SOUTHERN STATE COMMUNITY COLLEGE
HIGHLAND COUNTY

SOUTHERN STATE
COMMUNITY COLLEGE

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2020

PLATTENBURG
Certified Public Accountants

OHIO AUDITOR OF STATE
KEITH FABER

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Columbus, Ohio 43215
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(800) 282-0370

Board of Trustees
Southern State Community College
100 Hobart Drive
Hillsboro, Ohio 45133

We have reviewed the *Independent Auditor's Report* of the Southern State Community College, Highland County, prepared by Plattenburg & Associates, Inc., for the audit period July 1, 2019 through June 30, 2020. 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 Southern State Community College is responsible for compliance with these laws and regulations.

Keith Faber
Auditor of State
Columbus, Ohio

January 25, 2021

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SOUTHERN STATE COMMUNITY COLLEGE
HIGHLAND COUNTY
FOR THE YEAR ENDED JUNE 30, 2020

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Southern State Community College
Highland County
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2020

Federal Grantor/Pass Through Grantor/Program Title	Pass Through Entity Number	Federal CFDA Number	Expenditures
United States Department of Education			
Direct from the Federal Agency			
Student Financial Aid Cluster:			
Federal Supplemental Educational Opportunity Grants	N	84.007	$102,300
Federal Direct Student Loans	N	84.268	2,595,756
Federal Work-Study Program	N	84.033	69,704
Federal Pell Grant Program	N	84.063	2,965,148
Total Student Financial Aid Cluster			5,732,908
COVID 19 Higher Education Emergency Relief Fund - Student Aid Portion	N	84.425E	403,240
COVID 19 Higher Education Emergency Relief Fund - Institutional Portion	N	84.425F	128,007
Total Educational Stabilization Fund			531,247
Passed through the Ohio Department of Education			
Career and Technical Education - Basic Grants to States	3L90	84.048	62,687
Adult Education - Basic Grants to States	N/A	84.002	194,413
Total United States Department of Education			6,521,255
Total Expenditures of Federal Awards			$6,521,255

N/A - pass through entity number not available.
N - direct award.

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

Note 1 – Basis of Presentation

The accompanying schedule of federal awards expenditures(the schedule) is a summary of the activity of the College's federal award programs. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the College, it is not intended to and does not present the financial position, changes in net position, or cash flows of the College.

Note 2 - Significant Accounting Policies

Expenditures reported on the schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The College has elected not to use the 10- percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 3 – Federal Direct Student Loan Program

The College participates in the Federal Direct Student Loan Program. The dollar amounts listed in the schedule of federal awards expenditures represents new loans advanced during the fiscal year ended June 30, 2020. The College is a direct lender for these loan funds; however, they are not responsible for collecting these loans in future periods.

CFDA Number	Program Name	Amount
84.268	Federal Subsidized Loans	$1,335,436
84.268	Federal Unsubsidized Loans	1,260,320
	Total Federal Direct Student Loans	$2,595,756

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Trustees
Southern State Community College

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 Southern State Community College, Highland County, Ohio, (the College) a component unit of the State of Ohio, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated October 15, 2020.

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 the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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*.

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Purpose of this Report

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

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.
Cincinnati, Ohio
October 15, 2020

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

To the Board of Trustees
Southern State Community College

Report on Compliance for Each Major Federal Program

We have audited the Southern 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, 2020. The College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the College, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control over Compliance

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

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

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the business-type activities and the discretely presented component unit of the College, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the College's basic financial statements. We issued our report thereon dated October 15, 2020, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. We have not performed any procedures to the audited financial statements subsequent to October 15, 2020. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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.

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.
Cincinnati, Ohio
January 20, 2021

SOUTHERN STATE COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2020

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant Deficiency(s) identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major federal programs:	
• Material weakness(es) identified?	No
• Significant Deficiency(s) identified?	None reported
Type of auditor's report issued on compliance for major federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Identification of major federal programs:	
Student Financial Assistance Cluster Education Stabilization Fund 84.425	
Dollar threshold used to distinguish between Type A and Type B Programs	$750,000
Auditee qualified as low-risk auditee?	Yes

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

None

Section III – Federal Award Findings and Questioned Costs

None

SOUTHERN STATE COMMUNITY COLLEGE
SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2020

Southern State Community College had no prior audit findings or questioned costs.

SOUTHERN STATE COMMUNITY COLLEGE

SOUTHERN STATE
COMMUNITY COLLEGE

Highland County, Ohio

Basic Financial Statements

June 30, 2020

PLATTENBURG
Certified Public Accountants

SOUTHERN STATE COMMUNITY COLLEGE

HIGHLAND COUNTY, OHIO

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PLATTENBURG
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Southern State Community College

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of Southern State Community College, Highland County, Ohio, (the College) a component unit of the State of Ohio, and its discretely presented component unit, as of and for the years ended June 30, 2020 and 2019, 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.

Auditor's Responsibility

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

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

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

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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 the discretely presented component unit of the College, as of June 30, 2020 and 2019, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 12 to the financial statements, during 2020, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the College. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2020, on our consideration of the College's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Plattenburg & Associates, Inc.

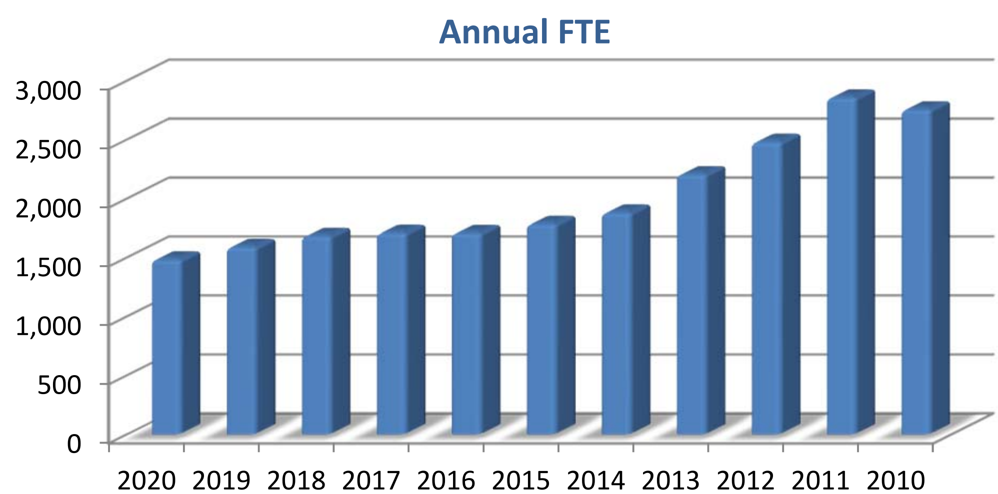
Plattenburg & Associates, Inc.
Cincinnati, Ohio
October 15, 2020

Accounting Standards
In June 1999, the Governmental Accounting Standards Board (GASB) released Statement No. 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments," which established a new reporting format for annual financial statements. In November 1999, GASB released Statement No. 35, "Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities," which applies the new reporting standards to public colleges and universities. Southern State Community College was required to adopt these new standards for the fiscal year ending June 30, 2002, and has done so.

The following discussion and analysis provides an overview of the College's financial activities. This is the nineteenth year using this format.

The annual report consists of three basic financial statements that provide information on the College: the statement of net position; the statement of revenues, expenses and changes in net position; and the statement of cash flows. Each one of these statements will be discussed.

Financial and Enrollment Highlights
- In FY2020 the College experienced a decrease in full-time equivalent enrollment of 4.30%.
- Gross student fee revenue decreased 6.36%.



- State Appropriations increased 0.12%.
- Health care costs decreased by 7.50%.

Statement of Net Position
The statement of net position includes assets, liabilities, and deferred inflows/outflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private-sector institutions. Net position – the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources – is one way of measuring the financial health of the College.

	2020	2019	2018
Assets:			
Current Assets	$7,002,172	$10,884,593	$10,617,424
Noncurrent Assets	4,241,031	4,142,260	3,029,295
Capital assets, net	26,701,027	27,824,166	28,762,615
Total Assets	37,944,230	42,851,019	42,409,334
Deferred Outflows of Resources	2,861,645	4,878,426	4,698,764
Liabilities:			
Current Liabilities	2,820,626	6,793,689	5,909,372
Noncurrent Liabilities	28,716,304	32,625,081	33,836,030
Total Liabilities	31,536,930	39,418,770	39,745,402
Deferred Inflows of Resources	5,390,613	4,818,727	4,864,737
Net Position:			
Net Investment in Capital Assets	14,896,629	14,802,698	14,837,452
Restricted	2,900,635	2,765,349	3,500,203
Unrestricted	(13,918,932)	(14,076,099)	(15,839,696)
Total Net Position	$3,878,332	$3,491,948	$2,497,959

Receivables include student accounts for tuition, company accounts for training, and grant receivables. Deferred inflows of resources in FY2020 and FY2019 are largely a result of the implementation and continued reporting in accordance with GASB 68 and GASB 75. These balances decreased in FY2020 and increased in FY2019 due to changes in actuarially determined deferrals and the net pension liability and net OPEB liability recognized by the College. See below for more discussion on GASB 68 and GASB 75. Long-term liabilities include deferred compensation (accrued vacation and sick days), outstanding balances of bond issues, and the College's proportionate share of the State-wide net pension liability and net OPEB liability. The overall decrease in noncurrent liabilities for 2020 is due to a decrease in the actuarially determined net pension liability and by bond principal payments, which was partially offset by an increase in the actuarially determined net pension liability. Net position includes the net investment in capital assets and both restricted and unrestricted funds. Total net position increased 11.1% from FY2019 to FY2020.

