CLARK SCHAEFER HACKETT
BUSINESS ADVISORS

OWENS STATE COMMUNITY COLLEGE
WOOD COUNTY, OHIO

SINGLE AUDIT

FOR THE FISCAL YEARS ENDED JUNE 30, 2021 AND 2020

OHIO AUDITOR OF STATE
KEITH FABER

88 East Broad Street
Columbus, Ohio 43215
IPAReport@ohioauditor.gov
(800) 282-0370

Board of Trustees
Owens State Community College
PO Box 10000
Toledo, Ohio 43699

We have reviewed the *Independent Auditors' Report* of the Owens State Community College, Wood County, prepared by Clark, Schaefer, Hackett & Co., for the audit period July 1, 2020 through June 30, 2021. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Keith Faber
Auditor of State
Columbus, Ohio

October 25, 2021

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Owens State Community College

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CLARK SCHAEFER HACKETT
BUSINESS ADVISORS

14 East Main Street, Suite 500, Springfield, Ohio 45502
P. 937.399.2000 | F. 937.399.5433

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Owens State Community College
Perrysburg, Ohio

Report on the Financial Statements
We have audited the accompanying financial statements of the business-type activities and discretely presented component unit of Owens State Community College (the "College"), a component unit of the State of Ohio, as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

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

Auditors' Responsibility
Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and discretely presented component unit of the College, as of June 30, 2021 and 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedules of the College's pension and OPEB amounts and contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other 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.

The schedule of expenditures of federal awards 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*
In accordance with *Government Auditing Standards*, we have also issued our report dated October 13, 2021 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.

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
October 13, 2021

The following management's discussion and analysis (MD&A) provides an overview of the financial position and activities of Owens State Community College for the year ended June 30, 2021 with comparative information for the years ended June 30, 2020 and 2019. The MD&A should be read in conjunction with the accompanying audited financial statements and footnotes.

ABOUT OWENS STATE COMMUNITY COLLEGE

Founded in 1965, Owens Community College (the "College") continues to offer an affordable, quality education to those who are seeking an associate degree, continuing education courses, and professional development. The College allows you to complete the first two years of a bachelor's degree and then transfer to any four-year University or College. To enhance this process, the College has cultivated transfer agreements with over 20 area four-year colleges and universities.

The Toledo-area campus covers more than 280 acres and is located near downtown Toledo. The 60-acre Findlay-area campus is at 3200 Bright Road on Findlay's northeast side. Between our two campus locations, over 11,500 credit and non-credit students are served annually. The College is a comprehensive community college accredited by the Higher Learning Commission of the North Central Association of Colleges and Schools.

The College is currently governed by a nine voting member board of trustees who are responsible for oversight of academic programs, budgets, general administration, and employment of faculty and staff. The trustees are appointed by the governor with the advice and consent of the State Senate for staggered six-year terms.

The following financial statements reflect all assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position of the College and its discretely presented legally separate entity, Owens Community College Foundation (the "Foundation"). The Foundation's primary function is fundraising to supplement the resources that are available to the College in support of its programs. The Foundation is governed by a separate board of trustees which is self-perpetuating and consists of graduates and friends of the College. Nearly all the assets of the Foundation are restricted by donors to activities of the College. The College does not control the timing or amount of receipts from the Foundation.

ABOUT THE FINANCIAL STATEMENTS

The annual financial statements are prepared in accordance with Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as amended by GASB Statement No. 35, *Basic Financial Statements - and Management's Discussion and Analysis - for Public Colleges and Universities.* In addition to this MD&A section, the audited financial statements include a statement of net position; statement of revenue, expenses, and changes in net position; statement of cash flows; and the notes to the financial statements. In accordance with GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units,* which amends GASB Statement No. 14, the Foundation is discretely presented as a component unit of the College. The Foundation is excluded from Management's Discussion and Analysis. Complete financial statements for the Foundation can be obtained from Owens State Community College, 30335 Oregon Road, Perrysburg, OH 43551.

Using This Annual Report

The College's annual report consists of three basic financial statements: the statement of net position, the statement of revenue, expenses, and change in net position, and the statement of cash flows. These financial statements are prepared in accordance with GASB principles.

The financial statements report the College's net position and changes in net position. Increases or decreases in the College's net position are indicative of the College's financial health. Changes of a nonfinancial nature are relevant as well, such as enrollment trends, program growth or decline, the functionality of facilities, and required maintenance.

The College's financial statements are prepared using the accrual basis of accounting.

Another important factor to consider when evaluating the financial viability of the College is its ability to meet financial obligations as they mature. The statement of cash flows presents the information related to cash inflows and outflows. This is broken down into four components: operating, investing, capital, and noncapital financing activities. The statement shows the College's sources and uses of cash.

FINANCIAL HIGHLIGHTS

The net position by category for fiscal years 2021, 2020, and 2019 are shown below. Net position in aggregate increased $11,021,771 from fiscal year 2020 to fiscal year 2021 and increased $11,665,639 from fiscal year 2019 to fiscal year 2020. In fiscal year ended June 30, 2021, the College's revenues increased due to Higher Education Emergency Relief Funds (HEERF) received directly from the U.S. Department of Education and Coronavirus Relief Funds (CRF) passed through the Ohio Department of Higher Education.

	Net Investment In Capital Assets	Unrestricted	Total Net Position
FY 2021	$ 82,072,231	$ (26,406,729)	$ 55,665,502
FY 2020	85,049,329	(40,405,598)	44,643,731
FY 2019	79,375,685	(46,397,593)	32,978,092

A summarization of the College's assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position at June 30, 2021, 2020, and 2019 follows:

	June 30		
	2021	2020	2019
Assets			
Current assets	$ 46,180,253	$ 34,646,341	$ 29,202,362
Capital assets	82,072,231	85,049,329	79,375,685
Other noncurrent assets	15,287,645	13,448,435	14,663,980
Total assets	143,540,129	133,144,105	123,242,027
Deferred Outflows of Resources	11,173,777	10,182,433	13,340,386
Liabilities			
Current liabilities	15,876,323	12,873,244	10,005,958
Noncurrent liabilities	67,939,852	66,916,854	67,022,680
Total liabilities	83,816,175	79,790,098	77,028,638
Deferred Inflows of Resources	15,232,229	18,892,709	26,575,683
Net Position			
Net investment in capital assets	82,072,231	85,049,329	79,375,685
Unrestricted	(26,406,729)	(40,405,598)	(46,397,593)
Total net position	**$ 55,665,502**	**$ 44,643,731**	**$ 32,978,092**

2021 Variances

Current assets increased by $11,533,912 from 2020 to 2021 primarily due to an increase in current investments and accounts receivables. Capital assets decreased by $2,977,098 due to capital asset purchases being less than capital asset depreciation and disposals. Noncurrent assets increased $1,839,210 due to an increase in noncurrent investments. Current liabilities increased by $3,003,079 from 2020 to 2021 primarily due to an increase in accounts payable. The noncurrent liabilities increased by $1,022,998 due to an increase in the net pension liability offset by a decrease in the net OPEB liability. Net position increased from 2020 to 2021 primarily due to investment purchases as well as decreases in the deferred inflows of resources related to pensions of $4,314,399.

2020 Variances

Current assets increased by $5,443,979 from 2019 to 2020 primarily due to an increase in cash and cash equivalents. Capital assets increased by $5,673,644 due to capital asset purchases offset by capital asset depreciation. Noncurrent assets decreased $1,215,545 due to a decrease in noncurrent investments. Current liabilities increased by $2,867,286 from 2019 to 2020 primarily due to an increase in accounts payable. The noncurrent liabilities decreased by $105,826 due to an increase in the net pension liability offset by a decrease in the net OPEB liability. Net position increased from 2019 to 2020 primarily due to capital asset purchases as well as decreases in the deferred inflows of resources related to pensions of $7,863,560.

The following is a summary of the College's revenue, expenses, and changes in net position for the years ended June 30, 2021, 2020, and 2019.

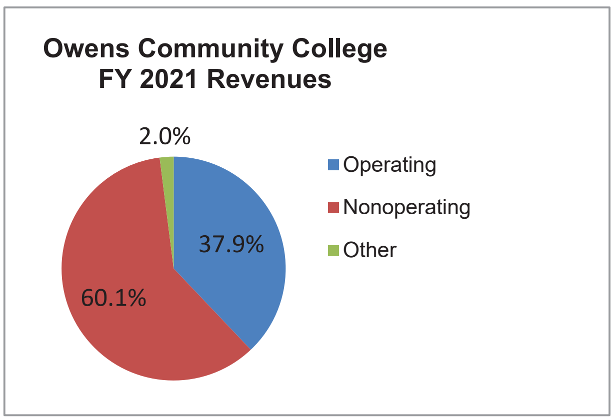
	Year Ended June 30		
	2021	2020	2019
Operating Revenue			
Student tuition and fees	$ 27,213,405	$ 26,533,415	$ 27,898,951
Grants - Federal, state, and local	2,724,759	2,386,902	2,668,544
Sales and service	246,004	491,048	1,495,352
Auxiliary activities	245,428	415,987	729,369
Other operating revenue	353,588	175,444	391,528
Total operating revenue	30,783,184	30,002,796	33,183,744
Operating Expenses			
Educational and general	63,485,919	57,911,247	50,620,702
Depreciation	6,243,412	5,964,101	5,776,178
Auxiliary enterprises	526,284	458,132	504,480
Total operating expenses	70,255,615	64,333,480	56,901,360
Operating Loss	(39,472,431)	(34,330,684)	(23,717,616)
Nonoperating Revenue (Expenses)			
State appropriations	26,866,642	26,729,451	28,935,666
Grants - Federal, state, and local	13,367,660	2,580,059	-
Pell grants	8,164,148	9,978,947	10,733,461
Investment income	485,609	1,158,953	1,284,979
Interest expense	-	-	(4,381)
Total nonoperating revenues (expenses)	48,884,059	40,447,410	40,949,725
Income Before Other Revenue			
Before capital appropriations and grants	9,411,628	6,116,726	17,232,109
Capital Appropriations and Grants	1,610,143	5,548,913	2,251,535
Increase in Net Position	11,021,771	11,665,639	19,483,644
Net Position - Beginning of year	44,643,731	32,978,092	13,494,448
Net Position - End of year	**$ 55,665,502**	**$ 44,643,731**	**$ 32,978,092**

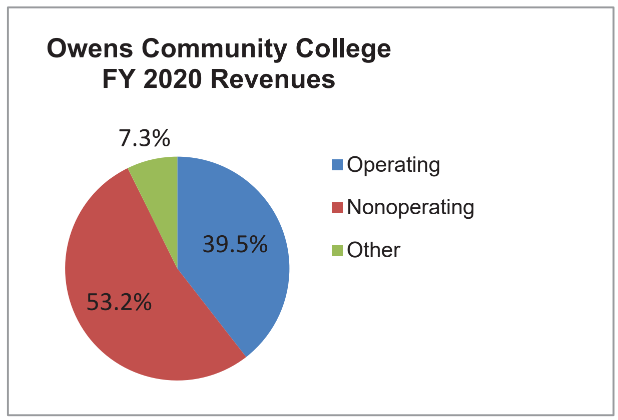
Statement of Revenue, Expenses, and Changes in Net Position

The College's two major sources of revenue are operating (tuition and fees) and nonoperating (the state share of instruction). Both types of revenue are tied to enrollment, with tuition and fees being generated via an assessment mechanism. This mechanism focuses on individual credit hours of enrollment. The state share of instruction is distributed through a funding formula which is 100 percent performance based. The funding model includes three major components: course completion, success points and attainment or credential completion. Course completion is 50 percent of the formula based on students receiving a "D" or better for their course work. Success points are 25 percent of the formula and are based on when the student reaches 12, 24 and 36 completed credit hours. The remaining 25 percent of the formula is for attainment or credential completion which includes degree attainment, certificate attainment and a component for student transfer to an Ohio public or private institution.

