CLARK SCHAEFER HACKETT
BUSINESS ADVISORS

CENTRAL OHIO TECHNICAL COLLEGE
Newark, Ohio

SINGLE AUDIT
For the Years Ended June 30, 2025 and 2024

OHIO AUDITOR OF STATE
KEITH FABER

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Columbus, Ohio 43215
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Board of Trustees
Central Ohio Technical College
1179 University Drive
Newark, Ohio 43055

We have reviewed the *Independent Auditors' Report* of the Central Ohio Technical College, Licking County, prepared by Clark, Schaefer, Hackett & Co., for the audit period July 1, 2024 through June 30, 2025. 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 Central Ohio Technical College is responsible for compliance with these laws and regulations.

KEITH FABER
Ohio Auditor of State

Tiffany L Ridenbaugh

Tiffany L Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

January 07, 2026

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CENTRAL OHIO TECHNICAL COLLEGE
Newark, Ohio

FINANCIAL STATEMENTS
June 30, 2025 and 2024

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Central Ohio Technical College
Newark, Ohio

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Central Ohio Technical College (the College), as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the College as of June 30, 2025 and 2024, and the changes in financial position, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the schedule of Licking County appointed officials but does not include the basic financial statements and our auditors' report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2025 on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering College's internal control over financial reporting and compliance.

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
December 15, 2025

The following Management's Discussion and Analysis, or MD&A, provides an overview of the financial position and activities of Central Ohio Technical College (COTC) for the year ended June 30, 2025, with comparative information for fiscal years 2024 and 2023. We encourage you to read this MD&A section in conjunction with the audited financial statements and footnotes appearing in this report.

About Central Ohio Technical College

Central Ohio Technical College offers an aggressive approach to technical education providing state-of-the-art training in the areas of allied health and public service, nursing, business and engineering. Chartered in 1971 to meet the region's growing need for technical training and education, COTC is the primary link between the region's businesses and the training and retraining of the workforce, a partnership that directly impacts the economic growth of the area.

Central Ohio Technical College is governed by a board of nine trustees who are responsible for the oversight of academic programs, budgets and general administration. The Governor of Ohio appoints three members, and the Trustee Selection Committee (TSC) appoints six members.

Using the Annual Report

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

The net pension liability (NPL) is the largest single liability reported by COTC on June 30, 2025, and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the COTC'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 the net OPEB asset and deferred outflows related to pension and OPEB.

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

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability (asset) to equal the COTC'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 (asset). 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. If 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 (asset) 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, COTC's statements include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability (asset), respectively, not accounted for as deferred inflows/outflows.

The **Statement of Net Position** reflects the total assets, deferred outflows, liabilities, deferred inflows, and net position of COTC as of June 30, 2025, with comparative information as of June 30, 2024 and 2023. Liabilities due within one year, and assets available to pay those liabilities, are classified as current. Other assets and liabilities are classified as non-current. Investment assets are carried at market value. Capital assets, which include the buildings, improvements, and equipment, are shown net of accumulated depreciation. Net position is grouped in the following categories:

- Net investment in capital assets
- Restricted – Nonexpendable (endowments funds)
- Restricted – Expendable (quasi-endowment funds)
- Unrestricted

The **Statement of Revenues, Expenses and Changes in Net Position** details how net position has changed during fiscal year 2025, with comparative information for fiscal years 2024 and 2023. Government accounting standards require state appropriations to be classified as non-operating revenues; so, generally, state-supported Colleges and universities will reflect an operating loss until non-operating items are included.

The **Statement of Cash Flows** details how cash has increased (or decreased) during the fiscal year 2025. It breaks out the sources and uses of COTC cash into the following categories:

- Operating activities
- Noncapital financing activities
- Capital financing activities
- Investing activities

The **Notes to the Financial Statements** provide additional details on the numbers in the financial statements. In addition to the Summary of Significant Accounting Policies, the report includes notes on capital assets, long-term debt, and operating expenses by natural classification.