The net pension liability (NPL) is the largest single liability reported by the College at June 30, 2020 and is reported pursuant to GASB Statement 68, *Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27*. The College adopted GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the College's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

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

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

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

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

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

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

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

As a result of implementing GASB 75, the College is reporting a net OPEB liability and deferred inflows/outflows of resources related to OPEB on the accrual basis of accounting.

Statement of Revenues, Expenses and Changes in Net Position

The statement of revenues, expenses and changes in net position presents the operating results of the College operations, as well as the non-operating revenues and expenses. Annual state appropriations, while budgeted for, are considered non-operating revenues according to generally accepted accounting principles.

	2020	2019	2018
Operating revenue:			
Net tuition and fees	$5,240,284	$6,078,474	$5,912,328
Auxiliary	958,793	1,192,904	1,231,395
Grants and contracts	1,419,742	1,327,527	1,274,538
Other	330,755	305,795	483,791
Total operating revenue	7,949,574	8,904,700	8,902,052
Operating expenses:			
Instructional	5,850,729	6,302,242	4,367,100
Research	0	0	7,742
Community service	1,282,379	1,066,646	618,222
Academic support	1,882,910	1,908,297	1,562,831
Student services	2,104,460	2,097,388	1,576,805
Institutional support	2,401,732	2,034,080	1,435,369
Plant operations	1,408,561	1,419,336	1,377,420
Depreciation	1,202,802	1,305,347	1,307,820
Scholarships	2,212,364	2,720,433	2,748,664
Auxiliary	982,104	1,099,921	1,150,103
Total operating expenses	19,328,041	19,953,690	16,152,076
Operating loss	(11,378,467)	(11,048,990)	(7,250,024)
Nonoperating revenues (expenses):			
Federal grants	3,750,741	3,649,758	3,955,804
State subsidy	8,068,193	8,058,729	8,006,995
Investment income	215,855	316,545	286,595
Interest on capital asset-related debt	(451,390)	(477,353)	(501,042)
Capital appropriations	181,452	447,567	747,116
Addition to endowments	0	0	4,748
Other nonoperating revenue (expenses)	0	47,733	0
Total Nonoperating revenues (expenses)	11,764,851	12,042,979	12,500,216
Change in net position	386,384	993,989	5,250,192
Net position - beginning of year	3,491,948	2,497,959	(2,752,233)
Net position - end of year	$3,878,332	$3,491,948	$2,497,959

Net tuition and fees represents gross student fee revenue of $6,962,311 in FY2020 and $7,435,044 in FY2019 net of scholarship allowances of $1,722,027 and $1,356,570 for those years, respectively. Auxiliary revenue consists of the non-grant portion of corporate and community services. These revenues decreased slightly due to enrollment decline. Operating expense decreases primarily reflect decreases in pension and OPEB expenses, associated with these balances were less than the prior year, based on actuarially determined information, allocated amongst various functions. State appropriation in FY2020 and FY2019 represented 68.5% and 66.9%, respectively of non-operating revenues (expenses).

Statement of Cash Flows

The statement of cash flows provides information about cash receipts and cash payments during the year. This statement also helps users assess the College's ability to generate net cash flows, its ability to meet obligations as they come due, and its need for external funding.

	2020	2019	2018
Cash provided by (used in):			
Operating activities	($14,092,208)	($10,378,273)	($9,661,809)
Non-capital financing activities	11,818,934	11,756,220	11,967,547
Capital and related financing activities	(1,263,380)	(1,396,684)	(1,665,556)
Investing activities	70,806	239,251	136,977
Net increase (decrease) in cash	(3,465,848)	220,514	777,159
Cash - beginning of year	6,877,920	6,657,406	5,880,247
Cash - end of year	$3,412,072	$6,877,920	$6,657,406

The primary cash receipts from operating activities are student fees. State subsidies and federal grants represent the primary non-operating sources of funds. Payments to employees are the primary use of funds.

Capital Assets

Capital assets, net of accumulated depreciation totaled $26,701,027 at June 30, 2020 and $27,824,166 at June 30, 2019 a decrease of $1,123,139 from the prior year-end. Additions to capital assets during the year totaled $79,663 and disposals were $0 in FY2020. Depreciation expense for the year ended June 30, 2020 totaled $1,202,802. For more information on capital assets, see note 4 to the basic financial statements.

Debt

As of June 30, 2020, the College had outstanding debt of $12,561,677 of which $1,050,000 was short-term (or due within one year) and $11,475,000 was long-term debt (would come due beyond one year). The outstanding debt related to three 20 year bond issues that were used to provide a portion of the funding of the Patriot Center located on the Central Campus, and a portion of the funding for a renovation and expansion project on the Fayette Campus, and the construction of a new Brown County campus, which will replace the existing facility. The Patriot Center was completed in March of 2005. The Fayette expansion was completed in 2009. The construction of the new Brown County Campus began March 2013, and completed in July 2014. For more information on debt, see note 9 to the basic financial statements.

Economic Factors that will effect the Future

Challenges

- The historically strong local and national economies along with declining demographics present major enrollment challenges.
- Responding responsibly to market demand for technical programs while limiting disruption.
- Addressing current facility roles and online potential expeditiously.

Opportunities

- Building on the recent Program Vitality Assessments can serve to assure that offerings remain relevant in preparing students to succeed in the current and future workforce.
- Taking advantage of the college community's overall awareness of the financial impact of recent enrollment challenges provides an excellent atmosphere to work towards major structural budget modifications that are sustainable.
- To become an even stronger resource for college credit plus students.

Southern State Community College
Highland County
Statements of Net Position
As of June 30, 2020 and 2019

	2020		2019	
	College	Foundation	College	Foundation
Assets:				
Current assets:				
Cash	$1,153,612	$0	$1,871,426	$0
Cash equivalents	1,374,354	211,894	4,087,269	152,048
Accounts receivable, net	3,823,767	0	3,961,535	0
Pledges receivable	0	3,444	0	4,404
Prepaid expenses	153,452	0	526,105	0
Inventories	7,976	0	8,132	0
Other assets	271,818	1,855	271,819	1,855
Total current assets	6,784,979	217,193	10,726,286	158,307
Noncurrent assets:				
Restricted cash equivalents	672,212	0	664,102	103,075
Restricted investments	0	2,705,369	0	2,560,320
Net pension asset	155,855	0	96,176	0
Net OPEB asset	707,595	0	718,587	0
Capital assets, net	26,701,027	0	27,824,166	0
Total noncurrent assets	28,236,689	2,705,369	29,303,031	2,663,395
Total assets	35,021,668	2,922,562	40,029,317	2,821,702
Deferred outflows of resources:				
Pension plans	2,281,396	0	4,515,919	0
OPEB plans	580,249	0	362,507	0
Total deferred outflows of resources	2,861,645	0	4,878,426	0
Liabilities:				
Current liabilities:				
Accrued liabilities	235,116	0	349,509	0
Held in custody for others	1,535,510	0	5,419,180	0
Bonds payable, current portion	1,050,000	0	1,025,000	0
Total current liabilities	2,820,626	0	6,793,689	0
Noncurrent liabilities:				
Bonds payable, long-term portion	11,511,677	0	12,525,000	0
Compensated absences	430,026	0	169,057	0
Net pension liability	13,608,616	0	16,500,560	0
Net OPEB liability	3,165,985	0	3,430,464	0
Total noncurrent liabilities	28,716,304	0	32,625,081	0
Total liabilities	31,536,930	0	39,418,770	0
Deferred inflows of resources				
Grants and contracts	583,731	0	740,677	0
Pension plans	3,075,569	0	2,722,641	0
OPEB plans	1,731,313	0	1,355,409	0
Total deferred inflows of resources	5,390,613	0	4,818,727	0
Net position:				
Net investment in capital assets	14,896,629	0	14,802,698	0
Restricted for:				
Nonexpendable:				
Endowments	12,318	2,737,698	12,318	2,626,720
Expendable:				
Loans	17,696	0	17,696	0
Scholarships and fellowships	0	132,923	0	108,615
Unrestricted (deficit)	(13,970,873)	51,941	(14,162,466)	86,367
Total net position	$955,770	$2,922,562	$670,246	$2,821,702

The notes to the basic financial statements are an integral part of this statement.

Southern State Community College
Highland County
Statements of Revenues, Expenses and Changes in Net Position
For the Fiscal Years Ended June 30, 2020 and 2019

	2020		2019	
	College	Foundation	College	Foundation
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowance)	$5,240,284	$0	$6,078,474	$0
State grants and contracts	1,171,993	0	1,019,112	0
Local grants and contracts	70,369	0	65,212	0
Private grants and contracts	113,025	64,355	146,685	96,518
Auxiliary services	958,793	0	1,192,904	0
Other operating revenue	330,755	0	305,795	0
Total operating revenue	7,885,219	64,355	8,808,182	96,518
Expenses:				
Operating expenses:				
Instructional	5,850,729	0	6,302,242	0
Community service	1,282,379	0	1,066,646	0
Academic support	1,882,910	0	1,908,297	0
Student services	2,007,813	96,647	2,028,531	68,857
Institutional support	2,401,732	0	2,034,080	0
Plant operations	1,408,561	0	1,419,336	0
Depreciation	1,202,802	0	1,305,347	0
Scholarships	2,212,364	0	2,720,433	0
Auxiliary activities	982,104	0	1,099,921	0
Total operating expenses	19,231,394	96,647	19,884,833	68,857
Operating income (loss)	(11,346,175)	(32,292)	(11,076,651)	27,661
Nonoperating revenues (expenses):				
Federal grants and contracts	3,750,741	0	3,649,758	0
State appropriations	8,068,193	0	8,058,729	0
Investment income (net of investment expense)	82,703	133,152	145,743	170,802
Interest on capital asset-related debt	(451,390)	0	(477,353)	0
Other nonoperating revenues (expenses)	0	0	47,733	0
Total nonoperating revenues (expenses)	11,450,247	133,152	11,424,610	170,802
Income (loss) before other revenues, expenses, gains, losses	104,072	100,860	347,959	198,463
Capital appropriations	181,452	0	447,567	0
Change in net position	285,524	100,860	795,526	198,463
Net position - beginning of year	670,246	2,821,702	(125,280)	2,623,239
Net position - end of year	$955,770	$2,922,562	$670,246	$2,821,702

The notes to the basic financial statements are an integral part of this statement.