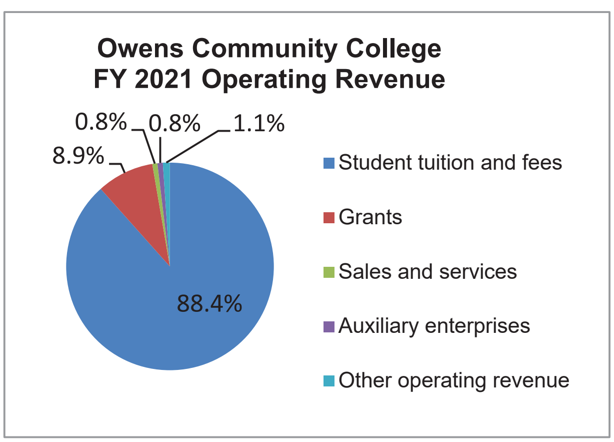
Operating Revenue

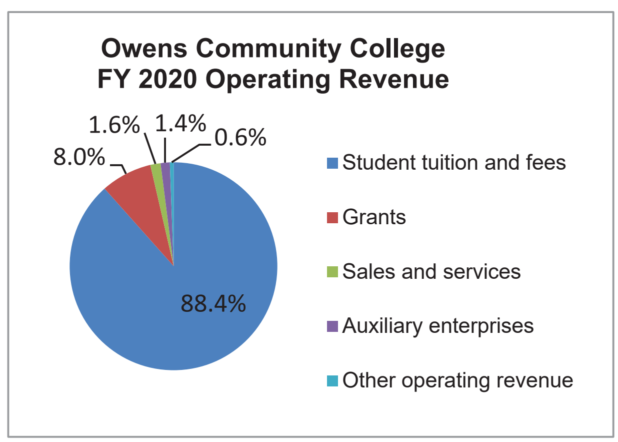
The charts below present total revenue by category for the fiscal years ended June 30, 2021 and 2020:





The charts below reflect the College's operating revenue for the fiscal years ended June 30, 2021 and 2020:





On November 8, 2017, the Board approved an increase of in-state instructional tuition to the allowable amount, as provided by the State of Ohio Budget, effective for Summer Semester 2018, fiscal year 2019. The State allowed a $10.00 increase per credit hour. On June 4, 2019, the Board approved an increase of in-state instructional tuition to the allowable amount, as provided by the State of Ohio Budget, effective for Fall Semester 2019, fiscal year 2020. The State allowed a $5.00 increase per credit hour. On February 4, 2020, the Board approved an additional $5.00 increase per credit hour, to begin in Summer of 2020, which had already been approved by the State of Ohio Budget.

Gross student tuition and fees revenue decreased in fiscal years 2021 and 2020. Gross tuition and fees were $35,584,844 and $36,637,912 in fiscal years 2021 and 2020, respectively.

Scholarship allowances decreased and scholarship dollars per FTE have also decreased. For 2021, scholarship allowances totaled $8,371,439 and scholarship dollars per FTE were $1,981. For 2020, scholarship allowances totaled $10,104,497 and scholarship dollars per FTE were $2,003.

Grant revenue increased in fiscal year 2021 by $337,857. The increase in grant revenue for fiscal year 2021 was due to the timing of new grants beginning and the full utilization of existing grants.

Sales and services activities decreased due to a reduction of facility rentals during the fiscal year.

Auxiliary service activities (including childcare services and copy center) decreased due mainly to the College's decrease in bookstore commissions.

Nonoperating Revenue

The College's largest single source of revenue is the nonoperating revenue received from the State of Ohio. The College's State share of instruction amounted to $26,866,642 and $26,729,451, in fiscal years 2021 and 2020, respectively. The State share of instruction was $6,357 and $5,297 per FTE for fiscal years 2021 and 2020, respectively. Another component of nonoperating revenue is investment income. In 2021, investment income decreased by $673,344 in comparison to 2020. Investment income decreased due to market performance within the College's investment portfolio offset with an increase in the total investment balance.

Nonoperating grant revenue (including Pell) increased in fiscal year 2021 by $8,972,802 compared to fiscal year 2020. This included a decline in Pell grants that is reflective of the decrease in enrollment and changes in financial aid regulations offset by federal funding received as a result of funding received from the HEERF and CRF to assist colleges and universities during the COVID-19 Global Pandemic, including funding awarded directly to students.

Operating Expense Changes

The College's operating expenses reflect changes related to student enrollment, college initiatives, and instructional program changes. Due to declining enrollment during the past five fiscal years, the College has adjusted positions, class size and expenditures based on an in-depth analysis. In fiscal year 2021, the College saw savings in travel due to pandemic-related restrictions. In fiscal year 2021, the College also had a decrease in rental expense due to the end of the downtown lease during fiscal year 2020. The College sustained larger expenditures in fiscal year 2021 for health care costs, deferred maintenance, and fixed asset disposals. Additionally, the College reported pension expense of $1,691,474 and negative OPEB expense of $954,471, respectively, in operating expenses during the year, compared to pension expense of $884,027 and negative OPEB expense of $1,331,298, respectively, in operating expenses during the prior year. This is a result of the College recognizing its proportionate share of each plan's annual pension expense and annual OPEB expense related to its net pension liability and net OPEB liability and related deferred outflows/inflows of resources.

The depreciation expense for fiscal years 2021, 2020, and 2019 was $6,243,412, $5,964,101, and $5,776,178 respectively.

Capital Assets

At June 30, 2021, 2020, and 2019, the College had $82,072,231, $85,049,329, and $79,375,685, respectively, invested in capital assets, net of accumulated depreciation.

The details of the capital assets at June 30, 2021, 2020, and 2019 are shown below:

	2021	2020	2019
Land and land improvements	$ 37,593,967	$ 37,852,354	$ 37,858,284
Buildings	130,329,936	126,296,273	121,213,854
Equipment	29,586,901	29,885,744	26,701,386
Leasehold improvements	488,773	488,773	488,773
Less accumulated depreciation	(116,688,503)	(115,809,732)	(110,022,961)
Net of depreciation	81,311,074	78,713,412	76,239,336
Construction in progress	761,157	6,335,917	3,136,349
Total	$ 82,072,231	$ 85,049,329	$ 79,375,685

Capital Projects

In fiscal year 2021, the College completed phase two construction of The Dana Advanced Manufacturing Training Center (Dana Center), construction of the CEP Scenario House, and phase two construction of College Hall.

In fiscal year 2020, the College completed the campus security project installing cameras and access control on both campuses, the roof renovation of the Dana Center and phase one construction of the Dana Center project. The College began the installation of a new phone system as well as phase two of the College Hall and Dana Center renovations.

Cash Flows

The statements of cash flows for the years ended June 30, 2021, 2020, and 2019 are as follows:

	Year Ended June 30		
	2021	2020	2019
Cash Flows from Operating Activities			
Student tuition and fees	$ 24,224,802	$ 26,788,926	$ 27,258,371
Grants - Federal, state, and local	2,709,135	1,820,105	2,757,016
Payments to employees, suppliers, students, and others	(64,452,840)	(60,921,231)	(64,735,291)
Auxiliary enterprises	245,428	415,987	729,369
Sales and services	246,004	491,048	1,495,352
Other receipts	906,639	178,945	389,528
Net cash used in operating activities	(36,120,832)	(31,226,220)	(32,105,655)
Cash Flows from Noncapital Financing Activities			
Grants - Federal, state, and local	10,024,036	2,580,059	-
Pell grants	8,164,148	9,978,947	10,733,461
State appropriations	26,866,642	26,729,451	28,935,666
Agency transactions	(8,057)	25,422	(35,934)
Net cash provided by noncapital financing activities	45,046,769	39,313,879	39,633,193
Cash Flows from Capital and Related Financing Activities			
Principal payments on notes payable	-	-	(310,000)
Capital appropriations and grants	2,160,532	4,998,682	2,253,572
Interest paid on notes payable	-	-	(4,381)
Purchases of capital assets	(4,136,432)	(10,728,664)	(4,476,884)
Proceeds from sale of capital assets	2,327	-	2,000
Net cash used in capital and related financing activities	(1,973,573)	(5,729,982)	(2,535,693)
Cash Flows from Investing Activities			
Interest on investments	504,693	1,206,764	1,242,713
Net change in investments	(8,067,014)	1,299,074	(8,285,709)
Net cash provided by (used in) investing activities	(7,562,321)	2,505,838	(7,042,996)
Net Increase (Decrease) in Cash	(609,957)	4,863,515	(2,051,151)
Cash - Beginning of year	7,575,254	2,711,739	4,762,890
Cash - End of year	**$ 6,965,297**	**$ 7,575,254**	**$ 2,711,739**

Cash used in operating activities for fiscal year 2021 increased over 2020 due primarily to an increase in operating expenses incurred by the College. Primary inflows of operating cash are from tuition and fees, grant revenue, and auxiliary enterprises. Primary outflows of operating cash are payments to employees and suppliers. Cash flows from noncapital financing activities increased due to the increase in grants revenue. Cash flows from capital and related financing activities increased due to a decrease in purchases of capital assets. Cash flows from investing activities decreased during the fiscal year primarily due to a decrease in net change in investments from the purchase of additional investments.

Cash used in operating activities for fiscal year 2020 decreased over 2019 due primarily to decreases in sales and services provided as well as operating expenses incurred by the College. Primary inflows of operating cash are from tuition and fees, grant revenue, and auxiliary enterprises. Primary outflows of operating cash are payments to employees and suppliers. Cash flows from noncapital financing activities decreased due to the decrease in state appropriations. Cash flows from capital and related financing activities decreased due to an increase in capital appropriations and grants offset by an increase in purchases of capital assets. Cash flows from investing activities increased during the fiscal year primarily due to an increase in net change in investments.

Initiatives

The College is committed to identifying opportunities that will strengthen our mission of serving our students and community. In 2018, the College embarked on a strategic planning process, which engaged internal and external stakeholders. A new mission and vision statement were adopted and communicated internally and externally. Since that time, the College has begun putting that plan into action through the development of key objectives, key performance indicators, and strategic improvement targets. We continue to work with advisory boards and regional partners to understand and meet the education and training needs, needed programming, training and training facilities for the region.

The College continues to address the needs of the community with relevant academic programs and training to prepare students and skilled workers. The College has completed the renovation of the Dana Center. The Dana Center has increased the College's capacity to credential students in skilled trades, manufacturing, and advanced technologies while addressing the region's needs for qualified, skilled employees.

The College continues to partner with local, regional, and national partners to assist in cultivating and preparing their workforces. We continue to partner with JobsOhio, Dana, First Solar, and First Energy through credit and non-credit training including cohorted and on-site programming. We are also building further partnerships with union and corporate partners to increase apprenticeships across the region and all of Ohio. This Fall semester, we begin the third cohort of students sponsored and employed by Cooper Tire, DS Brown, Freudenberg, Graham Packaging, Hitachi Astemo, and Kalmbach Feeds. These students will obtain an Associate of Technical Studies in Advanced Manufacturing in two years.

Owens is focused on upgrading facilities for student support. The College has three large renovation projects, two in College Hall and one in Transportation Technologies. The first renovation to College Hall will begin this fall and will create a new library, academic success center, and four classrooms. The second renovation to College Hall will begin early 2022 and will renovate the areas of Campus and Community Connections, Student Activities, Student Government, TRIO, and Fast Track. The renovation in Transportation Technologies will begin this fall and will create one smaller and five larger classrooms.

The College undertook several mitigation efforts at the outset of the COVID-19 pandemic, including floor markings, installation of Plexi glass where appropriate, spaced out seating, closed water fountains, utilized social distancing and mask mandates, etc. As the pandemic has evolved over time, the College adjusted some of these COVID-19 mitigation efforts in order to meet current College, employee, and student health-related needs. In addition, the College's COVID-19 Response Team created an online notification process for reporting COVID-19 cases, maintained close contact with local Health Departments for updates and guidance, and continues to provide updates to the College community regarding any protocol changes and best practices. The COVID-19 Response Team, along with other College departments, also planned and successfully carried out a vaccine clinic held in Spring 2021.

The College has received more than $31M in HEERF for both student and institutional support. For the student support, the College has awarded over $3.7M in student financial aid and grants. In FY22, the College will award an additional $8.6M to students. The institutional support has been used to cover expenses related to the transition from in-person classes, equipment and software upgrades to continue campus operations and distance learning, the purchase of personal protective equipment and other health safety items, as well as lost revenue directly due to the pandemic. In FY22, the College will complete a wireless expansion and upgrade to create consistent wireless coverage in all buildings, increase speed, and improve security. Funds will also be used to add bipolar ionization equipment to all remaining building HVAC systems to help with air filtration to prevent the spread of COVID-19.