Financial Highlights

Statement of Net Position

The College's financial statements for the fiscal year report net position of $58,985,568 on June 30, 2025. This represents an increase from the previous fiscal years net position of $57,617,794. The condensed version of the Statement of Net Position followed by a discussion of the changes is below:

	June 30, 2025	June 30, 2024	June 30, 2023
ASSETS			
Current Assets	$ 22,921,081	$ 22,453,952	$ 23,929,333
Capital and Subscription Assets, Net	49,986,135	51,319,676	44,129,748
Other Noncurrent	7,502,827	5,920,518	5,406,969
Total Assets	$ 80,410,043	$ 79,694,146	$ 73,466,050
DEFERRED OUTFLOWS			
Pension	$ 3,872,352	$ 4,338,769	$ 6,055,474
OPEB	186,443	368,243	610,151
Total Deferred Outflows	$ 4,058,795	$ 4,707,012	$ 6,665,625
LIABILITIES			
Current Liabilities	$ 4,343,359	$ 4,351,629	$ 3,912,466
Other Noncurrent Liabilities	970,668	449,450	447,733
Subscription Liability	564,370	864,052	1,318,807
Net OPEB Liability	-	-	169,319
Net Pension Liability	17,300,508	18,644,514	20,012,454
Total Liabilities	$ 23,178,905	$ 24,309,645	$ 25,860,779
DEFERRED INFLOWS			
Pension	$ 1,552,099	$ 1,452,115	$ 2,205,049
OPEB	752,266	1,021,604	1,328,198
Total Deferred Inflows	$ 2,304,365	$ 2,473,719	$ 3,533,247
NET POSITION			
Net Investment in Capital Assets	$ 48,884,655	$ 49,920,470	$ 42,344,618
Restricted			
Nonexpendable	4,001,856	2,965,688	2,568,178
Expendable	3,503,584	2,958,115	2,841,000
Unrestricted	2,595,473	1,773,521	2,983,853
Total Net Position	$ 58,985,568	$ 57,617,794	$ 50,737,649

Assets: As of June 30, 2025, the Colleges total assets before Deferred Outflows are $80,410,043, an increase from fiscal year 2024 total assets of $79,694,146. Overall, this change is a result of the normal operations of the College throughout the fiscal year.

Deferred Outflows: The College's deferred outflows decreased by $648,217 as of June 30, 2025, with all lines reflecting the results of the retirement plans experience from fiscal year 2025 to 2024.

Liabilities: On June 30, 2025, the College's routine liabilities totaled $5.9 million (excluding the Net Pension liability amounts), which is consistent with fiscal year 2024. For fiscal year 2025, the Pension Liability decreased by $1.3 million. As discussed above, the amounts reflect the OPERS and STRS plan's results reported for the fiscal year.

Deferred Inflows: The College's deferred inflows represent both OPERS and STRS pension amounts, as well as the 2025 deferred inflows for OPEB. For 2025 the total deferred inflows are $2.3 million; a net change of approximately $169,000 from fiscal year 2024.

Net Position: Net Position on June 30, 2025, totaled $59.0 million. The increase of approximately $1.4 million from 2024 lies in the Restricted Nonexpendable Net Position line due to endowment donations and investment earnings, and in the Unrestricted Net Position line due to collection of pledges for reimbursement of the internal loan for the Louella Reese Hodges Hall building renovation.

Statement of Revenues, Expenses and Changes in Net Position
For fiscal year 2025, Operating Revenues and Non-Operating Revenues increased by $705,080 and $3,213,552, respectively. Operating expenses also had an increase in fiscal year 2025 of $1,232,616. Below are the Statement of Revenues, Expenses and Changes in Net Position followed by a discussion of the major variances:

	June 30, 2025	June 30, 2024	June 30, 2023
OPERATING REVENUES			
Tuition and Fees, Net	$ 6,457,935	$ 6,772,496	$ 6,273,638
Other Operating Revenues	3,533,355	2,513,714	2,064,988
Total Operating Revenues	$ 9,991,290	$ 9,286,210	$ 8,338,626
OPERATING EXPENSES			
Education and General	$ 26,419,629	$ 25,579,288	$ 24,322,022
Depreciation and Amortization Expense	2,611,049	2,218,303	2,265,535
Auxiliary Enterprises	3,226	3,697	5,490
Total Operating Expenses	29,033,904	27,801,288	26,593,047
Operating Loss	$ (19,042,614)	$ (18,515,078)	$ (18,254,421)
NONOPERATING REVENUES (EXPENSES)			
State Appropriations	$ 10,791,523	$ 11,129,492	$ 11,506,001
Federal Grants and Contracts	6,047,446	3,962,325	3,832,377
Other Revenues (Expenses)	2,852,014	1,385,614	212,327
Net Nonoperating Revenues	$ 19,690,983	$ 16,477,431	$ 15,550,705
Capital Appropriation and Gifts and Grants	719,405	8,917,792	281,490
Increase (Decrease) in Net Position	1,367,774	6,880,145	(2,422,226)
Net Position-Beginning of Year	57,617,794	50,737,649	53,159,875
Net Position-End of Year	$ 58,985,568	$ 57,617,794	$ 50,737,649

Operating Revenues: Overall, total operating revenues increased from fiscal year 2024, because of an increase in various state grants.

Nonoperating Revenues: The college saw an overall increase of $3,213,552 resulting from an increase in Federal Pell grants and Private and Local gifts, despite a decrease in state subsidy compared to 2024.

Operating Expenses: In fiscal year 2025, operating expenses increased $1,232,616. As in previous years, the Pension and OPEB entries for GASB impact the overall ending balance of operating expenses depending on the outcome of each plan's final annual results. During the year 2025, the college did experience an increase in salary and benefit expenses due to increased enrollment and low number of vacancies throughout the year. The college was able to provide salary increases for the faculty and staff and continued to monitor overall budgets.

Statement of Cash Flows
Overall, the college experienced a decrease in cash for the fiscal year.

	June 30, 2025	June 30, 2024	June 30, 2023
Net cash used by operating activities	$ (17,722,687)	$ (16,960,069)	$ (18,169,132)
Net cash provided by noncapital financing activities	18,218,666	15,091,817	15,338,378
Net cash used by capital financing activities	(1,630,773)	(1,032,742)	(5,026,572)
Net cash provided by (used in) investing activities	(564,141)	2,358,673	(13,386,340)
Net decrease in cash	$ (1,698,935)	$ (542,321)	$ (21,243,666)

Summary
Central Ohio Technical College has continued a pattern of fiscal stability in its operations and is seeing enrollment trends moving upward.

CENTRAL OHIO TECHNICAL COLLEGE
STATEMENTS OF NET POSITION
June 30, 2025 and 2024

	2025	2024
ASSETS		
Current Assets		
Cash and Cash Equivalents	$ 3,120,810	$ 4,817,633
Investments	14,215,009	12,594,431
Accounts Receivable		
Students, Net of Allowance of $250,624 and $200,182 in 2025 and 2024, respectively	419,075	474,319
Ohio State University	537,856	419,222
Intergovernmental Grants	1,802,044	1,428,733
Pledges Receivable	10,500	2,000
Other Receivables	489,275	590,464
Other Assets	2,326,512	2,127,150
Total Current Assets	22,921,081	22,453,952
Noncurrent Assets		
Restricted Cash and Cash Equivalents	126,432	128,544
Restricted Investments	5,712,078	4,521,254
Net OPEB Asset	1,664,317	1,270,720
Capital Assets, Not Being Depreciated	1,300,188	1,175,188
Capital Assets, Net of Depreciation	47,717,784	48,901,161
Right of Use Subscription Assets, Net of Amortization	968,163	1,243,327
Total Noncurrent Assets	57,488,962	57,240,194
Total Assets	80,410,043	79,694,146
Deferred Outflows of Resources		
OPEB	186,443	368,243
Pension	3,872,352	4,338,769
Total Deferred Outflows of Resources	4,058,795	4,707,012
LIABILITIES		
Current Liabilities		
Accounts Payable	449,849	419,860
Accrued Liabilities	945,811	1,042,803
Unearned Revenue	2,444,858	2,406,701
Current Portion of Financed Purchases	18,620	27,510
Current Portion of Subscription Liabilities	484,221	454,755
Total Current Liabilities	4,343,359	4,351,629
Noncurrent Liabilities		
Compensated Absences	936,399	396,561
Financed Purchases	34,269	52,889
Net Pension Liability	17,300,508	18,644,514
Subscription Liabilities	564,370	864,052
Total Noncurrent Liabilities	18,835,546	19,958,016
Total Liabilities	23,178,905	24,309,645
Deferred Inflows of Resources		
OPEB	752,266	1,021,604
Pension	1,552,099	1,452,115
Total Deferred Resources of Inflows	2,304,365	2,473,719
NET POSITION		
Net Investment in Capital Assets	48,884,655	49,920,470
Restricted		
Nonexpendable	4,001,856	2,965,688
Expendable	3,503,584	2,958,115
Unrestricted	2,595,473	1,773,521
Total Net Position	$ 58,985,568	$ 57,617,794