Southern State Community College
Highland County
Statements of Cash Flows
For the Fiscal Years Ended June 30, 2020 and 2019

	2020		2019	
	College	Foundation	College	Foundation
Cash flows from operating activities:				
Tuition and fees	$5,221,106	$0	$6,006,240	$0
Grants and contracts	1,355,387	0	1,231,009	0
Private gifts	0	65,315	0	96,518
Payments to suppliers	(3,694,916)	0	(4,341,105)	0
Payments for utilities	(409,079)	0	(453,932)	0
Payments to employees	(8,177,600)	0	(9,200,267)	0
Payments for benefits	(3,549,288)	0	(3,286,294)	0
Scholarships	(2,212,364)	(96,647)	(2,720,433)	(68,857)
Auxiliary enterprise charges	958,793	0	1,192,904	0
Other disbursements	(3,552,915)	0	1,165,944	0
Net cash provided (used) by operating activities	(14,060,876)	(31,332)	(10,405,934)	27,661
Cash flows from noncapital financing activities:				
Federal grants and contracts	3,750,741	0	3,649,758	0
State appropriations	8,068,193	0	8,058,729	0
Other nonoperating revenues (expenses)	0	0	47,733	0
Net cash provided (used) by noncapital financing activities	11,818,934	0	11,756,220	0
Cash flows from capital and related financing activities:				
Capital appropriations	181,452	0	447,567	0
Purchase of capital assets	(5,119)	0	(366,898)	0
Principal paid on capital debt and lease	(988,323)	0	(1,000,000)	0
Interest paid on capital debt and lease	(451,390)	0	(477,353)	0
Net cash provided (used) by capital and related financing activities	(1,263,380)	0	(1,396,684)	0
Cash flows from investing activities:				
Interest on investments	82,703	133,152	145,743	170,802
(Purchase) sale of investments	0	(145,049)	0	(77,294)
Net cash provided (used) by investing activities	82,703	(11,897)	145,743	93,508
Net increase (decrease) in cash and cash equivalents	(3,422,619)	(43,229)	99,345	121,169
Cash and cash equivalents - beginning of year	6,622,797	255,123	6,523,452	133,954
Cash and cash equivalents - end of year	$3,200,178	$211,894	$6,622,797	$255,123
Reconciliation of operating income (loss) to net cash used by operating activities:				
Operating income (loss)	($11,346,175)	($32,292)	($11,076,651)	$27,661
Adjustments to reconcile operating loss to net cash used by operating activities:				
Depreciation expense	1,202,802	0	1,305,347	0
Changes in assets and liabilities:				
Receivables, net	137,768	960	(141,076)	0
Inventories	156	0	1,501	0
Other assets	298,110	0	(134,405)	0
Accrued liabilities	(114,393)	0	(832)	0
Deferred outflows of resources-pension/OPEB	2,016,781	0	(179,662)	0
Deferred inflows of resources-grants and contracts	(156,946)	0	68,842	0
Deferred inflows of resources-pension/OPEB	728,832	0	(114,852)	0
Net pension/OPEB asset	(48,687)	0	(814,763)	0
Net pension liability	(2,891,944)	0	1,270,026	0
Net OPEB liability	(264,479)	0	(1,484,868)	0
Deposits held for others	(3,883,670)	0	860,149	0
Compensated absences	260,969	0	28,893	0
Prepaid expenses	0	0	6,417	0
Net cash provided (used) by operating activities	($14,060,876)	($31,332)	($10,405,934)	$27,661

The notes to the basic financial statements are an integral part of this statement.

Note 1 – Summary of Significant Accounting Policies

Reporting Entity

Southern State Community College (the College) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio and is considered to be a component unit of the primary reporting unit of the State of Ohio. The financial statements present the financial position and results of operations of the College along with the Southern State Community College Foundation (the Foundation), as a component unit of the College.

The College was chartered on February 21, 1975 as the Southern State General and Technical College. On October 21, 1977, the name of the College was officially changed to Southern State Community College.

The College operates under the direction of a nine member Board of Trustees who are appointed by the Governor with the advice and consent of the Ohio Senate. A President is appointed by the Board of Trustees to oversee day- to-day operations of the College. An appointed treasurer is the custodian of funds and is responsible for the fiscal control of the resources of the College.

The College was organized principally to offer educational programs beyond high school, normally not exceeding two years in duration, and leading to the award of an associate degree. The College offers programs in the liberal arts and sciences, technical training, and adult and continuing education, as outlined in ORC Section 3358.01.

Basis of Presentation

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB), including Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments,* and Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis of Public Colleges and Universities*, issued in June and November 1999, respectively. The College reports as a special purpose government engaged solely in "business-type activities" under GASB Statement No. 34.

Basis of Accounting

The financial statements of the College have been prepared using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when obligations have been incurred. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by providers have been met.

Cash and Cash Equivalents

The College's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Cash equivalents include the College's investment in the STAR Ohio and STAR Plus funds and money market funds, which amounted to $3,200,178 and $5,006,494 at June 30, 2020 and 2019, respectively.

During fiscal years 2020 and 2019, the College and Foundation invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, *Certain External Investment Pools and Pool Participants*. The College and Foundation measure their investments in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For fiscal years 2020 and 2019, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding $25 million. STAR Ohio reserved the right to limit the transaction to $100 million. All accounts of the participant will be combined for these purposes.

Investments

The College does not have a formal investment policy but consults the Ohio Revised Code for guidance with respect to allowable investments. The Foundation does have a formal policy, and the purchase of specific investment instruments is at the discretion of the Treasurer within these policy guidelines. As of June 30, 2020 and 2019, investments held by the College and Foundation were valued at $2,705,369 and $2,560,320, respectively. In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, investments are reported at fair value.

Accounts and Pledges Receivables

At June 30, 2020 and 2019, accounts receivable consist primarily of student tuition and fees, third party, and intergovernmental grants and contracts. Student and third party accounts receivable are reported net of an allowance for doubtful accounts of $710,369 and $620,908 at June 30, 2020 and 2019, respectively, whereas other receivables are reported at net, based on separate allowances for doubtful accounts estimated by management. Pledges receivable are unconditional promises to give and are recognized at the present value of future cash flows. No allowance for uncollectible promises to give is considered necessary.

Inventory

Inventories consist principally of office supplies and the truck driving academy tire stock. Inventories, which are stated at the lower of cost or market, are determined on the first-in-first-out (FIFO) basis.

Restricted Assets

Restricted assets represent assets whose use is restricted by external parties or by law through constitutional or enabling legislation.

Capital Assets

Capital assets with a unit cost of over $5,000, and all library books, are recorded at cost at the date of acquisition, or, if donated, at acquisition value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful life of the asset and is not allocated to the functional expenditure categories. Expenditures for construction in progress are capitalized as incurred. Interest expense related to construction is capitalized net of interest income earned on resources set aside for this purpose. Routine maintenance and repairs are charged to expenses as incurred. Certain assets purchased through capital leases have been capitalized and included as part of equipment in the accompanying financial statements.

Deferred Inflows/Outflows of Resources

Deferred inflows of resources is comprised primarily of receipts relating to tuition and student fees in advance of the services to be provided and grant funds not earned as of June 30, 2020 and 2019. Deferred inflows and outflows of resources related to pensions/OPEB are explained in notes 6 and 7.

Operating Revenues

All revenues from programmatic sources are considered to be operating revenues. Included in non-operating revenues are certain federal grants and contracts, state appropriations, investment income, and gifts. Gifts (pledges) that are received on an installment basis are recorded at net present value.

Scholarships and Allowances and Student Aid

Financial aid to students is reported in the financial statements under the alternative method as prescribed by the National Association of College and University Business Officers (NACUBO). Certain aid such as loans, funds provided to students as awarded by third parties, and Federal Direct Lending is accounted for as a third party payment (credited to the student's account as if the student made the payment). All other aid is reflected in the financial statements as operating expenses, or scholarship allowances, which reduce revenues. The amount reported as operating expense represents the portion of aid provided to the student in the form of cash. Scholarship allowances represent the portion of aid provided to the student in the form of reduced tuition.

Pensions/Other Postemployment Benefits (OPEB)

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

Federal Financial Assistance Programs

The College participates in federally funded Pell Grants, SEOG Grants, and Federal Direct Lending programs. Federal programs are audited in accordance with the Single Audit Act Amendments of 1996, and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). During fiscal years 2020 and 2019, the College distributed $2,595,756 and $3,065,960, respectively, for direct lending through the U.S. Department of Education, which is not included as revenues and expenses on the accompanying financial statements.

Net Position

Net position is classified according to external donor restrictions or availability of assets for satisfaction of College obligations. Capital assets, net of accumulated depreciation, reduced by related debt represents the College's net investment in capital assets. Nonexpendable restricted net position represents gifts that have been received for endowment purposes, the corpus of which cannot be expended. Expendable restricted net position represents funds that have been received for specific purposes. Unrestricted net position includes resources which can be used at the College's discretion.