Owens State Community College

Statements of Net Position

	June 30 2021	June 30 2020
Current Assets		
Cash and cash equivalents (Note 2)	$ 6,965,297	$ 7,575,254
Investments (Note 3)	26,869,274	20,736,047
Accounts receivable - Net (Note 5)	11,974,805	6,199,938
Receivable from Foundation (Note 10)	3,674	-
Prepaid expenses and deferred charges	367,203	135,102
Total current assets	46,180,253	34,646,341
Noncurrent Assets		
Investments (Note 3)	12,741,778	10,807,991
Capital assets - not being depreciated (Note 6)	10,668,885	16,243,645
Capital assets - net of depreciation (Note 6)	71,403,346	68,805,684
Net OPEB asset (Note 9)	2,503,583	2,598,160
Student loans receivable - Net	42,284	42,284
Total noncurrent assets	97,359,876	98,497,764
Total assets	143,540,129	133,144,105
Deferred Outflows of Resources		
Pensions (Note 8)	9,383,094	9,074,050
OPEB (Note 9)	1,790,683	1,108,383
Total deferred outflows of resources	11,173,777	10,182,433
Current Liabilities		
Accounts payable	7,425,996	5,148,884
Payable to Foundation (Note 10)	-	163
Salaries, wages, and fringe benefits payable	5,426,294	5,047,849
Unearned revenue	2,640,733	2,284,991
Deposits held for others	383,300	391,357
Total current liabilities	15,876,323	12,873,244
Noncurrent Liabilities		
Benefits payable	1,879,936	1,951,215
Net pension liability (Note 8)	58,489,583	56,319,938
Net OPEB liability (Note 9)	7,423,009	8,498,377
Non-federal student loans	147,324	147,324
Total noncurrent liabilities	67,939,852	66,916,854
Total liabilities	83,816,175	79,790,098
Deferred Inflows of Resources		
Pensions (Note 8)	6,245,218	10,559,617
OPEB (Note 9)	8,987,011	8,333,092
Total deferred inflows of resources	15,232,229	18,892,709
Net Position		
Investment in capital assets	82,072,231	85,049,329
Unrestricted	(26,406,729)	(40,405,598)
Total net position	**$ 55,665,502**	**$ 44,643,731**

See notes to Financial Statements.

Owens State Community College

Statements of Revenue, Expenses and Change in Net Position

	Year Ended June 30	
	2021	2020
Revenues		
Operating revenues:		
Student tuition and fees - Net of scholarship allowances of $8,371,439 (2021) and $10,104,497 (2020)	$ 27,213,405	$ 26,533,415
Grants - Federal, state, and local	2,724,759	2,386,902
Sales and services	246,004	491,048
Auxiliary enterprises - Net of scholarship allowances of $181,751 (2021) and $240,959 (2020)	245,428	415,987
Other operating revenues	353,588	175,444
Total operating revenues	30,783,184	30,002,796
Expenses		
Operating expense:		
Salaries, wages and benefits	43,327,832	40,200,977
Supplies	4,130,077	4,050,753
Travel, entertainment and professional development	229,758	357,330
Information and communication	1,585,304	1,699,708
Occupancy	4,348,991	3,838,105
Cost of goods sold	16,985	19,071
Outside services	6,993,964	5,458,082
Scholarships and other student aid	2,596,577	2,528,408
Depreciation	6,243,412	5,964,101
Other	782,715	216,945
Total operating expenses	70,255,615	64,333,480
Operating Loss	(39,472,431)	(34,330,684)
Nonoperating Revenues		
State appropriations	26,866,642	26,729,451
Investment income	485,609	1,158,953
Grants - Federal, state, and local	13,367,660	2,580,059
Pell grants	8,164,148	9,978,947
Net nonoperating revenues	48,884,059	40,447,410
Income Before Other Revenues	9,411,628	6,116,726
Other Revenues		
Capital appropriations	849,340	5,179,241
Capital grants	760,803	369,672
Total other revenues	1,610,143	5,548,913
Increase in Net Position	11,021,771	11,665,639
Net Position		
Beginning of year	44,643,731	32,978,092
End of year	**$ 55,665,502**	**$ 44,643,731**

See notes to Financial Statements.

Owens State Community College

Statements of Cash Flows

	Year Ended June 30	
	2021	2020
Cash Flows from Operating Activities		
Student tuition and fees	$ 24,224,802	$ 26,788,926
Grants - Federal, state, and local	2,709,135	1,820,105
Payments to employees, suppliers, students, and others	(64,452,840)	(60,921,231)
Auxiliary enterprises	245,428	415,987
Sales and services	246,004	491,048
Other receipts	906,639	178,945
Net cash used in operating activities	(36,120,832)	(31,226,220)
Cash Flows from Noncapital Financing Activities		
Grants - Federal, state, and local	10,024,036	2,580,059
Pell grants	8,164,148	9,978,947
State appropriations	26,866,642	26,729,451
Agency transactions	(8,057)	25,422
Net cash provided by noncapital financing activities	45,046,769	39,313,879
Cash Flows from Capital and Related Financing Activities		
Capital appropriations and grants	2,160,532	4,998,682
Purchases of capital assets	(4,136,432)	(10,728,664)
Proceeds from sale of capital assets	2,327	-
Net cash used in capital and related financing activities	(1,973,573)	(5,729,982)
Cash Flows from Investing Activities		
Interest on investments	504,693	1,206,764
Net change in investments	(8,067,014)	1,299,074
Net cash provided by (used in) investing activities	(7,562,321)	2,505,838
Net Increase (Decrease) in Cash and Cash Equivelents	(609,957)	4,863,515
Cash and Cash Equivalents - Beginning of year	7,575,254	2,711,739
Cash and Cash Equivalents - End of year	**$ 6,965,297**	**$ 7,575,254**

(continued)

See notes to Financial Statements.

Owens State Community College

Statements of Cash Flows (Continued)

	Year Ended June 30	
	2021	2020
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	$ (39,472,431)	$ (34,330,684)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	6,243,412	5,964,101
Loss on sale of capital assets	553,051	3,501
Changes in assets and liabilities:		
Receivables - Net	(3,004,390)	(311,123)
Prepaid expenses and deferred charges	(232,101)	211,610
Net OPEB asset	94,577	(62,060)
Deferred outflows of resources	(991,344)	3,157,953
Accounts payable	2,591,689	1,906,673
Salaries, wages, and benefits payable	307,166	162,307
Net pension liability	2,169,645	879,979
Net OPEB liability	(1,075,368)	(960,548)
Deferred inflows of resources	(3,660,480)	(7,682,974)
Unearned revenue	355,742	(164,955)
Net cash used in operating activities	**$ (36,120,832)**	**$ (31,226,220)**
Noncash capital and related financing activities:		
Purchase of capital assets financed through accounts payable	$ 896,027	$ 1,210,767

See notes to Financial Statements.

Owens State Community College

Statements of Financial Position
Discretely Presented Component Unit – Foundation

	June 30	
	2021	2020
Assets		
Cash and cash equivalents	$ 140,016	$ 216,538
Investments	7,112,259	5,195,652
Pledges receivable	581,182	842,300
Due from Owens State Community College	-	163
Total assets	$ 7,833,457	$ 6,254,653
Liabilities and Net Assets		
Liabilities		
Due to Owens State Community College	$ 3,674	$ -
Total liabilities	3,674	-
Net Assets		
Without donor restrictions	1,927,319	1,264,652
With donor restrictions	5,902,464	4,990,001
Total net assets	7,829,783	6,254,653
Total liabilities and net assets	$ 7,833,457	$ 6,254,653

See notes to Financial Statements.

Owens State Community College

Statements of Activities and Change in Net Assets
Discretely Presented Component Unit – Foundation

	June 30	
	2021	2020
Revenue and Support		
Donations received	$ 926,745	$ 1,684,242
Investment income:		
Interest and dividend income	65,806	94,610
Unrealized gain on investments	1,325,681	163,170
Realized gain/(loss) on investments	238,860	(32,029)
Grant revenue	250,000	-
Total revenue and support	2,807,092	1,909,993
Expenses		
Program services:		
Scholarships	329,563	275,875
Equipment grants	760,803	369,672
Other program services	58,814	71,490
Total program services	1,149,180	717,037
Management and general	40,273	34,553
Fund-raising	42,509	14,236
Total expenses	1,231,962	765,826
Change in Net Assets	1,575,130	1,144,167
Net Assets - Beginning of year	6,254,653	5,110,486
Net Assets - End of year	**$ 7,829,783**	**$ 6,254,653**

See notes to Financial Statements.

NOTE 1 – ORGANIZATION, BASIS OF PRESENTATION, AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION

Owens State Community College (the "College") was created pursuant to Section 3357 of the Ohio Revised Code. In November 1994, the Ohio Department of Higher Education approved changing the status of the College from a technical college to a community college, pursuant to Section 3358 of the Ohio Revised Code. The College's purpose is to provide instruction in post-secondary education programs to residents of the College's district. Students who satisfactorily complete such programs receive associate degrees or certificates in liberal arts and sciences, technical, or professional fields. The College is a component unit of the State of Ohio and is discretely presented in the State of Ohio's Comprehensive Annual Financial Report.

The College is classified as a state instrumentality under Internal Revenue Code Section 115 and is also classified as a charitable organization under Internal Revenue Code Section 501(c)(3), and is therefore exempt from federal income taxes. Certain activities of the College may be subject to taxation as unrelated business income under Internal Revenue Code Sections 511 through 514.

The College is governed by a board of trustees, who is responsible for oversight of academic programs, budgets, general administration, and employment of faculty and staff. The College is currently governed by a nine voting member board of trustees. The trustees are appointed by the governor with the advice and consent of the State Senate for overlapping six-year terms.

BASIS OF PRESENTATION

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States as prescribed by the GASB. The College is a public institution engaged in business-type activities. In accordance with GASB Statement No. 35, *Basic Financial Statements - and Management's Discussion and Analysis - for Public Colleges and Universities*, the College presents a management's discussion and analysis; statement of net position; statement of revenues, expenses and changes in net position; statement of cash flows; and notes to the financial statements.

In the determination of whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted nets assets are available, it is the College's practice to use restricted first.

The College has determined that the Owens State Community College Foundation is a component unit of the College. The financial activity of the Foundation is included through a discrete presentation as part of the College's financial statements. The Foundation is a private nonprofit organization that reports under Financial Accounting Standards Board (FASB) standards. As such, certain revenue recognition 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 is a legally separate, tax-exempt entity that acts primarily as a fundraising organization to supplement the resources available to the College in support of its programs. The Foundation transferred $1,149,180 and $717,037 during fiscal years 2021 and 2020, respectively, to the College for both restricted and unrestricted purposes in support of its programs.

SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents

For the purpose of the statements of cash flows, the College considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents include cash and money market funds, stated at cost, which approximates fair value. All certificates of deposit are included in investments on the statement of net position.

Investments

Investments include publicly traded securities reported at fair market value as of the end of the fiscal year; any change in the unrealized gain (loss) during the fiscal year is included in investment income in the statement of revenue, expenses, and changes in net position. Fair value is determined by market quotations. Donated investments are recorded at the fair value at the time received.

Accounts Receivable

Accounts receivable are for transactions relating to tuition and fees, auxiliary enterprise sales, grants and contracts, and miscellaneous sales and services. Accounts receivable are recorded net of contractual allowances and allowances for uncollectible accounts based on historical analysis.

Inventories

Inventories are stated at the lower of cost or market (net realizable value) using the first-in, first-out (FIFO) method.

Capital Assets

Capital assets are stated at cost or acquisition value at date of donation in the case of gifts. When capital assets are sold or otherwise disposed of, the carrying value of such assets is removed from the asset accounts, along with the related accumulated depreciation. Capital assets, with the exception of land and construction in progress, are depreciated on the straight-line method over the following estimated useful lives:

Land Improvements	5 to 40 years
Buildings	40 years
Building Improvements	10 to 40 years
Equipment	3 to 20 years

Assets are capitalized with a cost of $50,000 or greater for buildings, land improvements, building improvements and infrastructure and $5,000 or greater for library books and equipment.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense) until then. For the College, deferred outflows of resources are reported on the statement of net position for amounts related to pension and OPEB plans as explained in Notes 8 and 9.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the College, deferred inflows of resources are related to pension and OPEB plans and are reported on the statement of net position (See Notes 8 and 9).

Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB asset, net pension and OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension and OPEB expense, information about the fiduciary net position of the retirement systems and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the retirement systems. The retirement systems use the economic resources measurement focus and the full accrual basis of accounting. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. For this purpose, benefit payments (including refunds of employee contributions) are recognized as expense when due and payable in accordance with the benefit terms. The retirement systems report investments at fair value.

Unearned Revenue

Unearned revenue includes tuition and fees for summer and fall terms recorded in the current fiscal year but related to the subsequent accounting period, and related expenses are shown as prepaid expenses in the statement of net position and will be recognized in the following year. Additionally, unearned revenue includes amounts received from grant and contract sponsors that have not yet been earned.