See accompanying notes to the financial statements.

CENTRAL OHIO TECHNICAL COLLEGE
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the years ended June 30, 2025 and 2024

	2025	2024
Revenues		
Operating Revenues		
Tuition and Fees (net of scholarship allowances of $5,301,423 and $2,500,286 in 2025 and 2024, respectively)	$ 6,457,935	$ 6,772,496
Federal Grants and Contracts	470,753	437,183
Private, State, and Local Gifts, Contracts and Grants	2,883,126	1,930,596
Sales and Services of Educational Departments	58,349	56,996
Auxiliary Enterprises	2,320	2,570
Other Operating Revenues	118,807	86,369
Total Operating Revenues	9,991,290	9,286,210
Expenses		
Operating Expenses		
Instructional	9,990,633	9,589,553
Academic Support	1,679,224	1,373,867
Student Services	4,288,881	3,921,019
Institutional Support	5,079,042	4,385,685
Operation and Maintenance of Plant	2,717,700	3,304,817
Depreciation and Amortization Expense	2,611,049	2,218,303
Student Scholarship and Financial Aid	2,664,149	3,004,347
Auxiliary Enterprises	3,226	3,697
Total Operating Expenses	29,033,904	27,801,288
Operating Loss	(19,042,614)	(18,515,078)
Nonoperating Revenues (Expenses)		
State Appropriations	10,791,523	11,129,492
Federal Grants and Contracts - Pell	6,047,446	3,962,325
Private and Local Gifts and Grants	1,379,697	-
Investment Income	1,527,856	1,515,308
Interest on Indebtedness	(53,861)	(75,179)
Loss on Disposal of Capital Assets	(1,678)	(54,515)
Total Nonoperating Revenues (Expenses)	19,690,983	16,477,431
Income (Loss) before Other Revenues	648,369	(2,037,647)
Other Revenues		
Capital Grants and Gifts	-	8,891,107
Additions to Permanent Endowments	719,405	26,685
Total Other Revenues	719,405	8,917,792
Increase in Net Position	1,367,774	6,880,145
Net Position		
Net Position at Beginning of the Year	57,617,794	50,737,649
Net Position at End of the Year	$ 58,985,568	$ 57,617,794

See accompanying notes to the financial statements.

CENTRAL OHIO TECHNICAL COLLEGE
STATEMENTS OF CASH FLOWS
For the years ended June 30, 2025 and 2024

	2025	2024
Cash Flows from Operating Activities		
Tuition and Fees	$ 6,513,179	$ 6,709,973
Grants and Contracts	3,129,032	2,687,165
Payments to Suppliers	(6,652,667)	(6,237,507)
Payments for Utilities	(438,398)	(441,294)
Payments to Employees	(13,475,807)	(12,591,230)
Payments for Benefits	(4,295,735)	(4,006,768)
Payments for Scholarships	(2,664,149)	(3,004,347)
Auxiliary Enterprise Receipts	2,320	2,570
Sales and Services	159,538	(78,631)
Net Cash Used in Operating Activities	(17,722,687)	(16,960,069)
Cash Flows from Noncapital Financing Activities		
State Appropriations	10,791,523	11,129,492
Gifts and Grants Other than Capital - Pell	6,047,446	3,962,325
Gifts and Grants Other than Capital - Private and Local	1,379,697	-
Net Cash Provided by Noncapital Financing Activities	18,218,666	15,091,817
Cash Flows from Capital Financing Activities		
Purchase of Capital Assets	(1,089,506)	(503,493)
Principal Paid on Capital Related Debt	(27,510)	(31,794)
Interest on Capital Related Debt	(8,386)	(9,316)
Principal Paid on Subscription Obligations	(459,896)	(422,276)
Interest Paid on Subscription Obligations	(45,475)	(65,863)
Net Cash Used in Capital Financing Activities	(1,630,773)	(1,032,742)
Cash Flows from Investing Activities		
Investment Income	2,247,261	1,541,993
Net Change in Investments	(2,811,402)	816,680
Net Cash Provided by (Used in) Investing Activities	(564,141)	2,358,673
Net Decrease in Cash	(1,698,935)	(542,321)
Cash and Cash Equivalents, beginning of year	4,946,177	5,488,498
Cash and Cash Equivalents, end of year	$ 3,247,242	$ 4,946,177