Of the College's $2,900,635 and $2,765,349 in restricted net position at June 30, 2020 and 2019, respectively, none is restricted by enabling legislation.

Prepaid Items

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

Use of Estimates

The preparation of the 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 2 – Cash, Cash Equivalents and Investments

Statement No. 3 of the Governmental Accounting Standards Board requires governmental entities to categorize deposits and investments to give an indication of the level of risk assumed by the entity at year-end. These categories of risk follow:

	Cash	Investments
Category 1	Deposits that are either insured or collateralized with securities held by the College or by its agent in the College's name.	Investments that are insured or registered, or securities held by the College or by its agent in the College's name.
Category 2	Deposits collateralized with securities held by the pledging financial institution's trust department or agent in the College's name.	Investments that are uninsured and registered, with securities held by the counterparty's trust department or agent in the College's name.
Category 3	Deposits that are uncollateralized (including any bank balance that is collateralized with securities held by the pledging financial institution, or by its trust department or agent, but not in the College's name).	Investments that are uninsured and unregistered, with securities held by the counterparty's trust department or agent but not held in the College's name.
Not Categorized		Investments in mutual funds, money markets and investment management funds are not categorized because they are not evidenced by securities that exist in physical or book entry form.

Primary Government - College

At June 30, 2020, the carrying amount of the College's cash deposits was $2,154,338 and the bank balance was $2,526,153. At June 30, 2020, $608,091 of the bank balance was insured by the FDIC (Category 1); the remaining bank balances were Category 3.

The College held $724,661 in STAR Ohio investments, which is an external investment pool and is considered cash equivalents under GASB Statement No. 9. Oversight of the pool is through the Treasurer of State. The fair value of the College's position in the pool is the same as the value of its pool shares. Such investments are not required to be categorized in accordance with Governmental Accounting Standards Board Statement No. 3. All other investments are Category 1. The following summarizes the market value of the College's investments:

June 30, 2020

Investment Type	Fair Value/NAV	Investment Maturities < 1 Year	Fair Value Hierarchy
Star Ohio	$724,661	$724,661	N/A
Money Market Funds	549,002	549,002	Level 1
Total	$1,273,663	$1,273,663	

At June 30, 2019, the carrying amount of the College's cash deposits was $3,962,231 and the bank balance was $4,420,460. At June 30, 2019, $2,347,678 of the bank balance was insured by the FDIC (Category 1); the remaining bank balances were Category 3.

The College held $1,996,464 in STAR Ohio investments, which is an external investment pool and is considered cash equivalents under GASB Statement No. 9. Oversight of the pool is through the Treasurer of State. The fair value of the College's position in the pool is the same as the value of its pool shares. Such investments are not required to be categorized in accordance with Governmental Accounting Standards Board Statement No. 3. All other investments are Category 1. The following summarizes the market value of the College's investments:

June 30, 2019

Investment Type	Fair Value/NAV	< 1 Year	Fair Value Hierarchy
Star Ohio	$1,996,464	$1,996,464	N/A
Money Market Funds	664,102	664,102	Level 1
Total	$2,660,566	$2,660,566	

Component Unit – Foundation

At June 30, 2020, the carrying amount of the Foundation's cash deposits was $0 and the bank balance was $0. At June 30, 2019, the carrying amount of the Foundation's cash deposits was $0 and the bank balance was $0. The following summarizes the market value of the Foundation's investments:

June 30, 2020

Investment Type	Fair Value/NAV	Investment Maturities < 1 Year
Star Ohio	$133,019	$133,019
Money Market Funds	78,876	78,876
Other Bonds	1,195,449	1,195,449
Common Stock	224,640	224,640
Equity Funds	1,285,279	1,285,279
Total	$2,917,263	$2,917,263

June 30, 2019

Investment Type	Fair Value/NAV	Investment Maturities < 1 Year
Star Ohio	$152,048	$152,048
Money Market Funds	103,075	103,075
Other Bonds	1,116,797	1,116,797
Common Stock	224,640	224,640
Equity Funds	1,218,883	1,218,883
Total	$2,815,443	$2,815,443

The College has categorized its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. STAR Ohio is reported at its share price. All other investments of the College are valued using pricing sources as provided by the investments managers (Level 1 inputs). The Foundation's money market fund, bond, and equity fund investments are also Level 1 inputs. STAR Ohio investments are valued as previously noted. Common stock investments are Level 3 inputs.

Interest rate risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

Primary Government - The College does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Component Unit - As a means of limiting its exposure to fair value losses arising from rising interest rates, the Foundation's investment policy provides for management of the portfolio to minimize principal fluctuations with a long-term investment mix and with an initial target allocation of 40 percent of its assets to be invested in fixed income investments. Cash equivalents should represent maturities of one year or less at the time of purchase. Also, weighted average portfolio maturity may not exceed 10 years.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

Primary Government - The College has no investment policy that limits its investment choices. As of the fiscal years ended June 30, 2020 and 2019, the College's investments in STAR Ohio rated AAAm by Standard & Poor's. Money market funds are unrated.

Component Unit - The Foundation's investment policy limits investments to the following categories: Cash Equivalents, Fixed Income Assets, Equities Assets, and Mutual Funds. Fixed income assets are subject to several limitations including only corporate debt issues that meet or exceed a credit rating of "A" from S&P or "A2" or higher from Moody's. Preferred stocks should be rated "A" or better by Moody's or S&P at the time of purchase. Equities holdings should represent companies meeting a minimum capitalization requirement of two hundred and fifty million with high market liquidity. Standard & Poor's rated STAR Ohio and money market funds AAAm. All other investments are unrated.

Concentration of credit risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer.

Primary Government - The College places no limit on the amount the College may invest in any one issuer. More than 5% of the College's investments are in STAR Ohio and money market funds. These investments were 61% and 39% as of June 30, 2020 and 75% and 25%, respectively, as of June 30, 2019, respectively of the College's total investments.

Component Unit - The Foundation's investment policy calls for initial targets of asset categories along with acceptable ranges in order to balance the risks as follows:

Asset Castegory	Initial Target Allocation	Acceptable Range
Cash	10%	1-10%
Fixed Income	40%	30-70%
Stocks	50%	30-70%

For the fiscal year ended June 30, 2020, more than 5% of the Foundation's investments are equity funds, common stock, and other bonds. These investments represent 44%, 8%, and 41% of the Foundation's total investments, respectively. For the fiscal year ended June 30, 2019, more than 5% of the Foundation's investments are equity funds, common stock, and other bonds. These investments represent 43%, 8%, and 40% of the Foundation's total investments, respectively.

Custodial credit risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. For deposits, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it.

Primary Government - *Deposits*. As of June 30, 2020 and 2019, the College's bank balances of $1,665,160 and $4,420,460, respectively, was either covered by FDIC or collateralized by the financial institution's public entity deposit pool in the manner described below.

The College has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or be protected by:

- Eligible securities pledged to the College and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or

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

Component Unit - The Foundation's endowment investment policy provides that the investments will be made for the sole interest and exclusive purpose of providing benefits to the investment committee. All investments are held in the name of the Foundation.

Note 3 – Accounts Receivable

Accounts receivable at June 30, 2020 was comprised of the following:

	Gross Receivables	Allowance for Doubtful Accounts	Net Receivables
Current Receivables:			
Students	$4,311,171	($710,369)	$3,600,802
Intergovernmental	81,080	0	81,080
Third Party	141,885	0	141,885
Total Current Receivables	$4,534,136	($710,369)	$3,823,767

Accounts receivable at June 30, 2019 was comprised of the following:

	Gross Receivables	Allowance for Doubtful Accounts	Net Receivables
Current Receivables:			
Students	$4,348,539	($620,908)	$3,727,631
Intergovernmental	105,577	0	105,577
Third Party	128,327	0	128,327
Total Current Receivables	$4,582,443	($620,908)	$3,961,535

Note 4 – Capital Assets

Capital asset activity for the years ended June 30, 2020 and 2019 were as follows:

	2020			
	Beginning Balance	Additions	Reductions	Ending Balance
Capital assets not depreciated:				
Land	$4,517,468	$0	$0	$4,517,468
Construction in Progress	0	74,544	0	74,544
Non-Depreciable Artwork	51,900	0	0	51,900
Total capital assets not depreciated	4,569,368	74,544	0	4,643,912
Capital assets being depreciated:				
Buildings and Improvements	37,318,644	0	0	37,318,644
Equipment	3,832,402	5,119	0	3,837,521
Library books	545,426	0	0	545,426
Vehicles	642,070	0	0	642,070
Total capital assets depreciated	42,338,542	5,119	0	42,343,661
Total capital assets	46,907,910	79,663	0	46,987,573
Accumulated depreciation:				
Buildings and Improvements	(14,938,648)	(986,632)	0	(15,925,280)
Equipment	(3,003,963)	(181,121)	0	(3,185,084)
Library books	(539,140)	(3,514)		(542,654)
Vehicles	(601,993)	(31,535)	0	(633,528)
Total accumulated depreciation	(19,083,744)	(1,202,802)	0	(20,286,546)
Capital assets, net	$27,824,166	($1,123,139)	$0	$26,701,027