Net Position

GASB Statement No. 34, as amended by GASB Statement No. 63, 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:

Investment in capital assets: Includes capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement in those assets, if any. At June 30, 2021 and 2020, the College did not have any outstanding capital related debt.

Restricted: Assets subject to externally imposed constraints so that they may be maintained permanently by the College, or net position whose use by the College is subject to externally imposed constraints that can be fulfilled by actions of the College pursuant to those constraints or that expire by the passage of time. Restricted net position is classified further as nonexpendable and expendable. Nonexpendable restricted net position is available for investment purposes only and cannot be expended. Expendable restricted net position is available for expenditure by the College, but must be spent for purposes as determined by donors or external entities that have placed time or purpose restrictions on the use of the assets.

Unrestricted: Assets available to the College for any lawful purpose of the institution. 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. The College has committed unrestricted net position to provide for identified future needs, such as debt service, contractual obligations, capital outlay, academic programming, and postemployment benefits.

Operating and Nonoperating Revenue

The College's policy for defining operating activities as reported on the statement of revenue, expenses, and changes in net position is to report those activities that generally result from exchange transactions, such as payments received for providing services and payments made for services or goods received. Nearly all of the College's expenses are from exchange transactions. Certain significant revenue streams relied upon for operations are recorded as nonoperating revenue as defined by GASB Statement No. 34, including State appropriations, investment income and Pell grants. Restricted and unrestricted resources are spent and tracked at the discretion of the College's department within the guidelines of donor restrictions, if any.

Compensated Absences

College employees earn vacation and sick leave based, in part, on length of service. Vacation pay is fully vested when earned. Upon separation from service, employees are paid accumulated vacation and sick pay based upon the nature of separation (death, retirement, or termination). Certain limitations have been placed on the hours of vacation and sick leave that employees may accumulate and carry over for payment at termination, retirement, or death. Unused hours exceeding their limitation are forfeited. The liability and expense incurred are recorded at year-end as long-term and short-term liabilities in the statement of net position, and as a component of operating expense in the statement of revenue, expenses, and change in net position.

State Subsidies

The College receives student-based subsidy and other subsidies from the State. These subsidies are determined biennially and released annually based upon allocations determined by the Ohio General Assembly and the Ohio Department of Higher Education.

In addition to subsidies, the State provides capital appropriations for construction of major plant facilities on the campus. The financing of construction is obtained by the State through issuance of State revenue bonds. State funds are pledged for the repayment of the revenue bonds. In the event these funds are insufficient to retire the revenue bonds, a pledge exists to assess a special student fee to students of State-assisted institutions of higher education. As a result of this financing arrangement, the outstanding debt relating to the revenue bonds is not included in the College's statement of net position. State appropriations are recognized when received. Restricted funds are recognized as revenue only to the extent expended.

Student Tuition and Fees

Student tuition and fee revenue is reported net of scholarship allowances and uncollectible accounts in the statement of revenue, expenses and changes in net position.

Auxiliary Revenue

Auxiliary revenue represents revenue generated by the bookstore, dining services and other departmental activities that provide services to the student body, faculty and staff.

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

Adoption of New Accounting Pronouncements

For the fiscal year ended June 30, 2021, the College implemented GASB Statement No. 84, *Fiduciary Activities* and GASB Statement No. 90, *Majority Equity Interests—An Amendment of GASB Statements No. 14 And No. 61*.

GASB Statement No. 84 establishes criteria for identifying fiduciary activities. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. GASB Statement No. 84 did not impact the College's financial statements since the College does not have any material fiduciary relationships that meet the criteria of this statement.

GASB Statement No. 90 defines specific reporting and disclosure requirements related to the presentation of majority equity interests in legally separate organizations. In addition, this Statement sets forth specific reporting requirements for component units if a government acquires a 100 percent equity interest. This statement had no effect on beginning net position.

Upcoming Accounting Pronouncements

GASB Statement No. 87, *Leases*, was issued to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The requirements of GASB Statement No. 87 are effective for fiscal year 2022. The College is currently evaluating the impact GASB Statement No. 87 may have on its financial statements.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period,* was issued to enhance the relevance and comparability of information about capital assets and the costs of borrowing for a period and to simplify accounting for interest cost incurred before the end of a construction period. The requirements of GASB Statement No. 89 are effective for fiscal year 2022. The College is currently evaluating the impact GASB Statement No. 89 may have on its financial statements.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans-an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*, requires that for purposes of determining whether a primary government is financially accountable for a potential component unit, the absence of a governing board should be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform. The requirements of GASB Statement No. 97 are effective for fiscal year 2022. The College is currently evaluating the impact GASB Statement No. 97 may have on its financial statements.

NOTE 2 – CASH AND CASH EQUIVALENTS

Ohio law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the College places deposits must pledge as collateral eligible securities for amounts on deposits not insured by the Federal Depository Insurance Corporation (FDIC). Collateral that may be pledged is limited to obligations of the following entities: the United States and its agencies, the State of Ohio, the Ohio Student Loan Commission and any legally constituted taxing subdivision within the State of Ohio.

Deposits: Custodial credit risk is the risk that in the event of a failure of a depository financial institution to fulfill its obligations, the College will not be able to recover the value of deposits, investments or collateral securities in the possession of an outside party. The College's policy for deposits is that any balance not covered by depository insurance will be collateralized by the financial institution with pledged securities. Ohio law requires that deposits either be insured or be protected by:

> Eligible securities pledged to the College and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or
>
> Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

At June 30, 2021 and 2020, the carrying amount of the College's cash and cash equivalents is $6,965,297 and $7,575,254 and the bank balances were $6,886,636 and $7,558,012, all respectively. The differences in carrying amount and bank balances are caused by outstanding checks and deposits in transit. Of the June 30, 2021 bank balances, $250,000 is covered by federal deposit insurance. The remaining balances of cash and cash equivalents are collateralized by the depository institution per Ohio Revised Code 135.182 or by a pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State (OPCS program).

The College's investment policies are governed by state statutes that authorize the College to invest in obligations of the U.S. Treasury, agencies and instrumentalities; bonds and other State of Ohio obligations; certificates of deposit; and U.S. Government money market funds and repurchase agreements. Such repurchase agreements must be acquired from qualifying Ohio financial institutions, or from registered brokers/dealers.

NOTE 3 – INVESTMENTS

At June 30, 2021 and 2020, the College had amounts on deposit with STAR Ohio, with a fair value of $19,872,838 and $18,594,982, respectively. STAR 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 Securities and Exchange Commission 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 its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

As of June 30, 2021, the College had the following investments and maturities:

			Investment Maturities (in Years)		
	Credit Rating	Measurement Value	Less than 1	1 to 3	3 to 5
Negotiable certificates of deposit	(1)	$ 6,018,166	$ 248,178	$ 3,277,182	$ 2,492,806
U.S. Treasury/Agency Securities	AA+/Aaa	6,460,540	-	-	6,460,540
Municipal bonds	A/A1	511,250	-	511,250	-
Commercial paper	A-1/P-1	6,748,258	6,748,258	-	-
Star Ohio	AAAm	19,872,838	19,872,838	-	-
		$ 39,611,052	$ 26,869,274	$ 3,788,432	$ 8,953,346

Credit Rating per Standard & Poor's/Moody's
(1) - all are fully insured by FDIC

As of June 30, 2020, the College had the following investments and maturities:

			Investment Maturities (in Years)		
	Credit Rating	Measurement Value	Less than 1	1 to 3	3 to 5
Negotiable certificates of deposit	(1)	$ 6,693,127	$ 2,141,065	$ 2,800,900	$ 1,751,162
U.S. Treasury/Agency Securities	AA+/Aaa	6,255,929	-	-	6,255,929
Star Ohio	AAAm	18,594,982	18,594,982	-	-
		$ 31,544,038	$ 20,736,047	$ 2,800,900	$ 8,007,091

Credit Rating per Standard & Poor's/Moody's
(1) - all are fully insured by FDIC

Credit Risk – The College's investments policy requires that they follow the investment guidelines in Section 135 of the Ohio Revised Code. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service, that commercial paper are limited to notes rated at the time of purchase in the two highest categories established by two nationally recognized standard rating services, and that municipal bonds are limited to notes rated at the time of purchase in the three highest categories established by at least one nationally recognized standard rating service.

The College’s investments in negotiable certificates of deposits are held in the College’s name by Trustees and are fully covered by FDIC.

The Foundation holds certain investments for the benefit of the College. Investments valued at market value at the Foundation by major security type at June 30 are as follows:

	2021	2020
Bond mutual funds	$ 527,293	$ 472,402
Equity mutual funds	785,174	780,674
Common stocks	5,026,644	3,319,168
Corporate bonds	773,148	623,408
Total	$ 7,112,259	$ 5,195,652

NOTE 4 – FAIR VALUE MEASUREMENT

The College’s investments measured and reported at fair value are classified according to the following hierarchy:

Level 1 – Investments reflect prices quoted in active markets.
Level 2 – Investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active.
Level 3 – Investments reflect prices based upon unobservable sources.

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment’s risk.

Debt, equities, and investment derivatives classified in Level 1 of the fair value hierarchy are valued directly from a predetermined primary external pricing vendor. Assets classified in Level 2 are subject to pricing by an alternative pricing source due to lack of information available by the primary vendor. Mortgage and asset backed securities classified in Level 3, due to lack of an independent pricing source, are valued using an internal fair value as provided by the investment manager.

Description	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
June 30, 2021				
Assets:				
Negotiable certificates of deposit	$ 6,018,166	6,018,166	-	-
U.S. Treasury/Agency Securities	6,460,540	6,460,540	-	-
Municipal bonds	511,250	511,250	-	-
Commercial paper	6,748,258	6,748,258	-	-
June 30, 2020				
Assets:				
Negotiable certificates of deposit	$ 6,693,127	6,693,127	-	-
U.S. Treasury/Agency Securities	6,255,929	6,255,929	-	-

The investments in STAR Ohio are measured at the net asset value (NAV) per share provided by STAR Ohio; therefore, they are not included in the tables above. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value. There are no limitations or restrictions on any STAR Ohio participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given to STAR Ohio 24 hours in advance of all deposits and withdrawals exceeding $100 million. STAR Ohio reserves the right to limit the transaction to $250 million, requiring the excess amount to be transacted the following business day(s), but only to the $250 million limit. All accounts of the STAR Ohio investors will be combined for these purposes.

NOTE 5 – ACCOUNTS RECEIVABLE

The composition of accounts receivable at June 30, is summarized as follows:

	2021	2020
Student receivables for fees and auxiliary services	$ 8,956,777	$ 5,970,983
Allowance for doubtful accounts	(1,200,000)	(1,201,895)
Grants - federal, state and local	4,199,602	842,951
Capital appropriations	1,393	551,782
Interest receivable	17,033	36,117
	$ 11,974,805	$ 6,199,938

NOTE 6 – CAPITAL ASSETS

The following is a summary of changes in the capital assets and related accumulated depreciation during the 2021 and 2020 fiscal years:

	Balance June 30, 2020	Additions	Retirements/ Transfers	Balance June 30, 2021
Nondepreciated capital assets:				
Land	$ 9,907,728	-	-	$ 9,907,728
Construction in progress	6,335,917	761,156	(6,335,916)	761,157
Total nondepreciated capital assets	16,243,645	761,156	(6,335,916)	10,668,885
Depreciable capital assets:				
Land improvements	27,944,626	-	(258,387)	27,686,239
Buildings and improvements	126,785,046	6,702,177	(2,668,514)	130,818,709
Equipment	29,885,744	2,694,275	(2,993,118)	29,586,901
Total other capital assets	184,615,416	9,396,452	(5,920,019)	188,091,849
Less: Accumulated Depreciation	(115,809,732)	(6,243,412)	5,364,641	(116,688,503)
Total Depreciable Assets, net	68,805,684	3,153,040	(555,378)	71,403,346
Capital Assets, net	$ 85,049,329	3,914,196	(6,891,294)	$ 82,072,231

The College has active construction projects resulting in total commitments to vendors of approximately $29,794 at June 30, 2021.