See accompanying notes to the financial statements.

	2025	2024
Reconciliation of Net Operating Loss to Net Cash Used from Operating Activities		
Operating Loss	$ (19,042,614)	$ (18,515,078)
Adjustments to Reconcile Net Loss to Net Cash Used by Operating Activities		
Depreciation and Amortization Expense	2,611,049	2,218,303
Changes in Assets and Liabilities		
Receivables, Net	(344,012)	(175,426)
Prepaids	(199,362)	(325,969)
Accounts Payable	29,989	(25,453)
Accrued Liabilities and Compensated Absences	442,846	985
Unearned Revenue	38,157	396,517
Pension and OPEB	(1,258,740)	(533,948)
Net Cash Used in Operating Activities	$ (17,722,687)	$ (16,960,069)
Non-Cash Transactions		
Contribution for OBR and Donated Asset	$ -	$ 8,891,107
Capital assets acquired through financing	$ -	$ 68,146
Subscription asset recognized	$ 189,680	$ -
Subscription liability recognized	$ 189,680	$ -

NOTE 1 - NATURE OF BASIC OPERATIONS AND DESCRIPTION OF THE ENTITY

Central Ohio Technical College (COTC) was established in 1971 and currently serves over 4,800 students annually. The College operates campuses in Newark, Coshocton, Knox, and Pataskala, and serves an increasing number of students via online classes. Currently, the College offers more than 50 associate degrees and certificates within: Arts and Sciences; Engineering, Industrial and Business Technologies; Health and Human Services; and Public Safety Technologies. At COTC, students enjoy a competitive tuition rate, a wide range of campus activities and organizations, and strong academic support services.

COTC shares its Newark campus with The Ohio State University at Newark, which results in a diverse campus setting that includes 135 acres of green space. For more information, please visit www.cotc.edu.

COTC is accredited by The Higher Learning Commission and is a member of the North Central Association.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation: The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). GASB Statement No. 35, *Basic Financial Statements — and Management's Discussion and Analysis —for Public Colleges and Universities* and subsequent pronouncements establish standards for external financial reporting for public colleges and universities and requires that resources be classified for accounting and reporting purposes into the following net position categories:

- Net Investment in Capital Assets: The College's investment in capital assets, net of accumulated depreciation and outstanding debt obligations related to the acquisition, construction, or improvement of those assets

- Restricted Nonexpendable: Resources subject to externally imposed stipulations that the College maintain them permanently. Such assets include the College's permanent endowment funds.

  Restricted Expendable: Resources whose use by the College is subject to externally imposed stipulations that can be fulfilled by actions of the College pursuant to those stipulations or that expire by the passage of time.

- Unrestricted: The unrestricted component of net position represents resources not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by action of management or the Board of Trustees or may otherwise be limited by contractual agreements with outside parties.

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

Cash and Cash Equivalents: This classification appears on the Statement of Net Position and the Statement of Cash Flows and includes petty cash, cash of deposit with private bank accounts and savings accounts. For purposes of the statement of cash flows and for presentation of the statement of net position, investments with original maturities of three months or less at the time they are purchased by the College are considered to be cash and cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments: Investments are stated at fair value. Purchases and sales of investments are accounted for on the trade date basis. Realized and unrealized gains and losses are reported as investment income or loss.

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

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

Pledges Receivable: These will provide funding for capital projects and future scholarships.