	2019			
	Beginning Balance	Additions	Reductions	Ending Balance
Capital assets not depreciated:				
Land	$4,517,468	$0	$0	$4,517,468
Non-Depreciable Artwork	51,900	0	0	51,900
Total capital assets not depreciated	4,569,368	0	0	4,569,368
Capital assets being depreciated:				
Buildings and Improvements	37,250,721	67,923	0	37,318,644
Equipment	3,540,416	291,986	0	3,832,402
Library books	543,362	2,064	0	545,426
Vehicles	637,145	4,925	0	642,070
Total capital assets depreciated	41,971,644	366,898	0	42,338,542
Total capital assets	46,541,012	366,898	0	46,907,910
Accumulated depreciation:				
Buildings and Improvements	(13,952,267)	(986,381)	0	(14,938,648)
Equipment	(2,746,761)	(257,202)	0	(3,003,963)
Library books	(533,751)	(5,389)		(539,140)
Vehicles	(545,618)	(56,375)	0	(601,993)
Total accumulated depreciation	(17,778,397)	(1,305,347)	0	(19,083,744)
Capital assets, net	$28,762,615	($938,449)	$0	$27,824,166

The following estimated useful lives are used to compute depreciation:

Buildings and Improvements	20 – 40 years
Library Books	7 years
Equipment and Vehicles	5 – 15 years

Note 5 – State Support

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

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

The facilities are not pledged as collateral for the revenue bonds. Instead, the bonds are supported by a pledge of monies in the Higher Education Bond Service Fund established in the custody of the Treasurer of State. If sufficient monies are not available from this fund, a pledge exists to assess a special student fee uniformly applicable to students in state assisted institutions of higher education throughout the State. As a result of the above-described financial assistance provided by the State of Ohio to the College, outstanding debt issued by the Ohio Public Facilities Commission is not included on the College's statement of net position.

Note 6 - Defined Benefit Pension Plans

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

Net Pension Liability/Net OPEB Liability (Asset)

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

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

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

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

The remainder of this note includes the required pension disclosures. See Note 7 for the required OPEB disclosures.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description

The College's employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. College employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting www.opers.org/financial/reports.shtml, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the traditional and combined plans were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional and combined plans as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information, including requirements for reduced and unreduced benefits):

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Group C Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a traditional plan benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost–of–living adjustment of the defined benefit portion of their pension benefit. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the purchase of a monthly defined benefit annuity from OPERS (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local
Statutory Maximum Contribution Rates	
Employer	14.00 %
Employee*	10.00 %
Actual Contribution Rates	
Employer:	
Pension	14.00 %
Post-employment Health Care Benefits	0.00
Total Employer	14.00 %
Employee	10.00 %

*Member contributions within the Combined Plan are not used to fund the Defined Benefit retirement allowance.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The College's contractually required contributions to OPERS were $458,226 and $509,296 for fiscal years 2020 and 2019, 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 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 is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of living increases are not affected by this change. Effective Aug. 1, 2017 through July 1, 2019, any member could retire with reduced benefits who had (1) five years of service credit and age 60; (2) 27 years of service credit and age 55; or (3) 30 years of service credit regardless of age. Effective Aug. 1, 2019–July 1, 2021, any member may retire with reduced benefits who has (1) five years of service credit and age 60; (2) 28 years of service credit and age 55; or (3) 30 years of service credit regardless of age. Eligibility changes 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.

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

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

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

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

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

Funding Policy

Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The fiscal year 2020 employer and employee contribution rate of 14 percent was equal to the statutory maximum rates. For fiscal year 2020, the full employer contribution was allocated to pension.

The College's contractually required contributions to STRS were $615,721 and $702,218 for fiscal years 2020 and 2019, respectively.

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

The net pension liability (assets) was measured as of June 30, 2019 and June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The College's proportion of the net pension liability (asset) was based on the College's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

As of and for the year ended June 30, 2020, the proportionate share and pension expense were as follows:

	OPERS Traditional	OPERS Combined	STRS	Total
Proportionate Share of the Net Pension Liability	$4,160,675	$0	$9,447,941	$13,608,616
Proportionate Share of the Net Pension (Asset)	0	(155,855)	0	(155,855)
Proportion of the Net Pension Liability:				
Current Measurement Date	0.02105000%	0.07474200%	0.04272303%	
Prior Measurement Date	0.02434600%	0.08600800%	0.04471891%	
Change in Proportionate Share	-0.00329600%	-0.01126600%	-0.00199588%	
Pension Expense	$266,257	$33,327	$410,192	$709,776

At June 30, 2020, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS Traditional	OPERS Combined	STRS	Total
Deferred Outflows of Resources				
Differences between expected and actual experience	$0	$0	$76,922	$76,922
Changes of assumptions	222,229	16,070	1,109,843	1,348,142
Changes in employer proportionate share of net pension liability	0	11,498	0	11,498
Contributions subsequent to the measurement date	205,974	23,139	615,721	844,834
Total Deferred Outflows of Resources	$428,203	$50,707	$1,802,486	$2,281,396
Deferred Inflows of Resources				
Differences between expected and actual experience	$52,606	$36,590	$40,898	$130,094
Net difference between projected and actual earnings on pension plan investments	829,961	20,215	461,764	1,311,940
Changes in employer proportionate share of net pension liability	558,259	57,823	1,017,453	1,633,535
Total Deferred Inflows of Resources	$1,440,826	$114,628	$1,520,115	$3,075,569

$844,834 reported as deferred outflows of resources related to pension resulting from College contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ending June 30:	OPERS Traditional	OPERS Combined	STRS	Total
2021	($500,294)	($11,638)	($42,157)	($554,089)
2022	(423,122)	(11,638)	(62,118)	(496,878)
2023	34,365	(11,638)	(208,991)	(186,264)
2024	(329,546)	(11,638)	(20,084)	(361,268)
2025	0	(11,638)	0	(11,638)
Thereafter	0	(28,870)	0	(28,870)
Total	($1,218,597)	($87,060)	($333,350)	($1,639,007)

As of and for the year ended June 30, 2019, the proportionate share and pension expense were as follows:

	OPERS Traditional	OPERS Combined	STRS	Total
Proportionate Share of the Net Pension Liability	$6,667,876	$0	$9,832,684	$16,500,560
Proportionate Share of the Net Pension (Asset)	0	(96,176)	0	(96,176)
Proportion of the Net Pension Liability:				
Current Measurement Date	0.02434600%	0.08600800%	0.04471891%	
Prior Measurement Date	0.02664300%	0.08798200%	0.04651932%	
Change in Proportionate Share	-0.00229700%	-0.00197400%	-0.00180041%	
Pension Expense	$938,103	($54,439)	$111,853	$995,517

At June 30, 2019, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS Traditional	OPERS Combined	STRS	Total
Deferred Outflows of Resources				
Differences between expected and actual experience	$308	$0	$226,968	$227,276
Changes of assumptions	580,453	21,480	1,742,536	2,344,469
Net difference between projected and actual earnings on pension plan investments	905,018	20,718	0	925,736
Changes in employer proportionate share of net pension liability	59,053	1,512	1,007	61,572
Contributions subsequent to the measurement date	230,104	24,544	702,218	956,866
Total Deferred Outflows of Resources	$1,774,936	$68,254	$2,672,729	$4,515,919
Deferred Inflows of Resources				
Differences between expected and actual experience	$87,554	$39,280	$64,214	$191,048
Net difference between projected and actual earnings on pension plan investments	0	0	596,243	596,243
Changes in employer proportionate share of net pension liability	338,496	46,167	1,550,687	1,935,350
Total Deferred Inflows of Resources	$426,050	$85,447	$2,211,144	$2,722,641

$956,866 reported as deferred outflows of resources related to pension resulting from College contributions subsequent to the measurement date was recognized as a reduction of the net pension liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense in subsequent years.

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification 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. The total pension liability was determined by an actuarial valuation as of December 31, 2019, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2019, are presented below.

Wage Inflation	3.25%
Projected Salary Increases, including inflation	3.25% - 10.75%, including wage inflation at 3.25%
COLA or Ad Hoc COLA:	
Pre-January 7, 2013 Retirees	3.00%, simple
Post-January 7, 2013 Retirees	1.40%, simple through 2020 then 2.15%, simple
Investment Rate of Return	7.20%
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Postretirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Postretirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables. The most recent experience study was completed for the five year period ended December 31, 2015.

The long-term rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

During 2019, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 17.2% for 2019 and 2.94% for 2018.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2019 and 2018 and the long-term expected real rates of return:

Asset Class	Target Allocation	2019 Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)	2018 Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	25.00%	1.83%	2.79%
Domestic Equities	19.00%	5.75%	6.21%
Real Estate	10.00%	5.20%	4.90%
Private Equity	12.00%	10.70%	10.81%
International Equities	21.00%	7.66%	7.83%
Other Investments	13.00%	4.98%	5.50%
Total	100.00%	5.61%	5.95%

Discount Rate

The discount rate used to measure the total pension liability was 7.2% for the Traditional Pension Plan, Combined Plan and Member-Directed Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan, Combined Plan and Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the College's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

For the year ended June 30, 2020, the following table presents the net pension liability or asset calculated using the discount rate of 7.2%, and the expected net pension liability or asset if it were calculated using a discount rate that is 1.0% lower or 1.0% higher than the current rate.

	1% Decrease 6.20%	Current Discount Rate 7.20%	1% Increase 8.20%
Proportionate share of the net pension liability (asset):			
Traditional	$6,862,300	$4,160,675	$1,731,994
Combined	(94,175)	(155,855)	(200,309)

For the year ended June 30, 2019, the following table presents the net pension liability or asset calculated using the discount rate of 7.2%, and the expected net pension liability or asset if it were calculated using a discount rate that is 1.0% lower or 1.0% higher than the current rate.