	Balance June 30, 2019	Additions	Retirements/ Transfers	Balance June 30, 2020
Nondepreciated capital assets:				
Land	$ 9,907,728	-	-	$ 9,907,728
Construction in progress	3,136,349	6,335,917	(3,136,349)	6,335,917
Total nondepreciated capital assets	13,044,077	6,335,917	(3,136,349)	16,243,645
Depreciable capital assets:				
Land improvements	27,950,556	-	(5,930)	27,944,626
Buildings and improvements	121,702,627	5,165,291	(82,872)	126,785,046
Equipment	26,701,386	3,276,387	(92,029)	29,885,744
Total other capital assets	176,354,569	8,441,678	(180,831)	184,615,416
Less: Accumulated Depreciation	(110,022,961)	(5,964,101)	177,330	(115,809,732)
Total Depreciable Assets, net	66,331,608	2,477,577	(3,501)	68,805,684
Capital Assets, net	$ 79,375,685	8,813,494	(3,139,850)	$ 85,049,329

The College has active construction projects resulting in total commitments to vendors of approximately $1,210,767 at June 30, 2020.

NOTE 7 – NONCURRENT LIABILITIES

Long-term liabilities consist of the following for the years ended June 30, 2021 and 2020:

	Balance June 30, 2020	Increases	Decreases	Balance June 30, 2021	Amount Due Within One Year	Noncurrent Portion
Compensated absences	$ 2,053,911	$ 113,008	$ 188,039	$ 1,978,880	$ 98,944	$ 1,879,936
Net pension liability	56,319,938	2,169,645	-	58,489,583	-	58,489,583
Net OPEB liability	8,498,377	-	1,075,368	7,423,009	-	7,423,009
Non-federal student loans	147,324	-	-	147,324	-	147,324
	$ 67,019,550	$ 2,282,653	$ 1,263,407	$ 68,038,796	$ 98,944	$ 67,939,852

	Balance June 30, 2019	Increases	Decreases	Balance June 30, 2020	Amount Due Within One Year	Noncurrent Portion
Compensated absences	$ 2,080,497	$ 184,777	$ 211,363	$ 2,053,911	$ 102,696	$ 1,951,215
Net pension liability	55,439,959	879,979	-	56,319,938	-	56,319,938
Net OPEB liability	9,458,925	-	960,548	8,498,377	-	8,498,377
Non-federal student loans	147,324	-	-	147,324	-	147,324
	$ 67,126,705	$ 1,064,756	$ 1,171,911	$ 67,019,550	$ 102,696	$ 66,916,854

NOTE 8 – PENSION PLANS

College employees are covered by one of two retirement systems. The College faculty is covered by the State Teachers Retirement System of Ohio (STRS). Other employees are covered by the State Employees Retirement System of Ohio (SERS). These plans are statewide, multi-employer, cost sharing defined benefit plans. Employees may opt out of STRS or SERS and participate in the alternative retirement plan (ARP) if they meet certain eligibility requirements.

Net Pension Liability

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

The net pension liability represents the College's proportionate share of each pension 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 liability 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.

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

GASB Statement No. 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan's unfunded benefits is presented as a long-term net pension liability on the accrual basis of accounting. Any liability for contractually-required pension contributions outstanding at the end of the fiscal year is included in salaries, wages and fringe benefits payable.

Plan Description - School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

Benefits	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 will 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% for the first 30 years of service and 2.5% for years of service credit over 30. Final average salary is the average of the highest three years of salary.

Prior to January 1, 2018, on the anniversary of the initial date of retirement, the allowances of all retirees and survivors are increased 3% of the base benefit. On and after January 1, 2018, 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% nor greater than 2.5%. Cost-of-living adjustments (COLA) were suspended for calendar years 2018, 2019 and 2020. On and after April 1, 2018, COLAs for future retirees will be delayed for three years following commencement. One year after an effective benefit date, a benefit recipient is entitled to a three percent COLA. This same COLA is added each year to the base benefit amount on the anniversary date of the benefit.

Funding Policy – Plan members are required to contribute 10% of their annual covered salary and the College is required to contribute 14% 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% for plan members and 14% for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2021 and 2020, the 14% was allocated to only three of the funds (Pension Trust Fund, Death Benefit Fund, and Medicare B Fund).

The College's contractually required contribution to SERS was $1,776,403 and $1,784,819 for fiscal years 2021 and 2020, respectively. Of this amount, $68,503 and $69,144 is reported in salaries, wages and fringe benefits payable for fiscal years 2021 and 2020, respectively.

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 retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about STRS' fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Web site at www.strsoh.org.

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined 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 will be 2.2% of final average salary for the five highest years of earnings multiplied by all years of service. Members are eligible to retire at age 60 with five years of qualifying service credit, or at age 55 with 26 years of service, or 30 years of service regardless of age. Increases in age and service requirements increase effective August 1, 2015 and will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

The DC Plan allows members to place all their member contributions and 9.53% of the 14% employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.47% of the 14% employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 12% of the 14%-member rate goes to the DC Plan and 2% goes 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 services. 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 or later.

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 Ohio 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 Ohio bearing the risk of investment gain or loss on the account. STRS Ohio therefore has included all three plan options as one defined benefit plan for GASB Statement No. 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. Eligible survivors of members who die before service retirement may qualify for monthly benefits. New members on or after July 1, 2013, must have at least ten years of qualifying service credit that apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. 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. For the fiscal years ended June 30, 2021 and 2020, plan members were required to contribute 14% of their annual covered salary. The College was required to contribute 14%; the entire 14% was the portion used to fund pension obligations. The fiscal year 2021 and 2020 contribution rates were equal to the statutory maximum rates.

The College's contractually required contribution to STRS was approximately $2,368,869 and $2,383,192 for fiscal year 2021 and 2020, respectively. Of this amount, $66,511 and $68,560 is reported in salaries, wages and fringe benefits payable for fiscal years 2021 and 2020, respectively.

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

The net pension liability reported at June 30, 2021 and 2020 was measured as of June 30, 2020 and 2019, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of those dates. The College's proportion of the net pension liability was based on the College's share of contributions to the pension plan relative to the projected contributions of all participating entities. The following is information related to the College's proportionate share, pension expense, and deferred inflows and outflows for fiscal years 2021 and 2020:

Fiscal Year 2021	SERS	STRS	Total
Proportionate Share of Net Pension Liability	$ 24,021,383	$ 34,468,200	$ 58,489,583
Proportion of Net Pension Liability	0.363178376%	0.142451524%	
Change in Proportion	0.001683677%	-0.014419461%	
Pension Expense (Negative)	$ 2,017,326	$ (325,852)	$ 1,691,474
Deferred Outflows of Resources			
Differences between expected and actual experience	$ 46,660	$ 77,338	$ 123,998
Net difference between projected and actual earnings on pension plan investments	1,524,872	1,676,192	3,201,064
Change in assumptions	-	1,850,277	1,850,277
Change in the College's proportionate share and difference in employer contributions	62,483	-	62,483
College contributions subsequent to the measurement date	1,776,403	2,368,869	4,145,272
	$ 3,410,418	$ 5,972,676	$ 9,383,094
Deferred Inflows of Resources			
Differences between expected and actual experience	$ -	$ (220,400)	$ (220,400)
Change in the College's proportionate share and difference in employer contributions	(17,125)	(6,007,693)	(6,024,818)
	$ (17,125)	$ (6,228,093)	$ (6,245,218)

Fiscal Year 2020	SERS	STRS	Total
Proportionate Share of Net Pension Liability	$ 21,628,862	$ 34,691,076	$ 56,319,938
Proportion of Net Pension Liability	0.361494699%	0.156870985%	
Change in Proportion	-0.000596046%	-0.000954825%	
Pension Expense (Negative)	$ 1,135,718	$ (251,691)	$ 884,027
Deferred Outflows of Resources			
Differences between expected and actual experience	$ 548,460	$ 282,443	$ 830,903
Change in assumptions	-	4,075,136	4,075,136
College contributions subsequent to the measurement date	1,784,819	2,383,192	4,168,011
	$ 2,333,279	$ 6,740,771	$ 9,074,050
Deferred Inflows of Resources			
Differences between expected and actual experience	$ -	$ (150,170)	$ (150,170)
Net difference between projected and actual earnings on pension plan investments	(277,634)	(1,695,511)	(1,973,145)
Change in the College's proportionate share and difference in employer contributions	(813,950)	(7,622,352)	(8,436,302)
	$ (1,091,584)	$ (9,468,033)	$ (10,559,617)

$4,145,272 reported as deferred outflows of resources related to pension at June 30, 2021 resulting from College contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2022	$ 20,543	$ (2,247,770)	$ (2,227,227)
2023	483,332	(848,020)	(364,688)
2024	635,600	306,618	942,218
2025	477,415	164,886	642,301
	$ 1,616,890	$ (2,624,286)	$ (1,007,396)

Actuarial Assumptions – SERS

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

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

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will consider the employee's entire career with the employer and 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 valuations, prepared as of June 30, 2020 and 2019, are presented below:

Inflation	3.00%
Future Salary Increases, including Inflation	3.50% to 18.20%
COLA or Ad Hoc COLA	2.50%
Investment Rate of Return	7.50% net of investment expense, including inflation
Actuarial Cost Method	Entry Age Normal

Mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females for active members. Mortality among service retired members and beneficiaries were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates. Mortality among disabled members were based upon the RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

The actuarial assumptions used were based on the results of an actuarial experience study for the period ending July 1, 2010 to June 30, 2015 adopted by the Board on April 21, 2016.

The long-term return expectation for the Pension Plan Investments has been determined 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 a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. The target allocation and best estimates of arithmetic real rates of return for each major asset class for fiscal years 2021 and 2020 are summarized in the following table:

	Fiscal Year 2021		Fiscal Year 2020	
Asset Class	Target Allocation	Long Term Expected Real Rate of Return	Target Allocation	Long Term Expected Real Rate of Return
Cash	2.00 %	1.85 %	1.00 %	0.50 %
U.S. Stocks	22.50	5.75	22.50	4.75
Non-U.S. Stock	22.50	6.50	22.50	7.00
Fixed Income	19.00	2.85	19.00	1.50
Private Equity	12.00	7.60	10.00	8.00
Real Assets	17.00	6.60	15.00	5.00
Multi-Asset Strategies	5.00	6.65	10.00	3.00
Total	100.00 %		100.00 %	

Discount Rate – Total pension liability was calculated using the discount rate of 7.5% as of June 30, 2020 and 2019. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.5%). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the 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 net pension liability calculated using the discount rate of 7.5%, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.5%), or one percentage point higher (8.5%) than the current rate.

Fiscal Year 2021	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
College's proportionate share of the net pension liability	$ 32,906,361	$ 24,021,383	$ 16,566,717
Fiscal Year 2020			
College's proportionate share of the net pension liability	$ 30,309,768	$ 21,628,862	$ 14,348,836

Actuarial Assumptions – STRS

The total pension liability in the June 30, 2020 and 2019 actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	12.50% at age 20 to 2.50% at age 65
Payroll increases	3.00%
Investment rate of return	7.45%, net of investment expenses, including inflation
Discount rate of return	7.45%
Cost-of-living adjustments (COLA)	0%

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

The actuarial assumptions were based on the results of an actual experience study for the period July 1, 2011 through June 30, 2016.

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

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

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

Discount Rate – The discount rate used to measure the total pension liability was 7.45% as of June 30, 2020 and 2019. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2020. Therefore, the long-term expected rate of return on pension plan investments of 7.45% was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2020.

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

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
Fiscal Year 2021			
College's proportionate share of the net pension liability	$ 49,076,716	$ 34,468,200	$ 22,088,699
Fiscal Year 2020			
College's proportionate share of the net pension liability	$ 50,697,142	$ 34,691,076	$ 21,141,120

Alternative Retirement Plan

Ohio Amended Substitute House Bill 586 (Ohio Revised Code 3305.2) became effective March 31, 1998, authorizing an alternative retirement plan (ARP) for academic and administrative College employees of public institutions of higher education who are currently covered by the State Teachers Retirement System or State Employees Retirement System. The College board of trustees adopted such a plan effective April 1999.

Eligible employees (those who are full-time and salaried) have 120 days from their date of hire to make an irrevocable election to participate in the alternate retirement plan. Under this plan, employees who would have otherwise been required to be in STRS and who elect to participate in the alternate retirement plan must contribute their share of retirement contributions (10 percent STRS) to one of eight private providers approved by the State Department of Insurance. For employees who elect an ARP, employers are required to remit employer contributions to STRS Ohio at a rate of 4.47 percent. The employer contribution is the lower of a rate determined by an independent actuarial study or the portion of the STRS Ohio DC Plan employer contribution rate that is allocated to the defined benefit unfunded liability. The College plan provides these employees with immediate plan vesting.

The ARP is a defined contribution plan under IRS Section 401(a). The College's total employer contributions to the ARP for the year ended June 30, 2021 and 2020, were $206,592 and $246,753, respectively.