Capital Assets: Capital assets are stated at cost at date of acquisition or, in the case of gifts, at the acquisition value at date of gift. Equipment, furniture, and library books with a unit cost of $2,500 or more and having an estimated useful life of greater than one year are capitalized. Renovations to buildings, infrastructure and land improvements over $2,500 that significantly increase the value or extend the useful life of the structure are capitalized. Routine repairs and maintenance are charged to operating expense in the year in which the expense is incurred.

Depreciation of capital assets is computed on a straight-line basis over the estimated useful lives of the respective assets, generally 20 years for land improvements, 40 years for buildings, 5 – 10 years for fixed equipment, and furniture. Depreciable leasehold improvements are depreciated over the lesser of the useful life or the lease term. Depreciation starts the month of purchase.

Subscription Assets: A subscription asset is a subscriber's right to use an asset over the life of a subscription-based information technology arrangement (SBITA). The asset is calculated as the initial subscription liability, plus any payments made to the SBITA supplier before commencement of the subscription term, and any capitalizable implementation costs. Amortization of the subscription asset is recognized as an outflow of resources over the subscription term. Preliminary project activity outlays for costs such as selecting a SBITA supplier are expensed as incurred. Initial implementation costs, including ancillary charges to place the subscription asset into service, are capitalized. Operational and any subsequent implementation activities are expensed as incurred unless they meet specific capitalization criteria. At the termination of the subscription, the subscription asset and associated liability are removed from the books of the lessee. The difference between the two amounts is accounted for as a gain or loss at that time.

Cost Sharing Between Related Parties: The College shares campus facilities and staff, including senior administration with The Ohio State University at Newark. Jointly incurred costs are allocated between institutions based on student enrollment and utilization factors. Additionally, each institution may purchase certain services from each other.

Unearned Revenue: Unearned revenue consists primarily of summer school fees. The College received amounts for tuition and fees prior to June 30, 2025 and 2024 but relate to the subsequent accounting period. The College recognizes summer tuition revenue prorated on the basis of class dates within each fiscal year. In addition, unearned revenue includes amounts received in advance from grants and contracts that have not yet been earned under the terms of the agreement.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences: The College adopted GASB Statement No. 101, *Compensated Absences.* A liability for compensated absences is recorded for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. Based on these criteria, two types of leave qualify for liability recognition for compensated absences – vacation and sick leave. A liability for compensated absences is recorded as incurred in the statement of net position using the first-in, first-out flow assumption, where the oldest accumulated leave is used first. The amount accrued is based on leave accumulated and employee wage rates at fiscal year end, taking into consideration any limits specified in the College's termination policy. The liability for compensated absences includes salary-related benefits, where applicable.

Scholarship Allowances: Student tuition and fees revenue and certain other revenues from College charges are reported net of scholarship allowances in the accompanying Statement of Revenues, Expenses, and Changes in Net Position. The scholarship allowance is the difference between the actual charge for goods and services provided by the College and the amount that is paid by students or by third parties on the students' behalf. Student financial assistance grants, such as Pell grants, and other federal, state or nongovernmental programs, are recorded as either operating or non-operating revenues in the accompanying Statement of Revenues, Expenses, and Changes in Net Position. To the extent that revenues from these programs are used to satisfy tuition, fees, and other charges, the College has recorded a scholarship allowance discount. During the fiscal year ended June 30, 2025, the College adopted a new methodology for estimating tuition discounts. The new methodology better aligns with College operations and updated industry guidance. The revision reflects updated assumptions regarding student enrollment patterns and institutional aid allocations. The effect of this change resulted in a decrease in both student scholarship and financial aid expense and net tuition and fees revenue for the year ended June 30, 2025. This change is considered a change in accounting estimate under GASB Statement No. 100 and has been applied prospectively.

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

Deferred Outflows/Inflows of Resources: In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense) until then. For the College, deferred outflows of resources are reported on the statement of net position for pension and OPEB. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 9 and 10.