	1% Decrease 6.20%	Current Discount Rate 7.20%	1% Increase 8.20%
Proportionate share of the net pension liability (asset):			
Traditional	$9,850,392	$6,667,876	$4,023,177
Combined	(31,823)	(96,176)	(142,773)

Actuarial Assumptions – STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2019, actuarial valuation, are presented below:

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

Post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016. Actuarial assumptions used in the July 1, 2019, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

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

Asset Class	Target Allocation*	Long-Term Expected Rate of Return **
Domestic Equity	28.00%	7.35%
International Equity	23.00%	7.55%
Alternatives	17.00%	7.09%
Fixed Income	21.00%	3.00%
Real Estate	10.00%	6.00%
Liquidity Reserves	1.00%	2.25%
Total	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 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 pension liability was 7.45 percent as of June 30, 2019. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2019. Therefore, the long-term expected rate of return on pension plan investments of 7.45 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2019.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate
The following table presents the proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.45 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.45 percent) or one-percentage-point higher (8.45 percent) than the current rate:

June 30, 2020	1% Decrease 6.45%	Current Discount Rate 7.45%	1% Increase 8.45%
Proportionate share of the net pension liability	$13,807,114	$9,447,941	$5,757,679

June 30, 2019	1% Decrease 6.45%	Current Discount Rate 7.45%	1% Increase 8.45%
Proportionate share of the net pension liability	$14,359,341	$9,832,684	$6,001,483

Note 7 - Defined Benefit OPEB Plans

See Note 6 for a description of the net OPEB liability (asset).

Ohio Public Employees Retirement System (OPERS)

Plan Description
The Ohio Public Employees Retirement System (OPERS) maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' CAFR referenced below for additional information.

net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2019. Therefore, the long-term expected rate of return on pension plan investments of 7.45 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2019.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate
The following table presents the proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.45 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.45 percent) or one-percentage-point higher (8.45 percent) than the current rate:

June 30, 2020	1% Decrease 6.45%	Current Discount Rate 7.45%	1% Increase 8.45%
Proportionate share of the net pension liability	$13,807,114	$9,447,941	$5,757,679

June 30, 2019	1% Decrease 6.45%	Current Discount Rate 7.45%	1% Increase 8.45%
Proportionate share of the net pension liability	$14,359,341	$9,832,684	$6,001,483

Note 7 - Defined Benefit OPEB Plans

See Note 6 for a description of the net OPEB liability (asset).

Ohio Public Employees Retirement System (OPERS)

Plan Description
The Ohio Public Employees Retirement System (OPERS) maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' CAFR referenced below for additional information.

The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting www.opers.org/financial/reports.shtml, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy

The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. For 2020, health care is not being funded.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2020, state and local employers contributed at a rate of 14.0 percent of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2019 decreased to 0 percent for both plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan was 4.0 percent.

The College's contractually required contributions to OPERS were $0 and $0 for fiscal years 2020 and 2019, 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 premium reimbursements will be discontinued effective January 1, 2021. 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. All benefit recipients pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For fiscal year ended June 30, 2020, STRS did not allocate any employer contributions to post-employment health care.

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

The net OPEB liability (asset) was measured as of June 30, 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. Following is information related to the proportionate share:

	STRS	OPERS	Total
Proportionate Share of the Net OPEB Liability	$3,165,985	$0	$3,165,985
Proportionate Share of the Net OPEB (Asset)	0	(707,595)	(707,595)
Proportion of the Net OPEB Liability/Asset:			
Current Measurement Date	0.02292100%	0.04272303%	
Prior Measurement Date	0.02631200%	0.04471891%	
Change in Proportionate Share	-0.00339100%	-0.00199588%	
OPEB Expense	$118,977	($214,302)	($95,325)

At June 30 2020, reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	STRS	OPERS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	$64,149	$85	$64,234
Changes of assumptions	14,873	501,142	516,015
Total Deferred Outflows of Resources	$79,022	$501,227	$580,249
Deferred Inflows of Resources			
Differences between expected and actual experience	$36,000	$289,544	$325,544
Changes of assumptions	775,797	0	775,797
Net difference between projected and actual earnings on OPEB plan investments	44,442	161,210	205,652
Changes in employer proportionate share of net OPEB liability	80,808	343,512	424,320
Total Deferred Inflows of Resources	$937,047	$794,266	$1,731,313

None is reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (adjustment to net OPEB asset) in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30:	STRS	OPERS	Total
2021	($186,379)	($155,226)	($341,605)
2022	(186,379)	(69,056)	(255,435)
2023	(168,567)	128	(168,439)
2024	(162,319)	(68,885)	(231,204)
2025	(154,498)	0	(154,498)
Thereafter	117	0	117
Total	($858,025)	($293,039)	($1,151,064)

Following is information related to the proportionate share and OPEB expense for the fiscal year ending June 30, 2019:

	STRS	OPERS	Total
Proportionate Share of the Net OPEB Liability	$0	$3,430,464	$3,430,464
Proportionate Share of the Net OPEB (Asset)	(718,587)	0	(718,587)
Proportion of the Net OPEB Liability/Asset:			
Current Measurement Date	0.04471891%	0.02631200%	
Prior Measurement Date	0.04651932%	0.02855000%	
Change in Proportionate Share	-0.00180041%	-0.00223800%	
OPEB Expense	($1,569,291)	$206,521	($1,362,770)

At June 30, 2019, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	STRS	OPERS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	$83,932	$1,162	$85,094
Changes of assumptions	0	110,602	110,602
Net difference between projected and actual earnings on OPEB plan investments	0	157,266	157,266
Changes in employer proportionate share of net OPEB liability	0	9,545	9,545
Total Deferred Outflows of Resources	$83,932	$278,575	$362,507
Deferred Inflows of Resources			
Differences between expected and actual experience	$41,867	$9,308	$51,175
Changes of assumptions	979,132	0	979,132
Net difference between projected and actual earnings on OPEB plan investments	82,092	0	82,092
Changes in employer proportionate share of net OPEB liability	64,158	178,852	243,010
Total Deferred Inflows of Resources	$1,167,249	$188,160	$1,355,409

None 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, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense in subsequent years.

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of health care costs 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 coverage provided at the time of each valuation and the historical pattern of sharing of costs between the System and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2018, rolled forward to the measurement date of December 31, 2019.

The actuarial valuation used the following key actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25 percent
Projected Salary Increases, including inflation	3.25 to 10.75 percent includes wage inflation at 3.25 percent
Single Discount Rate	3.16 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate	2.75 percent
Health Care Cost Trend Rate	10.5 percent initial, 3.5 percent ultimate in 2030
Actuarial Cost Method	Individual Entry Age Normal

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Postretirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Postretirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables. The most recent experience study was completed for the five year period ended December 31, 2015.

The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

During 2019, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, if any contributions are made into the plans, the contributions are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made. Health-care related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested for the Health Care portfolio was 19.7% for 2019.

The allocation of investment assets within the Health Care portfolio is approved by the Board as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. The System's primary goal is to achieve and maintain a fully funded status for benefits provided through the defined pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of arithmetic real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Health Care portfolio's target asset allocation as of December 31, 2019, these best estimates are summarized in the following table:

Asset Class	Target Allocation	2019 Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)	2018 Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	36.00%	1.53%	2.42%
Domestic Equities	21.00%	5.75%	6.21%
REITs	6.00%	5.69%	5.98%
International Equities	23.00%	7.66%	7.83%
Other Investments	14.00%	4.90%	5.57%
Total	100.00%	4.55%	5.16%

Discount Rate

A single discount rate of 3.16% was used to measure the OPEB liability on the measurement date of December 31, 2019. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on the actuarial assumed rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 2.75%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through the year 2034. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

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

The following table presents the net OPEB liability calculated using the single discount rate of 3.16%, and the expected net OPEB liability if it were calculated using a discount rate that is 1.0% lower or 1.0% higher than the current rate.

June 30, 2020	1% Decrease 2.16%	Current Discount Rate 3.16%	1% Increase 4.16%
Proportionate share of the net OPEB liability	$4,143,200	$3,165,986	$2,383,555

June 30, 2019	1% Decrease 2.96%	Current Discount Rate 3.96%	1% Increase 4.96%
Proportionate share of the net OPEB liability	$4,388,842	$3,430,464	$2,668,300

Sensitivity of the City’s Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate

Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0% lower or 1.0% higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption with changes over several years built into that assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2020 is 10.50%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50% in the most recent valuation.

June 30, 2020	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
Proportionate share of the net OPEB liability	$3,072,560	$3,165,986	$3,258,220

June 30, 2019	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
Proportionate share of the net OPEB liability	$3,297,420	$3,430,464	$3,583,694

Changes between Measurement Date and Report Date

On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and pre-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022, and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for pre-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are not reflected in the current year financial statements but are expected to decrease the associated OPEB liability.

