohio**

Notes to Financial Statements  
For the Fiscal Years Ended June 30, 2024 and 2023

**Expense Disclosures**

Some categories of expense are attributable to more than one activity and require allocation, applied on a consistent basis. Other expenses are assigned directly to specific activities as expenditures are made.

		Supporting Activities	
		Management and General	Total Expenses
<u>2024</u>	<u>Program</u>		
Scholarships	\$ 140,869	\$ -	\$ 140,869
Grant-Related	114,814	-	114,814
Student-Related	18,148	-	18,148
Contracted Services	-	32,922	32,922
Events	-	5,551	5,551
Total Expenses	<u>\$ 273,831</u>	<u>\$ 38,473</u>	<u>\$ 312,304</u>

		Supporting Activities	
		Management and General	Total Expenses
<u>2023</u>	<u>Program</u>		
Scholarships	\$ 171,200	\$ -	\$ 171,200
Grant-Related	29,862	-	29,862
Student-Related	29,023	-	29,023
Contracted Services	-	31,474	31,474
Events	-	5,820	5,820
Total Expenses	<u>\$ 230,085</u>	<u>\$ 37,294</u>	<u>\$ 267,379</u>

**Washington State College of Ohio**  
**(fka Washington State Community College)**  
**Washington County, Ohio**  
*Required Supplementary Information*  
*Schedule of the College's Proportionate Share of the Net Pension Liability*  
*Last Ten Fiscal Years*

	2024	2023	2022	2021
<b><i>School Employees Retirement System (SERS)</i></b>				
College's Proportion of the Net Pension Liability	0.0575830%	0.0556510%	0.0527845%	0.0559733%
College's Proportionate Share of the Net Pension Liability	\$ 3,181,759	\$ 3,010,039	\$ 1,947,595	\$ 3,702,192
College's Covered Payroll	\$ 2,284,471	\$ 2,078,879	\$ 1,821,986	\$ 1,887,379
College's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	139.28%	144.79%	106.89%	196.16%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	76.06%	75.82%	82.86%	68.55%
<b><i>State Teachers Retirement System (STRS)</i></b>				
College's Proportion of the Net Pension Liability	0.02908557%	0.03115820%	0.03082104%	0.03185151%
College's Proportionate Share of the Net Pension Liability	\$ 6,263,558	\$ 6,926,507	\$ 3,940,747	\$ 7,706,932
College's Covered Payroll	\$ 3,928,543	\$ 4,050,714	\$ 3,619,543	\$ 3,723,893
College's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	159.44%	170.99%	108.87%	206.96%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.02%	78.90%	87.80%	75.50%

Note: The amounts presented for each fiscal year were determined as of the measurement date, which is the prior fiscal year.

See accompanying notes to the required supplementary information.

2020	2019	2018	2017	2016	2015
0.0545581%	0.0507724%	0.0552136%	0.0616484%	0.0716504%	0.0710010%
\$ 3,264,307	\$ 2,907,829	\$ 3,298,891	\$ 4,512,094	\$ 4,088,441	\$ 3,593,320
\$ 1,877,541	\$ 1,736,193	\$ 1,690,957	\$ 2,200,850	\$ 2,291,070	\$ 2,083,990
173.86%	167.48%	195.09%	205.02%	178.45%	172.43%
70.85%	71.36%	69.50%	62.98%	69.16%	71.70%
0.03129198%	0.03204103%	0.03362876%	0.03307519%	0.03695785%	0.03704419%
\$ 6,920,033	\$ 7,045,103	\$ 7,988,584	\$ 11,071,263	\$ 10,114,575	\$ 9,010,429
\$ 3,550,557	\$ 3,527,793	\$ 3,475,757	\$ 3,616,936	\$ 3,591,036	\$ 4,076,038
194.90%	199.70%	229.84%	306.10%	281.66%	221.06%
77.40%	77.30%	75.30%	66.80%	72.10%	74.70%

See accompanying notes to the required supplementary information.