NOTE 9 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB)

Net OPEB Liability (Asset)

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

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

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

GASB Statement No. 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio Revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability (asset). Resulting adjustments to the net OPEB liability (asset) would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The proportionate share of each plan's unfunded benefits is presented as a long-term *net OPEB liability* or fully-funded benefits as a long-term *net OPEB asset* on the accrual basis of accounting. Any liability for contractually-required OPEB contributions outstanding at the end of the fiscal year is included in salaries, wages and fringe benefits payable.

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 Statement No. 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

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

Funding Policy – State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14% of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal years 2021 and 2020, there was no portion allocated 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 years 2021 and 2020, the minimum compensation amount was $23,000 and $19,600, respectively. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal years 2021 and 2020, the College's surcharge obligation was $54,701 and $52,368, respectively.

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. Medicare Part B partial premium reimbursements will be continued indefinitely. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14% of covered payroll. For the fiscal years ended June 30, 2021 and 2020, STRS did not allocate any employer contributions to post-employment health care.

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

The net OPEB liability (asset) was measured as of June 30, 2020 and 2019, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of that date. The College's proportion of the net OPEB liability (asset) was based on the College's share of contributions to the respective retirement systems relative to the contributions of all participating entities. The following is information related to the College's proportionate share, OPEB expense, and deferred inflows and outflows for fiscal years 2021 and 2020:

Fiscal Year 2021	SERS	STRS	Total
Proportionate Share of Net OPEB Liability (Asset)	$ 7,423,009	$ (2,503,583)	$ 4,919,426
Proportion of Net OPEB Liability (Asset)	0.341550469%	0.142451524%	
Change in Proportion	0.003614580%	-0.014419461%	
OPEB Expense (Negative)	$ (430,595)	$ (523,876)	$ (954,471)
Deferred Outflows of Resources			
Differences between expected and actual experience	$ 97,492	$ 160,417	$ 257,909
Net difference between projected and actual earnings on OPEB plan investments	83,640	87,740	171,380
Change in assumptions	1,265,365	41,328	1,306,693
College contributions subsequent to the measurement date	54,701	-	54,701
	$ 1,501,198	$ 289,485	$ 1,790,683
Deferred Inflows of Resources			
Differences between expected and actual experience	$ (3,775,118)	$ (498,677)	$ (4,273,795)
Change in assumptions	(186,967)	(2,377,982)	(2,564,949)
Change in the College's proportionate share and difference in employer contributions	(895,050)	(1,253,217)	(2,148,267)
	$ (4,857,135)	$ (4,129,876)	$ (8,987,011)

Fiscal Year 2020	SERS	STRS	Total
Proportionate Share of Net OPEB Liability (Asset)	$ 8,498,377	$ (2,598,160)	$ 5,900,217
Proportion of Net OPEB Liability (Asset)	0.337935889%	0.156870985%	
Change in Proportion	-0.003015958%	-0.000954825%	
OPEB Expense (Negative)	$ (160,567)	$ (1,170,731)	$ (1,331,298)
Deferred Outflows of Resources			
Differences between expected and actual experience	$ 124,750	$ 235,544	$ 360,294
Net difference between projected and actual earnings on pension plan investments	20,400	-	20,400
Change in assumptions	620,709	54,612	675,321
College contributions subsequent to the measurement date	52,368	-	52,368
	$ 818,227	$ 290,156	$ 1,108,383
Deferred Inflows of Resources			
Differences between expected and actual experience	$ (1,867,036)	$ (132,188)	$ (1,999,224)
Net difference between projected and actual earnings on OPEB plan investments	-	(163,182)	(163,182)
Change in assumptions	(476,223)	(2,848,579)	(3,324,802)
Change in the College's proportionate share and difference in employer contributions	(1,240,833)	(1,605,051)	(2,845,884)
	$ (3,584,092)	$ (4,749,000)	$ (8,333,092)

$54,701 reported as deferred outflows of resources related to OPEB resulting from College contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2022. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2022	$ (759,010)	$ (1,021,511)	$ (1,780,521)
2023	(752,958)	(962,122)	(1,715,080)
2024	(753,943)	(941,288)	(1,695,231)
2025	(615,191)	(672,673)	(1,287,864)
2026	(394,655)	(118,462)	(513,117)
2027	(134,881)	(124,335)	(259,216)
	$ (3,410,638)	$ (3,840,391)	$ (7,251,029)

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 consider the employee's entire career with the employer and 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 valuations, prepared as of June 30, 2020 and 2019, are presented below:

	June 30, 2020	June 30, 2019
Investment Rate of Return	7.50% net of investment expense, including inflation	7.50% net of investment expense, including inflation
Wage Inflation	3.00%	3.00%
Future Salary Increases, including Inflation	3.50% to 18.20%	3.50% to 18.20%
Municipal Bond Index Rate:		
Prior Measurement Date	3.13%	3.62%
Measurement Date	2.45%	3.13%
Single Equivalent Interest Rate, net of plan investment expense, including price inflation:		
Prior Measurement Date	3.22%	3.70%
Measurement Date	2.63%	3.22%
Medical Trend Assumption:		
Pre-Medicare	7.00% - 4.75%	7.00% - 4.75%
Medicare	5.25% - 4.75%	5.25% - 4.75%

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

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2010 through 2015, and was adopted by the Board on April 21, 2016. Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.50%, 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 allocation and best estimates of arithmetic real rates of return for each major asset class, as used in the June 30, 2015 five-year experience study, are summarized in the following table:

	Fiscal Year 2021		Fiscal Year 2020	
Asset Class	Target Allocation	Long Term Expected Real Rate of Return	Target Allocation	Long Term Expected Real Rate of Return
Cash	2.00 %	1.85 %	1.00 %	0.50 %
U.S. Stocks	22.50	5.75	22.50	4.75
Non-U.S. Stock	22.50	6.50	22.50	7.00
Fixed Income	19.00	2.85	19.00	1.50
Private Equity	12.00	7.60	10.00	8.00
Real Assets	17.00	6.60	15.00	5.00
Multi-Asset Strategies	5.00	6.65	10.00	3.00
Total	100.00 %		100.00 %	

Discount Rate – The discount rate used to measure the total OPEB liability at June 30, 2020 was 2.63%. The discount rate used to measure total OPEB liability at June 30, 2019 was 3.22%. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and SERS at the state statute contribution rate of 2.00% of projected covered employee payroll each year, which includes a 1.50% payroll surcharge and 0.50% of contributions from basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2035. Therefore, the long-term expected rate of return on OPEB plan assets was used to present value the projected benefit payments through the fiscal year ending June 30, 2034 and the Fidelity General Obligation 20-year Municipal Bond Index rate of 2.45% as of June 30, 2020 (i.e., municipal bond rate) was used to present value the projected benefit payments for the remaining years in the projection. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The projection of future benefit payments for all current plan members was until the benefit payments ran out.

Sensitivity of the College's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and 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 for fiscal years 2021 and 2020, calculated using the discount rate of 2.63% and 3.22%, as well as what the College's net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.63% and 2.22%) and one percentage point higher (3.63% and 4.22%) than the current rate, all respectively.

Fiscal Year 2021	1% Decrease (1.63%)	Current Discount Rate (2.63%)	1% Increase (3.63%)
College's proportionate share of the net OPEB liability	$ 9,085,579	$ 7,423,009	$ 6,101,269

Fiscal Year 2020	1% Decrease (2.22%)	Current Discount Rate (3.22%)	1% Increase (4.22%)
College's proportionate share of the net OPEB liability	$ 10,315,418	$ 8,498,377	$ 7,053,617

The following table presents the net OPEB liability calculated using current health care cost trend rates, as well as what the College's net OPEB liability would be if it were calculated using health care cost trend rates that are one percentage point lower (6.00% decreasing to 3.75%) and one percentage point higher (8.00% decreasing to 5.75%) than the current rates.

	1% Decrease (6.00% decreasing (to 3.75%)	Current Trend Rate (7.00% decreasing (to 4.75%)	1% Increase (8.00% decreasing (to 5.75%)
Fiscal Year 2021			
College's proportionate share of the net OPEB liability	$ 5,845,055	$ 7,423,009	$ 9,533,138
Fiscal Year 2020			
College's proportionate share of the net OPEB liability	$ 6,808,921	$ 8,498,377	$ 10,739,875

Actuarial Assumptions – STRS

The total OPEB asset in the June 30, 2020 actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement:

Salary increases	12.50% at age 20 to 2.50% at age 65	
Payroll increases	3.00%	
Investment rate of return	7.45%, net of investment expenses, including inflation	
Discount rate of return	7.45%	
Health care cost trends	Initial	Ultimate
Medical		
Pre-Medicare	5.00%	4.00%
Medicare	-6.69%	4.00%
Prescription Drug		
Pre-Medicare	6.50%	4.00%
Medicare	11.87%	4.00%

The total OPEB asset in the June 30, 2019 actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement:

Salary increases	12.50% at age 20 to 2.50% at age 65	
Payroll increases	3.00%	
Investment rate of return	7.45%, net of investment expenses, including inflation	
Discount rate of return	7.45%	
Health care cost trends	Initial	Ultimate
Medical		
Pre-Medicare	5.87%	4.00%
Medicare	4.98%	4.00%
Prescription Drug		
Pre-Medicare	7.73%	4.00%
Medicare	9.62%	4.00%

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

Actuarial assumptions used in the June 30, 2020 and 2019 valuations are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

Since the prior measurement date, claim curves were trended to the fiscal year ending June 30, 2021 to reflect the current price renewals. The non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984% to 2.055% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

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

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

* 10-year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25%, but does not include investment expenses. Over a 30-year period, STRS Ohio’s 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 asset was 7.45% as of June 30, 2020 and 2019. The projection of cash flows used to determine the discount rate assumes STRS Ohio 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 of current plan members as of June 30, 2020. Therefore, the long-term expected rate of return on OPEB plan assets of 7.45% was used to measure the total OPEB asset as of June 30, 2020 and 2019.

Sensitivity of the College's Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate and the Health Care Cost Trend Rates – The following table presents the College's proportionate share of the net OPEB asset for fiscal years 2021 and 2020, calculated using the current period discount rate assumption of 7.45%, as well as what the College's proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.45%) and one percentage point higher (8.45%) than the current rate. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower and one percentage point higher than the current health care cost trend rates:

Fiscal Year 2021	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
College's proportionate share of the net OPEB asset	$ (2,178,280)	$ (2,503,583)	$ (2,779,591)
Fiscal Year 2020			
College's proportionate share of the net OPEB asset	$ (2,217,012)	$ (2,598,160)	$ (2,918,616)

Fiscal Year 2021	1% Decrease In Trend Rates	Current Trend Rate	1% Increase In Trend Rates
College's proportionate share of the net OPEB asset	$ (2,762,458)	$ (2,503,583)	$ (2,188,235)
Fiscal Year 2020			
College's proportionate share of the net OPEB asset	$ (2,946,194)	$ (2,598,160)	$ (2,171,902)

NOTE 10 - RELATED ORGANIZATION

The College is affiliated with the Owens State Community College Foundation (the "Foundation"), which was established in June 1996 by the trustees of the College through signing a resolution that transferred all assets, liabilities, principal, and income from the Michael J. Owens Technical College Charitable Trust (the "Trust") to the Foundation. The Foundation has been determined to be exempt from federal income taxes under IRC Section 501(c)(3). The Foundation also reimburses the College for certain educational expenses.

Total assets of the Foundation as of June 30, 2021 and 2020 were $7,833,457 and $6,254,653, respectively. The College received $1,149,180 and $713,778 from the Foundation in 2021 and 2020, respectively. At June 30, 2021, the net amounts owed to the College for reimbursements by the Foundation was $3,674. At June 30, 2020, the net amounts due from the College for reimbursements to the Foundation was $163. Complete financial statements for the Foundation can be obtained from Owens State Community College, 30335 Oregon Road, Perrysburg, OH 43551.

The following is a summary of the Foundation's significant accounting and reporting policies presented to assist the reader in interpreting the financial statements and other data in this report.

Investments: The following tables represent information about the Foundation's assets measured at fair value on a recurring basis at June 30, 2021 and 2020 and the valuation techniques used by the Foundation to determine those fair values.

In general, fair values determined by Level 1 inputs use quoted prices in active markets for identical assets that the Foundation has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets in active markets and other inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset.