Actuarial Assumptions – STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2019, actuarial valuation are presented below:

Inflation	2.50%
Projected salary increases	12.50% at age 20 to 2.50% at age 65
Investment Rate of Return	7.45%, net of investment expenses, including inflation
Payroll Increases	3.00%
Discount Rate of Return	7.45%
Health Care Cost Trends:	
Medical	
Pre-Medicare	5.87% initial, 4% ultimate
Medicare	4.93% initial, 4% ultimate
Prescription Drug	
Pre-Medicare	7.73% initial, 4% ultimate
Medicare	9.62% initial, 4% ultimate

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2018, actuarial valuation are presented below:

Inflation	2.50%
Projected salary increases	12.50% at age 20 to 2.50% at age 65
Investment Rate of Return	7.45%, net of investment expenses, including inflation
Payroll Increases	3.00%
Discount Rate of Return	7.45%
Health Care Cost Trends:	
Medical	
Pre-Medicare	6.00% initial, 4% ultimate
Medicare	6.00% initial, 4% ultimate
Prescription Drug	
Pre-Medicare	8.00% initial, 4% ultimate
Medicare	-5.23% initial, 4% ultimate

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

For healthy retirees the mortality rates are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. For disabled retirees, mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016.
Actuarial assumptions used in the June 30, 2019, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

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

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

* Target weights will be phased in over a 24-month period concluding on July 1, 2019.
**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 OPEB liability was 7.45 percent as of June 30, 2019 and June 30, 2018. The projection of cash flows used to determine the discount rate assumed STRS continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2019. Therefore, the long-term expected rate of return on health care plan investments of 7.45 percent was used to measure the total OPEB liability as of June 30, 2019 and June 30, 2018.

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

The following table represents the net OPEB asset as of June 30, 2019, calculated using the current period discount rate assumption of 7.45 percent, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.45 percent) or one percentage point higher (8.45 percent) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

June 30, 2020	1% Decrease 6.45%	Current Discount Rate 7.45%	1% Increase 8.45%
Proportionate share of the net OPEB (asset)	($603,792)	($707,596)	($794,871)

	1% Decrease	Current Trend Rate	1% Increase
Proportionate share of the net OPEB (asset)	($802,381)	($707,596)	($591,507)

The following tables represent the net OPEB asset as of June 30, 2018, calculated using the current period discount rate assumption of 7.45 percent, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

June 30, 2019	1% Decrease 6.45%	Current Discount Rate 7.45%	1% Increase 8.45%
Proportionate share of the net OPEB (asset)	($615,897)	($718,587)	($804,894)

	1% Decrease	Current Trend Rate	1% Increase
Proportionate share of the net OPEB (asset)	($800,022)	($718,587)	($635,884)

Assumption and Benefit Changes since the Prior Measurement Date

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

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

Note 8 – Compensated Absences

College faculty and support staff accrue vacation benefits; however, vacation carryover balances are limited to a maximum of 60 days. For all classes of employees, any earned but unused vacation benefit is payable upon termination. Sick leave may be accrued without limit. However, earned but unused sick leave benefits are payable only upon retirement from the College. The amount of sick leave benefit payable at retirement is one fourth of the value of the accrued but unused sick leave up to a maximum of 43 days.

The College accrues sick leave liability for those employees who are currently eligible to receive termination payments as well as other employees who are expected to become eligible to receive such payments. This liability is calculated using the "vesting method" which is set forth in Appendix C, Example 5 of GASB Statement No. 16, *Accounting for Compensated Absences*. Under the vesting method, the College calculates the probability factor that employees will meet retention and eligibility requirements.

The liability for the cost of vacation and sick leave benefits was approximately $430,026 and $169,057 as of June 30, 2020 and 2019, respectively.

Note 9 – Long-Term Liabilities

During fiscal year ended June 30, 2008, the College issued General Receipts Bonds, Series 2008. During fiscal year ended June 30, 2012, the College issued General Receipts Bonds, Series 2011 and Series 2012.

The following summarizes as of June 30, 2020:

	Interest Rate	Due Serially Thorugh	2020 Beginning Balance	Additions	Deletions	Ending Balance	Current Portion
Bonds:							
Series 2008	3.5-5.05%	2025	$1,710,000	$0	($140,000)	$1,570,000	$145,000
Series 2011	2.0-4.0%	2031	7,695,000	0	(490,000)	7,205,000	500,000
Series 2012	2.0-3.6%	2031	4,145,000	0	(358,323)	3,786,677	405,000
Total Bonds			13,550,000	0	(988,323)	12,561,677	1,050,000
Net Pension Liability:							
OPERS			6,667,876	0	(2,507,201)	4,160,675	0
STRS			9,832,684	0	(384,743)	9,447,941	0
Total Net Pension Liability			16,500,560	0	(2,891,944)	13,608,616	0
Net OPEB Liability:							
OPERS			3,430,464	0	(264,479)	3,165,985	0
Total Net OPEB Liability			3,430,464	0	(264,479)	3,165,985	0
Total Long-Term Liabilities			$33,481,024	$0	($4,144,746)	$29,336,278	$1,050,000

The following summarizes as of June 30, 2019:

	Interest Rate	Due Serially Thorugh	2019 Beginning Balance	Additions	Deletions	Ending Balance	Current Portion
Bonds:							
Series 2008	3.5-5.05%	2025	$1,840,000	$0	($130,000)	$1,710,000	$140,000
Series 2011	2.0-4.0%	2031	8,175,000	0	(480,000)	7,695,000	490,000
Series 2012	2.0-3.6%	2031	4,535,000	0	(390,000)	4,145,000	395,000
Total Bonds			14,550,000	0	(1,000,000)	13,550,000	1,025,000
Net Pension Liability:							
OPERS			4,179,770	2,488,106	0	6,667,876	0
STRS			11,050,764	0	(1,218,080)	9,832,684	0
Total Net Pension Liability			15,230,534	2,488,106	(1,218,080)	16,500,560	0
Net OPEB Liability:							
OPERS			3,100,320	330,144	0	3,430,464	0
STRS			1,815,012	0	(1,815,012)	0	0
Total Net OPEB Liability			4,915,332	330,144	(1,815,012)	3,430,464	0
Total Long-Term Liabilities			$34,695,866	$2,818,250	($4,033,092)	$33,481,024	$1,025,000

Principal and interest amounts due within each of the next five years and thereafter on obligations outstanding at June 30, 2020, are as follows:

Fiscal	Series 2008		Series 2011		Series 2012	
Year End	Principal	Interest	Principal	Interest	Principal	Interest
2021	$145,000	$72,747	$500,000	$242,683	$405,000	$109,070
2022	150,000	65,960	515,000	227,458	420,000	98,750
2023	155,000	58,793	530,000	211,783	430,000	87,378
2024	165,000	51,231	550,000	195,583	245,000	77,974
2025	175,000	43,156	565,000	178,293	250,000	70,795
2026-2030	780,000	80,500	3,125,000	581,089	1,380,000	228,883
2031-2032	0	0	1,420,000	57,053	656,677	22,424
Total	$1,570,000	$372,387	$7,205,000	$1,693,942	$3,786,677	$695,274

In 2012, the College issued Series 2012 bonds, a portion of which was used to advance refund $1,690,000 of the Series 2003 bonds, resulting in an economic gain of $224,905. The refunded bonds portion of this bond issuance was placed in an escrow account to repay the bonds when callable on December 1, 2013. As a result, this portion of the Series 2003 bonds is considered defeased. As such, the assets and related liability for these bonds are not included in the College's financial statements. As of June 30, 2016, all of the refunded bonds were repaid.

Mandatory Redemption

The Series 2008 bonds are subject to mandatory sinking fund redemption on of the following fiscal year end:

	Series 2008
2021	$145,000
2022	150,000
2023	155,000
2024	165,000
2025	175,000
2026	180,000
2027	190,000
2028	200,000
2029	210,000
	$1,570,000

In connection with the General Receipts Bonds, the College has pledged future general revenues of the main campus, net of certain specified receipts such as state appropriations and taxes, to repay these bonds. The bonds are payable, through their final maturities, from net revenues applicable to the main campus. Annual principal and interest payments on the bonds are expected to require less than 1.4 percent of net revenues. Total principal and interest remaining to be paid on these bonds is $16,937,616. Principal and interest paid for the current year and total general revenues were $1,477,353 and $6,384,269, respectively.

The College pays obligations related to employee compensation from the program benefitting from their service.

Note 10 – Risk Management

The College is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters, for which the College carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

Note 11 – Implementation of New Accounting Principles

For fiscal year 2020, the College has postponed implementation of Certain Asset Retirement Obligations, GASB No. 84, and GASB No. 90, Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61. The College did not implement these statements due to the GASB postponing the implementation by 12 months because of the COVID-19 pandemic.

Note 12 – COVID-19

On March 10, 2020, the World Health Organization recognized the outbreak of COVID-19 disease as a pandemic. Governments worldwide continue to take actions to prevent the spread of the outbreak, including event cancellations and quarantines that have created widespread adverse impacts to the global economy as well as business interruptions. The full impact of COVID-19 and the scope of any continued impact on College finances and operations cannot be fully determined at this time. Adverse consequences of the COVID-19 pandemic may include but are not limited to decline in enrollment; additional decreases in financial support from the State; and reduction in funding support from donors or other external sources.

REQUIRED SUPPLEMENTARY INFORMATION

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

Year	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 Percentage as a of the Total Pension Liability
2020	0.04272303%	$9,447,941	$5,015,843	188.36%	77.40%
2019	0.04471891%	9,832,684	5,057,164	194.43%	77.30%
2018	0.04651932%	11,050,764	5,298,143	208.58%	75.30%
2017	0.04703777%	15,744,959	4,949,279	318.13%	66.80%
2016	0.05499036%	15,197,727	5,671,321	267.98%	72.10%
2015	0.05919894%	14,399,231	5,972,200	241.10%	74.70%
2014	0.05919894%	17,152,271	6,179,593	277.56%	69.30%

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

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

See accompanying notes to the required supplementary information.