**Washington State College of Ohio**  
**(fka Washington State Community College)**  
**Washington County, Ohio**  
*Required Supplementary Information*  
*Schedule of the College's Contributions - Pension*  
*Last Ten Fiscal Years*

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<b><i>School Employees Retirement System (SERS)</i></b>					
Contractually Required Contribution	\$ 343,243	\$ 319,826	\$ 291,043	\$ 255,078	\$ 264,233
Contributions in Relation to the Contractually Required Contribution	<u>(343,243)</u>	<u>(319,826)</u>	<u>(291,043)</u>	<u>(255,078)</u>	<u>(264,233)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
College's Covered Payroll	\$ 2,451,736	\$ 2,284,471	\$ 2,078,879	\$ 1,821,986	\$ 1,887,379
Pension Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%	14.00%
<b><i>State Teachers Retirement System (STRS)</i></b>					
Contractually Required Contribution	\$ 611,728	\$ 549,996	\$ 567,100	\$ 506,736	\$ 521,345
Contributions in Relation to the Contractually Required Contribution	<u>(611,728)</u>	<u>(549,996)</u>	<u>(567,100)</u>	<u>(506,736)</u>	<u>(521,345)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
College's Covered Payroll	\$ 4,369,486	\$ 3,928,543	\$ 4,050,714	\$ 3,619,543	\$ 3,723,893
Pension Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%	14.00%

See accompanying notes to the required supplementary information.



<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 253,468	\$ 234,386	\$ 236,734	\$ 308,119	\$ 301,963
<u>(253,468)</u>	<u>(234,386)</u>	<u>(236,734)</u>	<u>(308,119)</u>	<u>(301,963)</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
\$ 1,877,541	\$ 1,736,193	\$ 1,690,957	\$ 2,200,850	\$ 2,291,070
13.50%	13.50%	14.00%	14.00%	13.18%
\$ 497,078	\$ 493,891	\$ 486,606	\$ 506,371	\$ 502,745
<u>(497,078)</u>	<u>(493,891)</u>	<u>(486,606)</u>	<u>(506,371)</u>	<u>(502,745)</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
\$ 3,550,557	\$ 3,527,793	\$ 3,475,757	\$ 3,616,936	\$ 3,591,036
14.00%	14.00%	14.00%	14.00%	14.00%

See accompanying notes to the required supplementary information.

**Washington State College of Ohio**  
**(fka Washington State Community College)**  
**Washington County, Ohio**  
*Required Supplementary Information*  
*Schedule of the College's Proportionate Share of the Net OPEB Liability/(Asset)*  
*Last Eight Fiscal Years (1)*

	2024	2023	2022	2021
<b><i>School Employees Retirement System (SERS)</i></b>				
College's Proportion of the Net OPEB Liability	0.0538988%	0.0522076%	0.0498810%	0.0520620%
College's Proportionate Share of the Net OPEB Liability	\$ 887,953	\$ 733,000	\$ 944,043	\$ 1,131,486
College's Covered Payroll	\$ 2,284,471	\$ 2,078,897	\$ 1,821,986	\$ 1,887,379
College's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	38.87%	35.26%	51.81%	59.95%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	30.02%	30.34%	24.08%	18.17%
<b><i>State Teachers Retirement System (STRS)</i></b>				
College's Proportion of the Net OPEB Liability/(Asset)	0.02908557%	0.03115820%	0.03082100%	0.03185200%
College's Proportionate Share of the Net OPEB Liability/(Asset)	\$ (565,674)	\$ (806,790)	\$ (649,836)	\$ (559,798)
College's Covered Payroll	\$ 3,928,543	\$ 4,050,714	\$ 3,619,543	\$ 3,723,893
College's Proportionate Share of the Net OPEB Liability/(Asset) as a Percentage of its Covered Payroll	-14.40%	-19.92%	-17.95%	-15.03%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	168.52%	230.73%	174.73%	182.10%

(1) Information prior to 2017 is not available.

Note: The amounts presented for each fiscal year were determined as of the measurement date, which is the prior fiscal year.

See accompanying notes to the required supplementary information.