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

Disclosures concerning assets measured at fair value are as follows:

Fair Value Measurements at June 30, 2021

Description	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at June 30, 2021
Mutual funds:				
Equity investments	$ 785,174	$ -	$ -	$ 785,174
Fixed-income investments	527,293	-	-	527,293
Total mutual funds	1,312,467	-	-	1,312,467
Common Stock:				
Consumer discretionary	681,697	-	-	681,697
Consumer staples	232,032	-	-	232,032
Energy/Utilities	201,723	-	-	201,723
Financial	737,771	-	-	737,771
Health care	597,828	-	-	597,828
Industrials	510,925	-	-	510,925
Materials	175,067	-	-	175,067
Technology	1,889,601	-	-	1,889,601
Total common stock	5,026,644	-	-	5,026,644
Corporate Bonds	-	773,148	-	773,148
Money market mutual funds	94,218	-	-	94,218

Fair Value Measurements at June 30, 2020

Description	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at June 30, 2020
Mutual funds:				
Equity investments	$ 780,674	$ -	$ -	$ 780,674
Fixed-income investments	472,402	-	-	472,402
Total mutual funds	1,253,076	-	-	1,253,076
Common Stock:				
Consumer discretionary	511,124	-	-	511,124
Consumer staples	270,795	-	-	270,795
Energy/Utilities	163,011	-	-	163,011
Financial	492,026	-	-	492,026
Health care	368,998	-	-	368,998
Industrials	308,528	-	-	308,528
Technology	1,204,686	-	-	1,204,686
Total common stock	3,319,168	-	-	3,319,168
Corporate Bonds	-	623,408	-	623,408
Money market mutual funds	118,109	-	-	118,109

The following is a description of the valuation methodologies used for instruments measured at fair value on a recurring basis and recognized in the accompanying statement of financial position:

Mutual funds: Valued at the daily net asset value (NAV) published by the U.S. Securities and Exchange Commission. The mutual funds held by the Foundation are deemed to be actively traded.

Common Stock: Valued at the closing price reported on the active market on which the individual securities are traded.

Corporate bonds: Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar bonds, those corporate bonds are valued under a discounted cash flow approach that maximizes observable inputs, such as current yields or similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks.

The Foundation's policy is to recognize transfers between levels of the fair value hierarchy as of the end of the reporting period. During 2020, the Foundation transferred the valuation of corporate obligations from level 1 to level 2 to more accurately reflect the valuation technique described above.

Restrictions and Limitations on Net Asset Balances: The Foundation's net assets with donor restrictions are restricted for the following purposes at June 30:

Gifts and other donations available for:	2021	2020
Subject to expenditures for a specific purpose:		
Library	$ 9,939	$ 11,003
Equipment and other program expenses	1,330,252	1,420,398
Scholarships	1,838,020	1,165,892
Donor-restricted endowment	3,178,211	2,597,293
Other funds restricted by donor in perpetuity:		
Equipment and other program expenses	467,259	461,774
Scholarships	2,256,994	1,930,934
Funds restricted in perpetuity	2,724,253	2,392,708
Net assets with donor restrictions	$5,902,464	$4,990,001

Net assets held in perpetuity consist of endowment funds. In certain cases, the donors of these funds have restricted the use of the income from such funds for scholarships. These expenses are reflected in the appropriate program services category on the statement of activities and changes in net assets.

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes specified by the donors as follows:

	2021	2020
Library	$ 1,164	$ 1,997
Equipment and other program expenses	845,308	425,145
Scholarships	336,907	264,905
Total	$1,183,379	$692,047

Donor and Board-restricted Endowments:
The Foundation's endowment includes both donor-restricted endowment funds and funds designated by the board of directors to function as endowments. Net assets associated with endowment funds, including funds designated by the board of directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The board of directors of the Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the historical value of the original gift as of the gift date of the donor-restricted endowment fund absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as net assets with perpetual donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the perpetual endowment, and (c) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time of accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in net assets with perpetual donor restrictions is classified as net assets with temporary donor restrictions until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA.

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

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

Endowment Net Asset Composition by Type of Fund as of June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment	$ -	$ 4,607,572	$ 4,607,572
(Quasi) Endowment	34,143	-	34,143
Total funds	$ 34,143	$ 4,607,572	$ 4,641,715

Changes in Endowment Net Assets for the Fiscal Year Ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets - Beginning of the year	$ 25,873	$ 3,394,459	$ 3,420,332
Investment return:			
Investment income, net	1,531	43,249	44,780
Net appreciation	6,739	978,760	985,499
Total investment return	8,270	1,022,009	1,030,279
Contributions	-	351,414	351,414
Appropriation of endowment assets for expenditures	-	(128,885)	(128,885)
Other changes - Release to other temporarily restricted funds	-	(31,425)	(31,425)
Endowment net assets - End of the year	$ 34,143	$ 4,607,572	$ 4,641,715

Endowment Net Asset Composition by Type of Fund as of June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment	$ -	$ 3,394,459	$ 3,394,459
(Quasi) Endowment	25,873	-	25,873
Total funds	$ 25,873	$ 3,394,459	$ 3,420,332

Changes in Endowment Net Assets for the Fiscal Year Ended June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets - Beginning of the year	$ 24,777	$ 3,331,238	$ 3,356,015
Investment return:			
Investment income, net	295	15,960	16,255
Net appreciation	801	105,744	106,545
Total investment return	1,096	121,704	122,800
Contributions	-	69,792	69,792
Appropriation of endowment assets for expenditures	-	(96,745)	(96,745)
Other changes - Release to other temporarily restricted funds	-	(31,530)	(31,530)
Endowment net assets - End of the year	$ 25,873	$ 3,394,459	$ 3,420,332

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (unrealized) and current yield (interest, dividends and realized gains (losses)). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

The Foundation's spending policy stipulates that 3 to 6 percent of a three-year moving average of the value of the endowment is available to spend and the remaining income is to be reinvested. If an investment loss is realized, the loss is allocated entirely as currently expendable. In establishing this policy, the Foundation considered the long-term expected return on its endowment. Accordingly, over the long term, the Foundation expects the current spending policy to allow its endowment to grow at an average of CPI annually. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

Owens Community College Alumni Association: At June 30, 2020, Owens Community College Alumni Association was dissolved at which time the assets were contributed to the Foundation. The Foundation recognized a contribution of $64,306 which was recognized at fair value at the date of the contribution.

NOTE 11 – RISK MANAGEMENT

The College carries commercial insurance to cover various general liability risks, auto liability, property and boiler, and umbrella excess liability. The College believes in minimizing its risks through the procurement of the aforementioned coverage. Liabilities exceeding the umbrella excess and deductible amounts are recorded when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. The amount of settlements has not exceeded insurance coverage for the year ended June 30, 2021 and 2020. Management believes those incurred but not reported claims, if any, are immaterial.

The College is self-insured for certain employee health benefit programs. Funding for these programs is based on actuarial projections provided by the plan administrators. The College also offers a high deductible health savings account option for its employees. Prevention of catastrophic losses is maintained through individual stop-loss coverage. Stop loss per individual is $225,000. The College's cost during the year for this program is for the payment of claims, third-party claims administration, and stop-loss coverage. The claims liability of $1,310,279 and $732,674 reported at June 30, 2021 and 2020, respectively. The amount of reserved funds available for potentials claims was $550,000 for the year.

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

	Beginning Balance	Current Year Claims	Claim Payments	Ending Balance
2021	$ 732,674	$ 7,767,597	$ 7,189,992	$ 1,310,279
2020	694,393	3,731,029	3,692,748	732,674
2019	657,153	6,279,967	6,242,727	694,393

There have been no significant changes in coverage from last year. Settled claims have not exceeded commercial coverage in any of the past three years.

The College is self-insured for workers' compensation with aggregate stop-loss coverage of $400,000. The amount accrued at June 30, 2021 and 2020 for potential claims was $100,000 and $110,000, respectively.

NOTE 12 – CONTINGENT LIABILITIES

During the normal course of operations, the College has become a defendant in various legal actions. Liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. However, in the opinion of legal counsel and College management, the disposition of all pending litigation will not have a material adverse effect on the financial condition of the College.

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The State of Ohio's declared state of emergency ended June 2021, while the national state of emergency continues. The financial impact of COVID-19 and the ensuing emergency measures impacted the fiscal year 2021 and will impact subsequent periods of the College. The impact on the College's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

NOTE 13 - FUNCTIONAL CLASSIFICATION OF EXPENSES

Operating expenses by functional classification for the year ended June 30, 2021 and 2020 is summarized as follows:

	2021	2020
Instructional and departmental research	$ 29,036,199	$ 26,439,199
Institutional research	265,914	206,789
Public Service	1,814,731	1,565,500
Academic support	2,500,189	2,400,486
Student services	5,913,502	5,989,678
Institutional support	14,438,633	12,655,281
Operation and maintenance of plant	6,838,070	5,965,632
Scholarships and other student aid	2,678,681	2,688,682
Depreciation	6,243,412	5,964,101
Auxiliary enterprises – Net of scholarship allowances	526,284	458,132
Total operating expenses	$ 70,255,615	$ 64,333,480

Required Supplementary Information

Owens State Community College
Required Supplementary Information
Schedule of College's Proportionate Share of the Net Pension Liability
School Employees Retirement System of Ohio
Last Eight Fiscal Years (1) (2)

	College's Proportion of the Net Pension Liability	College's Proportionate Share of the Net Pension Liability	College's Covered Payroll	College's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.569094%	$ 33,842,194	$ 22,076,595	153.29%	65.52%
2015	0.569094%	28,801,523	17,898,477	160.92%	71.70%
2016	0.502899%	28,695,893	16,563,087	173.25%	69.16%
2017	0.426594%	31,222,758	13,864,914	225.19%	62.98%
2018	0.410103%	24,502,724	13,210,929	185.47%	69.50%
2019	0.362091%	20,737,608	12,243,259	169.38%	71.36%
2020	0.361495%	21,628,862	12,456,333	173.64%	70.85%
2021	0.363178%	24,021,383	12,748,747	188.42%	68.55%

(1) Information prior to 2014 is not available. The College will continue to present information for years available until a full ten-year trend is compiled.

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

Notes to Schedule:

Change in assumptions. In measurement year 2017, changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended June 30, 2015. Significant changes included a reduction of the discount rate from 7.75% to 7.50%, a reduction in the wage inflation rate from 3.25% to 3.00%, a reduction in the payroll growth assumption used from 4.00% to 3.50%, reduction in the assumed real wage growth rate from 0.75% to 0.50%, update of the rates of withdrawal, retirement and disability to reflect recent experience, and transition from the RP-2000 mortality tables to the RP-2014 mortality tables for active members and service retired members and beneficiaries.

Changes of benefit and funding terms. In measurement year 2018, post-retirement increases in benefits included the following changes:

1. Members, or their survivors, retiring prior to January 1, 2018, receive a COLA increase of 3% of their base benefit on the anniversary of their initial date of retirement.
2. Members, or their survivors, retiring on and after January 1, 2018, receive a COLA increase on each anniversary of their initial date of retirement equal to 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%, nor greater than 2.5%. COLAs are suspended for calendar years 2018, 2019, and 2020.
3. Members, or their survivors, retiring on and after April 1, 2018, will have their COLA delayed for three years following their initial date of retirement.

Owens State Community College
Required Supplementary Information
Schedule of College's Proportionate Share of the Net Pension Liability
State Teachers Retirement System of Ohio
Last Eight Fiscal Years (1) (2)

	College's Proportion of the Net Pension Liability	College's Proportionate Share of the Net Pension Liability	College's Covered Payroll	College's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.257186%	$ 74,517,061	$ 31,689,425	235.15%	69.30%
2015	0.257186%	62,556,640	27,092,103	230.90%	74.70%
2016	0.232941%	64,378,084	25,037,916	257.12%	72.10%
2017	0.210716%	70,532,943	22,869,886	308.41%	66.80%
2018	0.177243%	42,104,405	18,535,050	227.16%	75.30%
2019	0.157826%	34,702,351	17,038,714	203.67%	77.30%
2020	0.156871%	34,691,076	18,110,493	191.55%	77.40%
2021	0.142452%	34,468,200	17,022,800	202.48%	75.50%

(1) Information prior to 2014 is not available. The College will continue to present information for years available until a full ten-year trend is compiled.

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

Notes to Schedule:

Change in assumptions. In measurement year 2017, changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended June 30, 2016. Significant changes included a reduction of the discount discount rate from 7.75% to 7.45%, the inflation assumption was lowered from 2.75% to 2.50%, the payroll growth assumption was lowered to 3.00%, and total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0/25% due to lower inflation. The healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016. Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

Change in benefit terms. Effective July 1, 2017, the COLA was reduced to zero.