Southern State Community College
Highland County
Required Supplementary Information
Schedule of College's Contributions for Net Pension Liability
State Teachers Retirement System of Ohio
Last Ten Fiscal Years

Year	College's Contractually Required Contribution	College's Contributions in Relation to the Contractually Required Contributions	College's Contribution Deficiency (Excess)	College's Covered Payroll	College's Contributions as a Percentage of Covered Payroll
2020	$615,721	($615,721)	$0	$4,398,007	14.00%
2019	702,218	(702,218)	0	5,015,843	14.00%
2018	708,003	(708,003)	0	5,057,164	14.00%
2017	741,740	(741,740)	0	5,298,143	14.00%
2016	692,899	(692,899)	0	4,949,279	14.00%
2015	793,985	(793,985)	0	5,671,321	14.00%
2014	776,386	(776,386)	0	5,972,200	13.00%
2013	803,347	(803,347)	0	6,179,593	13.00%
2012	811,098	(811,098)	0	6,239,214	13.00%
2011	818,323	(818,323)	0	6,294,793	13.00%

See accompanying notes to the required supplementary information.

Southern State Community College
Highland County
Required Supplementary Information
Schedule of the College's Proportionate Share of the Net Pension Liability (Asset)
Ohio Public Employees Retirement System
Last Seven Fiscal Years (1) (2)

Traditional Plan

Year	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 Percentage as a of the Total Pension Liability
2020	0.02105000%	$4,160,675	$3,287,200	126.57%	82.17%
2019	0.02434600%	6,667,876	3,701,799	180.13%	74.70%
2018	0.02664300%	4,179,770	3,622,942	115.37%	84.66%
2017	0.02775100%	6,301,780	4,139,575	152.23%	77.25%
2016	0.03099000%	5,367,859	4,294,814	124.98%	81.08%
2015	0.04073468%	4,913,057	4,307,114	114.07%	86.45%
2014	0.04073468%	4,802,088	4,427,764	108.45%	86.45%

Combined Plan

Year	College's Proportion of the Net Pension (Asset)	College's Proportionate Share of the Net Pension (Asset)	College's Covered Payroll	College's Proportionate Share of the Net Pension (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position Percentage as a of the Total Pension (Asset)
2020	0.07474200%	($155,855)	$350,629	(44.45%)	145.28%
2019	0.08600800%	(96,176)	364,512	(26.38%)	126.60%
2018	0.08798200%	0	0	0.00%	137.30%
2017	0.00000000%	0	0	0.00%	0.00%
2016	0.00000000%	0	0	0.00%	0.00%
2015	0.00000000%	0	0	0.00%	0.00%
2014	0.00000000%	0	0	0.00%	0.00%

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

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

See accompanying notes to the required supplementary information.

Southern State Community College
Highland County
Required Supplementary Information
Schedule of College's Contributions for Net Pension Liability (Asset)
Ohio Public Employees Retirement System
Last Ten Fiscal Years

Traditional Plan

Year	College's Contractually Required Contribution	College's Contributions in Relation to the Contractually Required Contributions	College's Contribution Deficiency (Excess)	College's Covered Payroll	College's Contributions as a Percentage of Covered Payroll
2020	$411,948	($411,948)	$0	$2,942,486	14.00%
2019	460,208	(460,208)	0	3,287,200	14.00%
2018	499,743	(499,743)	0	3,701,799	13.50%
2017	434,753	(434,753)	0	3,622,942	12.00%
2016	496,749	(496,749)	0	4,139,575	12.00%
2015	515,378	(515,378)	0	4,294,814	12.00%
2014	559,925	(559,925)	0	4,307,114	13.00%
2013	442,776	(442,776)	0	4,427,764	10.00%
2012	457,982	(457,982)	0	4,579,821	10.00%
2011	387,173	(387,173)	0	4,301,921	9.00%

Combined Plan

Year	College's Contractually Required Contribution	College's Contributions in Relation to the Contractually Required Contributions	College's Contribution Deficiency (Excess)	College's Covered Payroll	College's Contributions as a Percentage of Covered Payroll
2020	$46,278	($46,278)	$0	$330,557	14.00%
2019	49,088	(49,088)	0	350,629	14.00%
2018	49,208	(49,208)	0	364,512	13.50%
2017	0	0	0	0	0.00%
2016	0	0	0	0	0.00%
2015	0	0	0	0	0.00%
2014	0	0	0	0	0.00%
2013	0	0	0	0	0.00%
2012	0	0	0	0	0.00%
2011	0	0	0	0	0.00%

See accompanying notes to the required supplementary information.

Southern State Community College
Highland County
Required Supplementary Information
Schedule of the College's Proportionate Share of the Net OPEB (Asset)/Liability
State Teachers Retirement System of Ohio
Last Four Years (1) (2)

Year	College's Proportion of the Net OPEB Asset/Liability	College's Proportionate Share of the Net OPEB (Asset)/Liability	College's Covered Payroll	College's Proportionate Share of the Net OPEB (Asset)/Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position Percentage as a of the Total OPEB (Asset)/Liability
2020	0.04272303%	($707,595)	$5,015,843	(14.11%)	174.74%
2019	0.04471891%	(718,587)	5,057,164	(14.21%)	176.00%
2018	0.04651932%	1,815,012	5,298,143	34.26%	47.10%
2017	0.04703777%	2,515,592	4,949,279	50.83%	37.30%

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

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

See accompanying notes to the required supplementary information.

Southern State Community College
Highland County
Required Supplementary Information
Schedule of College's Contributions for Net OPEB (Asset)/Liability
State Teachers Retirement System of Ohio
Last Ten Fiscal Years

Year	College's Contractually Required Contribution	College's Contributions in Relation to the Contractually Required Contributions	College's Contribution Deficiency (Excess)	College's Covered Payroll	College's Contributions as a Percentage of Covered Payroll
2020	$0	$0	$0	$4,398,007	0.00%
2019	0	0	0	5,015,843	0.00%
2018	0	0	0	5,057,164	0.00%
2017	0	0	0	5,298,143	0.00%
2016	0	0	0	4,949,279	0.00%
2015	0	0	0	5,671,321	0.00%
2014	59,722	(59,722)	0	5,972,200	1.00%
2013	61,796	(61,796)	0	6,179,593	1.00%
2012	62,392	(62,392)	0	6,239,214	1.00%
2011	62,948	(62,948)	0	6,294,793	1.00%

See accompanying notes to the required supplementary information.

Southern State Community College
Highland County
Required Supplementary Information
Schedule of the College's Proportionate Share of the Net OPEB Liability
Ohio Public Employees Retirement System
Last Four Fiscal Years (1) (2)

Year	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 Percentage as a of the Total OPEB Liability
2020	0.02292100%	$3,165,986	$3,637,829	87.03%	47.80%
2019	0.02631200%	3,430,464	4,066,311	84.36%	46.33%
2018	0.02855000%	3,100,320	3,622,942	85.57%	54.14%
2017	0.03001170%	2,883,647	4,139,575	69.66%	54.05%

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

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

See accompanying notes to the required supplementary information.

Southern State Community College
Highland County
Required Supplementary Information
Schedule of College's Contributions for Net OPEB Liability
Ohio Public Employees Retirement System
Last Ten Fiscal Years

Year	College's Contractually Required Contribution	College's Contributions in Relation to the Contractually Required Contributions	College's Contribution Deficiency (Excess)	College's Covered Payroll	College's Contributions as a Percentage of Covered Payroll
2020	$0	$0	$0	$3,273,043	0.00%
2019	0	0	0	3,637,829	0.00%
2018	20,414	(20,414)	0	4,066,311	0.50%
2017	72,459	(72,459)	0	3,622,942	2.00%
2016	82,792	(82,792)	0	4,139,575	2.00%
2015	85,896	(85,896)	0	4,294,814	2.00%
2014	43,071	(43,071)	0	4,307,114	1.00%
2013	177,110	(177,110)	0	4,427,764	4.00%
2012	183,193	(183,193)	0	4,579,821	4.00%
2011	215,096	(215,096)	0	4,301,921	5.00%

See accompanying notes to the required supplementary information.

Note 1 - Net Pension Liability

Ohio Public Employees Retirement System (OPERS)

Changes in Benefit Terms:
2020-2019: There were no changes in benefit terms from the amounts reported for these fiscal years.

2018: There were no changes in benefit terms since the prior measurement date.

Changes in Assumptions:
2020: There were no changes in assumptions from the amounts reported for this fiscal year.

2019: The investment rate of return decreased from 7.5 percent to 7.2 percent.

2018: There were no changes in assumptions since the prior measurement date.

State Teachers Retirement System (STRS)

Changes in Benefit Terms:
2019-2020: There were no changes in benefit terms from the amounts reported for these fiscal years.

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

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

Changes in Assumptions:
2019-2020: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for these fiscal years.

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

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

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

Note 2 - Net OPEB (Asset)/Liability

Ohio Public Employees Retirement System (OPERS)

Changes in Benefit Terms:
2020: *Changes between Measurement Date and Report Dat*e: On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and pre-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022, and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for pre-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are not reflected in the current year financial statements but are expected to decrease the associated OPEB liability.

2019: There were no changes in benefit terms from the amounts reported for this fiscal year.

2018: There were no changes in benefit terms since the prior measurement date.

Changes in Assumptions:
2020: There were no changes in assumptions from the amounts reported for this fiscal year.

2019: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate increased from 3.85 percent to 3.96 percent.
- The investment rate of return decreased from 6.5 percent to 6 percent.
- The municipal bond rate increased from 3.31 percent to 3.71 percent.
- The initial health care cost trend rate increased from 7.5 percent to 10 percent.

2018: There were no changes in assumptions since the prior measurement date.

<u>State Teachers Retirement System (STRS)</u>

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

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

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

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

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

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

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

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

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OHIO AUDITOR OF STATE
KEITH FABER

SOUTHERN STATE COMMUNITY COLLEGE

HIGHLAND 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 2/4/2021

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