2020	2019	2018	2017
0.0521920%	0.0503960%	0.0555740%	0.0615365%
\$ 1,312,517	\$ 1,398,124	\$ 1,491,460	\$ 1,754,017
\$ 1,877,541	\$ 1,736,193	\$ 1,690,957	\$ 2,200,850
69.91%	80.53%	88.20%	79.70%
15.57%	13.57%	12.46%	11.49%
0.03129200%	0.03204100%	0.03362876%	0.03307519%
\$ (518,271)	\$ (514,867)	\$ 1,312,070	\$ 1,768,870
\$ 3,550,557	\$ 3,527,793	\$ 3,475,757	\$ 3,616,936
-14.60%	-14.59%	37.75%	48.91%
174.70%	176.00%	47.10%	37.30%

See accompanying notes to the required supplementary information.

**Washington State College of Ohio**  
**(fka Washington State Community College)**  
**Washington County, Ohio**  
*Required Supplementary Information*  
*Schedule of the College's Contributions - OPEB*  
*Last Nine Fiscal Years (2)*

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<b><i>School Employees Retirement System (SERS)</i></b>					
Contractually Required Contribution (1)	\$ 13,158	\$ 10,515	\$ 10,076	\$ 11,052	\$ 4,968
Contributions in Relation to the Contractually Required Contribution	<u>(13,158)</u>	<u>(10,515)</u>	<u>(10,076)</u>	<u>(11,052)</u>	<u>(4,968)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
College's Covered Payroll	\$ 2,451,736	\$ 2,284,471	\$ 2,078,879	\$ 1,821,986	\$ 1,887,379
OPEB Contributions as a Percentage of Covered Payroll (1)	0.54%	0.46%	0.48%	0.61%	0.26%
<b><i>State Teachers Retirement System (STRS)</i></b>					
Contractually Required Contribution	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in Relation to the Contractually Required Contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
College's Covered Payroll	\$ 4,369,486	\$ 3,928,543	\$ 4,050,714	\$ 3,619,543	\$ 3,723,893
OPEB Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%

(1) Includes surcharge

(2) Information prior to 2016 is not available

See accompanying notes to the required supplementary information.

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
\$ 23,813	\$ 30,966	\$ 28,184	\$ 28,131
<u>(23,813)</u>	<u>(30,966)</u>	<u>(28,184)</u>	<u>(28,131)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,877,541	\$ 1,736,193	\$ 1,690,957	\$ 2,200,850
1.27%	1.78%	1.67%	1.28%
\$ -	\$ -	\$ -	\$ -
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 3,550,557	\$ 3,527,793	\$ 3,475,757	\$ 3,616,936
0.00%	0.00%	0.00%	0.00%

See accompanying notes to the required supplementary information.

**Washington State College of Ohio**  
**(fka Washington State Community College)**  
**Washington County, Ohio**  
*Notes to the Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2024*

**NOTE 1 - NET PENSION LIABILITY**

There were no changes in assumptions or benefit terms for the fiscal years reported unless otherwise stated below:

***Changes in Assumptions - SERS***

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

	<u>Fiscal Year 2022</u>	<u>Fiscal Years 2021-2017</u>	<u>Fiscal Years 2016 and Prior</u>
Wage Inflation	2.40%	3.00%	3.25%
Future Salary Increases, including inflation	3.25% to 13.58%	3.50% to 18.20%	4.00% to 22.00%
Investment Rate of Return	7.00% net of system expenses	7.50% net of investment expenses, including inflation	7.75% net of investment expenses, including inflation

Beginning in 2022, amounts reported use mortality rates based on the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females. Future improvement in mortality rates is reflected by applying the MP2020 projection scale generationally.

Beginning in fiscal year 2018, on each anniversary of the initial retirement, the allowance of all retirees and survivors may be increased by the annual rate of increase in the CPI-W measured as of the June preceding the beginning of the applicable calendar year. The annual rate of increase shall not be less than 0 percent nor greater than 2.5 percent.

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

***Changes in Benefit Terms - SERS***

For fiscal year 2022, COLA were increased from 2.00 percent to 2.50 percent.