Owens State Community College
Required Supplementary Information
Schedule of College Pension Contributions
School Employees Retirement System of Ohio
Last Ten Fiscal Years

	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	College's Covered Payroll	Contributions as a Percentage of Covered Payroll
2012	$ 2,946,869	$ (2,946,869)	$ -	$ 21,687,306	13.59%
2013	2,966,632	(2,966,632)	-	22,076,595	13.44%
2014	2,391,988	(2,391,988)	-	17,898,477	13.36%
2015	2,200,311	(2,200,311)	-	16,563,087	13.28%
2016	1,941,088	(1,941,088)	-	13,864,914	14.00%
2017	1,849,530	(1,849,530)	-	13,210,929	14.00%
2018	1,652,840	(1,652,840)	-	12,243,259	13.50%
2019	1,681,605	(1,681,605)	-	12,456,333	13.50%
2020	1,784,819	(1,784,819)	-	12,748,747	14.00%
2021	1,776,403	(1,776,403)	-	12,688,593	14.00%

Owens State Community College
Required Supplementary Information
Schedule of College Pension Contributions
State Teachers Retirement System of Ohio
Last Ten Fiscal Years

	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	College's Covered Payroll	Contributions as a Percentage of Covered Payroll
2012	$ 4,436,854	$ (4,436,854)	$ -	$ 32,450,613	13.67%
2013	4,324,994	(4,324,994)	-	31,689,425	13.65%
2014	3,693,965	(3,693,965)	-	27,092,103	13.63%
2015	3,425,522	(3,425,522)	-	25,037,916	13.68%
2016	3,201,784	(3,201,784)	-	22,869,886	14.00%
2017	2,594,907	(2,594,907)	-	18,535,050	14.00%
2018	2,385,420	(2,385,420)	-	17,038,714	14.00%
2019	2,535,469	(2,535,469)	-	18,110,493	14.00%
2020	2,383,192	(2,383,192)	-	17,022,800	14.00%
2021	2,368,869	(2,368,869)	-	16,920,493	14.00%

Owens State Community College
Required Supplementary Information
Schedule of College's Proportionate Share of the Net OPEB Liability
School Employees Retirement System of Ohio
Last Five Fiscal Years (1) (2)

	College's Proportion of the Net OPEB Liability	College's Proportionate Share of the Net OPEB Liability	College's Covered Payroll	College's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2017	0.403121%	$ 11,490,432	$ 13,864,914	82.87%	11.49%
2018	0.386167%	10,363,696	13,210,929	78.45%	12.46%
2019	0.340952%	9,458,925	12,243,259	77.26%	13.57%
2020	0.337936%	8,498,377	12,456,333	68.23%	15.57%
2021	0.341550%	7,423,009	12,748,747	58.23%	18.17%

(1) Information prior to 2017 is not available. The College will continue to present information for years available until a full ten-year trend is compiled.

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

Notes to Schedule:

Change in assumptions. In measurement year 2017, changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended June 30, 2015. Significant changes included a reduction in the rate of inflation from 3.25% to 3.00%, a reduction in the payroll growth assumption from 4.00% to 3.50%, a reduction in assumed real wage growth from 0.75% to 0.50%, an update in rates of withdrawal, retirement and disability, and transitioning to the following mortality tables: RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set back for both active male and female members; RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB (120% of male rates, and 110% of female rates) for service retired members and beneficiaries; and RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement among disabled members.

In measurement year 2018, medical trend rates have been adjusted to reflect premium decreases.

Change in benefit and funding terms. In measurement year 2018, SERS' funding policy allowed a 2.0% health care contribution rate to be allocated to the Health Care fund. The 2.0% is a combination of 0.5% employer contributions and 1.5% surcharge.

Owens State Community College
Required Supplementary Information
Schedule of College's Proportionate Share of the Net OPEB Liability (Asset)
State Teachers Retirement System of Ohio
Last Five Fiscal Years (1) (2)

	College's Proportion of the Net OPEB Liability (Asset)	College's Proportionate Share of the Net OPEB Liability (Asset)	College's Covered Payroll	College's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
2017	0.210716%	$ 11,269,138	$ 22,869,886	49.28%	37.30%
2018	0.177243%	6,915,360	18,535,050	37.31%	47.11%
2019	0.157826%	(2,536,100)	17,038,714	(14.88%)	176.00%
2020	0.156871%	(2,598,160)	18,110,493	(14.35%)	174.74%
2021	0.142452%	(2,503,583)	17,022,800	(14.71%)	182.13%

(1) Information prior to 2017 is not available. The College will continue to present information for years available until a full ten-year trend is compiled.

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

Notes to Schedule:

Change in assumption. For measurement year 2017, the discount rate was increased from 3.26% to 4.13% based on the methodology defined under GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)* , and the long-term expected rate of return was reduced from 7.75% to 7.45%. 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.

For measurement year 2018, the discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74. Valuation year per capital health care costs were updated.

Change in benefit terms. For measurement year 2017, the subsidy multiplier for non-Medicare benefit recipient was reduced from 2.1% to 1.9% per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019.

For measurement year 2018, the subsidy multiplier for non-Medicare benefit recipients was increased from 1.9% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased effective January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.

For measurement year 2019, there was no change to the claims costs process. Claim curves were trended to the fiscal year ending June 30, 2020 to reflect the current price renewals. The non-Medicare subsidy percentage was increased effective January 1, 2020 from 1.944% to 1.984% year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the Medicare plan. The Medicare Part B monthly reimbursement eliminationdate was postponed to January 1, 2021.

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

Owens State Community College
Required Supplementary Information
Schedule of College OPEB Contributions
School Employees Retirement System of Ohio
Last Six Fiscal Years (1)

	Contractually Required Contributions (2)	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	College's Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	$ 78,754	$ (78,754)	$ -	$ 13,864,914	0.57%
2017	71,738	(71,738)	-	13,210,929	0.54%
2018	128,214	(128,214)	-	12,243,259	1.05%
2019	116,117	(116,117)	-	12,456,333	0.93%
2020	52,368	(52,368)	-	12,748,747	0.41%
2021	54,701	(54,701)	-	12,688,593	0.43%

(1) The College elected not to present information prior to 2016. The College will continue to present information for years available until a full ten-year trend is compiled.

(2) Includes Surcharge

Owens State Community College
Required Supplementary Information
Schedule of College OPEB Contributions
State Teachers Retirement System of Ohio
Last Six Fiscal Years (1)

	Contractually Required Contributions (2)	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	College's Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	$ -	$ -	$ -	$ 22,869,886	0.00%
2017	-	-	-	18,535,050	0.00%
2018	-	-	-	17,038,714	0.00%
2019	-	-	-	18,110,493	0.00%
2020	-	-	-	17,022,800	0.00%
2021	-	-	-	16,920,493	0.00%

(1) The College elected not to present information prior to 2016. The College will continue to present information for years available until a full ten-year trend is compiled.

(2) STRS allocated the entire 14% employer contribution rate toward pension benefits.

Supplemental Information

CLARK SCHAEFER HACKETT
BUSINESS ADVISORS

14 East Main Street, Suite 500, Springfield, Ohio 45502
P. 937.399.2000 | F. 937.399.5433

INDEPENDENT AUDITORS' 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
Owens State Community College
Perrysburg, Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and discretely presented component unit of Owens State Community College (the "College"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated October 13, 2021.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College'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 College's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
October 13, 2021

CLARK SCHAEFER HACKETT
BUSINESS ADVISORS

14 East Main Street, Suite 500, Springfield, Ohio 45502
P. 937.399.2000 | F. 937.399.5433

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

Board of Trustees
Owens State Community College
Perrysburg, Ohio

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

Management's Responsibility
Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

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

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

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

Report on Internal Control Over Compliance
Management of the College is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the College's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness the College's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
October 13, 2021

Federal Grantor/Pass Through Grantor/Program Title	Assistance Listing Number	Grant or Pass Through Number	Expenditures
U.S. Department of Education			
Title IV Program			
Student Financial Assistance Cluster:			
Federal Supplemental Educational Opportunity Grant	84.007	(1)	$ 330,079
Federal Work-Study Program	84.033	(1)	58,963
Federal Pell Grant Program	84.063	(1)	8,164,148
Federal Direct Student Loans	84.268	(1)	15,214,232
Total Student Financial Assistance Cluster			23,767,422
TRIO Cluster:			
TRIO - Student Support Services	84.042	(1)	42,551
TRIO - Student Support Services	84.042A	(1)	189,710
Total TRIO Cluster			232,261
Total Title IV Program			23,999,683
Title I Program			
Passed through the Ohio Department of Higher Education			
Career and Technical Education - Basic Grants to States	84.048	VECPIII-P01	227,412
Adult Basic and Literacy Education (ABLE) Program			
Passed through the Ohio Department of Higher Education			
Adult Education - Basic Grants to States	84.002	074864-AB-S1-2018	668,187
Tech Prep Education Program			
Passed through the University of Toledo			
Technical Preparation	84.243	N/A	10,429
Education Stabilization Fund:			
COVID-19 - Higher Education Emergency Relief Fund (HEERF) Student Aid Portion	84.425E	(1)	1,814,871
COVID-19 - HEERF Institutional Portion	84.425F	(1)	9,843,728
COVID-19 - HEERF Strengthening Institutions Program	84.425M	(1)	590,379
Total Education Stabilization Fund			12,248,978
Total U.S. Department of Education			37,154,689
U.S. Department of Labor			
Passed through the American Association of Community Colleges			
Apprenticeship USA Grants	17.285	AP-33025-19-75-A-11	38,399
Total U.S. Department of Labor			38,399
U.S. Department of the Treasury			
Passed through the Ohio Department of Higher Education			
COVID-19 - Coronavirus Relief Fund	21.019	N/A	1,118,682
Total U.S. Department of the Treasury			1,118,682
National Science Foundation			
Passed through the Bowling Green State University			
Education and Human Resources - SEA Change: Using Social Connectivity to Improve Quantitative Literacy	47.076	DUE 152623	53,846
Total National Science Foundation			53,846
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 38,365,616

(1) - Direct Award

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

Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

NOTE 1 – BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal grant activity of Owens State Community College under programs of the federal government for the year ended June 30, 2021. Expenditures reported on the Schedule are reported on the same basis of accounting as the basic financial statements, although the basis for determining when federal awards are expended is presented in accordance with the requirements of the cost principles contained Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The College has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Because the Schedule presents only a selected portion of the operations of Owens State Community College, it is not intended to and does not present the financial position, changes in net position, or cash flows, if applicable, of Owens State Community College. Pass-through entity identifying numbers are presented where available. In addition, the College did not pass-through any federal awards to subrecipients during the year ended June 30, 2021.

NOTE 2 – FEDERAL WORK-STUDY AND FEDERAL SEOG WAIVER

For the year ended June 30, 2021, the College received a waiver from the Department of Education for the Institutional Share Requirement under the Federal Work-study and Federal Supplemental Educational Opportunity Grant programs.

NOTE 3 – LOAN PROGRAMS

The College originates but does not provide funding under the Direct Loan Program. The amount presented represents the value of new Direct Loans awarded by the Department of Education during the year.

Section I – Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	None noted
• Significant deficiency(ies) identified not considered to be material weakness(es)?	None noted
Noncompliance material to financial statements noted?	None noted

Federal Awards

Internal control over major program:	
• Material weakness(es) identified?	None noted
• Significant deficiency(ies) identified not considered to be material weakness(es)?	None noted
Type of auditors' report issued on compliance for major federal program:	Unmodified
Any audit findings that are required to be reported in accordance with 2 CFR 200.516(a)?	None noted

Identification of major program:

Student Financial Assistance Cluster:
ALN 84.007 – Federal Supplemental Educational Opportunity Grants
ALN 84.033 – Federal Work-Study Program
ALN 84.063 – Federal Pell Grant Program
ALN 84.268 – Federal Direct Student Loans

Education Stabilization Fund
ALN 84.425E – Higher Education Emergency Relief Fund (HEERF) Student Aid Portion
ALN 84.425F – HEERF Institutional Portion
ALN 84.425M – HEERF Strengthening Institutions Program

Dollar threshold to distinguish between Type A and Type B programs:	$1,150,968
Auditee qualified as low-risk auditee?	Yes

Section II – Financial Statement Findings

None noted

Section III – Federal Awards Findings and Questioned Costs

None noted

Section IV – Summary of Prior Audit Findings and Questioned Costs

None noted

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OHIO AUDITOR OF STATE
KEITH FABER

OWENS STATE COMMUNITY COLLEGE

WOOD 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 11/4/2021

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