For fiscal year 2021, COLA were reduced from 2.50 percent to 2.00 percent.

For fiscal year 2018, the cost-of-living adjustment was changed from a fixed 3.00 percent to a cost-of-living adjustment that is indexed to CPI-W not greater than 2.50 percent with a floor of zero percent beginning January 1, 2018. In addition, with the authority granted the Board under HB 49, the Board has enacted a three-year COLA suspension for benefit recipients in calendar years 2018, 2019 and 2020.

**Washington State College of Ohio**  
**(fka Washington State Community College)**  
**Washington County, Ohio**  
*Notes to the Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2024*

***Changes in Assumptions – STRS***

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

	<u>Fiscal Years 2022 and 2023</u>	<u>Fiscal Years 2021-2018</u>	<u>Fiscal Years 2017 and Prior</u>
Inflation	2.50%	2.50%	2.75%
Projected Salary Increases	From 2.50% to 12.50% based on age	From 12.50% at age 20 to 2.50% at age 65	From 12.25% at age 20 to 2.75% at age 70
Investment Rate of Return, net of investment expenses, including inflation	7.00%	7.45%	7.75%
Payroll Increases	3.00%	3.00%	3.50%

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

Beginning with fiscal year 2018, post-retirement mortality rates for healthy retirees were based on the RP2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

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

***Changes in Benefit Terms - STRS***

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

For fiscal year 2018, the COLA was reduced to zero.

Fiscal year 2017 and prior, COLA was 2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, 2013 or later, 2 percent COLA commences on fifth anniversary of retirement date

**Washington State College of Ohio**  
**(fka Washington State Community College)**  
**Washington County, Ohio**  
*Notes to the Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2024*

**NOTE 2 - NET OPEB LIABILITY (ASSET)**

***Changes in Assumptions – SERS***

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

	<u>Fiscal Years 2023 and 2022</u>	<u>Fiscal Years 2021-2017</u>
Inflation	2.40%	3.00%
Future Salary Increases, including inflation	3.25% to 13.58%	3.50% to 18.20%
Investment Rate of Return, net of investment expenses, including inflation	7.00%	7.50%

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

	<u>Fiscal Year</u>							
<u>Assumption</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Municipal Bond Index Rate	3.86%	3.69%	1.92%	2.45%	3.13%	3.62%	3.56%	2.92%
Single Equivalent Interest Rate, net of plan investment expense, including price inflation	4.27%	4.08%	2.27%	2.63%	3.22%	3.70%	3.63%	2.98%

***Changes in Assumptions – STRS***

For fiscal year 2023, the projected salary increases were changed from age based (2.5 percent to 12.50 percent) to service based (2.5 percent to 8.5 percent).

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

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

For fiscal year 2018, the blended discount rate was increased from 3.26 percent to 4.13 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.



**Washington State College of Ohio**  
**(fka Washington State Community College)**  
**Washington County, Ohio**  
*Notes to the Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2024*

---

***Changes in Benefit Terms – STRS***

Effective January 1, 2024, Healthcare trends were updated to reflect emerging claims and recoveries experience as well as benefit changes.

For fiscal year 2023, health care trends were updated to reflect emerging claims and recoveries experience

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

For fiscal year 2021, there were no changes to the claims costs process. Claim curves were updated to reflect the projected fiscal year 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 .1 percent for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

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

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

For fiscal year 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 2019. This was subsequently extended, see above paragraph.

**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  
Washington State College of Ohio  
Washington County, Ohio  
710 Colegate Drive  
Marietta, OH 45750

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the business-type activities and the discretely presented component unit of Washington State College of Ohio, Washington County, Ohio (the "College"), a component unit of the State of Ohio, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated October 15, 2024.

**Report on 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 or significant deficiencies may exist that were not identified.

### **Report on 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.

*Rea & Associates, Inc.*

Rea & Associates, Inc.  
Marietta, Ohio  
October 15, 2024

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

Board of Trustees  
Washington State College of Ohio  
Washington County, Ohio  
710 Colegate Drive  
Marietta, OH 45750

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

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

We have audited Washington State College of Ohio's, Washington County, Ohio (the "College") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of College's major federal programs for the year ended June 30, 2024. 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*.

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

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

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

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

***Responsibilities of Management for Compliance***

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

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

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

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

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

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

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

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

weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

*Rea & Associates, Inc.*

Rea & Associates, Inc.  
Marietta, Ohio  
October 15, 2024

**WASHINGTON STATE COLLEGE OF OHIO  
WASHINGTON COUNTY, OHIO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Fiscal Year Ended June 30, 2024**

	Assistance Listing Number	Pass-through Entity Identifying Number	Expenditures	Passed Through to Subrecipients
<u>U.S. Department of Education</u>				
<i>Direct Program</i>				
Student Financial Assistance Cluster				
Federal Pell Grant	84.063		\$ 3,309,151	\$ -
Federal Work Study	84.033		29,806	-
Federal SEOG Grant	84.007		64,878	-
Federal Direct Student Loans (Note 3)	84.268		3,062,455	-
Total Student Financial Assistance Cluster			6,466,290	-
TRIO Cluster				
Educational Talent Search	84.044		435,860	-
Upward Bound	84.047		314,726	-
Total TRIO Cluster			750,586	-
Education Stabilization Fund				
COVID-19: Higher Education Emergency Relief Funds - Institution	84.425F		5,062	-
Total Education Stabilization Fund			5,062	-
Strengthening Institutions Program				
Title III	84.031A		288,852	-
Total Strengthening Institutions Program			288,852	-
<i>Passed Through Ohio Department of Education</i>				
Vocational Education - Basic Grants to States	84.048A	2023	104,125	-
Total U.S. Department of Education			7,614,915	-
<u>Appalachian Regional Commission</u>				
<i>Direct Program</i>				
Appalachian Area Development	23.002	PW-20857-IM	346,695	-
Total Appalachian Regional Commission			346,695	-
Total Federal Awards			\$ 7,961,610	\$ -

See accompanying notes to the schedule of expenditures of federal awards.

**Washington State College of Ohio**  
**Washington County, Ohio**  
Notes to the Schedule of Expenditures of Federal Awards  
2 CFR 200.510(B)(6)  
For Fiscal Year Ended June 30, 2024

**NOTE 1: BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes federal grant activity of Washington State College of Ohio (the College) includes the federal award activity of the federal government for the year ended June 30, 2024. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the College, it is not intended to and does not present the financial position, changes in net position, or cash flows of the College.

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING 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 3: FEDERAL DIRECT LOAN PROGRAM**

The College participates in the William D. Ford Federal Direct Loan Program. The College originates the loans which are then funded through the U.S. Department of Education.

Federal Subsidized Loans	\$ 1,275,544
Federal Unsubsidized Loans	1,780,349
Federal Plus Loans	<u>6,562</u>
Total Federal Direct Student Loans	<u>\$ 3,062,455</u>



**Washington State College of Ohio**  
**Washington County, Ohio**  
*Schedule of Findings and Questioned Costs*  
*2 CFR Section 200.515*  
*June 30, 2024*

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

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?	None Reported
(d)(1)(iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other significant deficiencies in internal control reported for major federal programs?	None Reported
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs (list): Student Financial Assistance Cluster: Federal Pell Grant Federal Work Study Federal SEOG Federal Direct Student Loans  TRIO Cluster: Educational Talent Search Upward Bound	Assistance Listing #s:  84.063 84.033 84.007 84.268  84.044 84.047
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: >\$750,000 Type B: All others
(d)(1)(ix)	Low Risk Auditee under 2 CFR §200.520?	No

**Washington State College of Ohio**  
**Washington County, Ohio**  
*Schedule of Findings and Questioned Costs (Continued)*  
*2 CFR Section 200.515*  
*June 30, 2024*

<b>2. FINDINGS RELATING TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
--

**None noted.**

<b>3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS</b>
--

**None noted.**

# OHIO AUDITOR OF STATE KEITH FABER



**WASHINGTON STATE COMMUNITY COLLEGE**

**WASHINGTON 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 1/7/2025**

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

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