In addition to liabilities, the statement of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the College, deferred inflows of resources include pension and OPEB plans and are reported on the statement of net position. (See Notes 9 and 10)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Operating Activities: The College defines operating activities, as reported on the statement of revenues, expenses, and changes in net position, as those that generally result from exchange transactions, such as payments received for providing goods and services and payments made for services and goods received. Nearly all of the College's expenses are from exchange transactions. Certain significant revenues relied upon for certain governmental grants, such as state appropriations, Pell, grants, contracts, and investment income, are recorded as non-operating revenues, in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Adoption of New Accounting Pronouncements: For the fiscal year ended June 30, 2025, the College implemented GASB Statement No. 101, *Compensated Absences*, and GASB Statement No. 102, *Certain Risk Disclosures.*

GASB Statement No. 101 *Compensated Absences*, which updates the recognition and measurement guidance for compensated absences under a unified model. This statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means and establishes guidance for measuring a liability for leave that has not been used. It also updates disclosure requirements for compensated absences. This statement had no effect on beginning net position.

GASB Statement No. 102 *Certain Risk Disclosures* – the objective of this statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This Statement requires a government to assess whether concentrations and constraints may limit the government's ability to acquire resources or control spending and provides for required disclosures, as certain criteria are met, of the government's vulnerability to the risk of a substantial impact. This statement had no effect on beginning net position.

Upcoming Accounting Pronouncements: As of June 30, 2025, the GASB has issued the following statements not yet implemented by the College:

GASB Statement No. 103, *Financial Reporting Model and Disclosures* – This statement, issued in April 2024, updates the existing financial reporting model to enhance the effectiveness of financial reporting for decision-making and accountability. Key provisions include changes to the Management's Discussion and Analysis (MD&A) requirements, revisions to the presentation of proprietary fund financial statements, the separate presentation of major component units, and the reporting of budgetary comparison information as required supplementary information.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GASB Statement No. 104, *Disclosure of Certain Capital Assets* – This statement, issued in April 2024, requires more detailed note disclosures for specific categories of capital assets, including lease assets, intangible right-to-use assets, subscription-based information technology arrangement assets, other intangible assets, and capital assets held for sale.

The College is currently evaluating the impact that the above GASB Statements, effective for fiscal year 2026, may have on its financial statements.

NOTE 3 - CASH AND CASH EQUIVALENTS AND INVESTMENTS

The College invests in those instruments identified by state statue. Specifically, authorized investment instruments consist of obligations of the U.S. Treasury, agencies and instrumentalities of the U.S. Government, bonds and other obligations of the State of Ohio and its political subdivisions and the State Treasury Asset Reserve of Ohio (“STAR Ohio”), which are managed by the State of Ohio.

Cash and Cash Equivalents

At June 30, 2025 and 2024, the carrying amount of cash and cash equivalents (book balances) were as follows:

	2025	2024
Petty cash	$ 125	$ 625
Demand deposits	812,229	1,410,883
Money market fund	1,651,969	3,479,912
	$ 2,464,323	$ 4,891,420

Custodial Credit Risk: Custodial credit risk is the risk that in the event of a bank failure, the College’s deposits may not be returned to it. By Ohio law, financial institutions must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). Eligible securities must be pledged to the College and deposited with a qualified trustee as security for repayment whose market value at all time shall be at least 105% of the deposits being secured, or participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value to be 102% of the deposits being secured or a rate set by the Treasurer of State.

At June 30, 2025 and 2024, the carrying amount of the College’s cash and cash equivalents was $2,464,323 and $4,891,420 and the bank balances were $2,853,854 and $5,450,147, all respectively. The difference in the carrying amount and bank balance results primarily from outstanding checks. Of the June 30, 2025 bank balances, $250,000 are covered by federal deposit insurance. The remaining bank balances at June 30, 2025 of $2,603,854, is uninsured but collateralized by U.S. Treasuries held by the Federal Reserve Bank in “book entry” form in the name of the respective bank, and internally designates the securities as assigned to the College.

Investments

At June 30, 2025 and 2024, the College had amounts on deposit with STAR Ohio, with a value of $782,919 and $54,757, respectively. STAR Ohio is an investment pool managed by the State Treasurer’s office, which allows governments within the state to pool their funds for investment purposes. STAR Ohio is not registered with the Securities and Exchange Commission as an investment company but has adopted Governmental Accounting Standards Board (GASB) Statement No. 79, Certain External Investment Pools and Pool Participants.

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

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

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

Level 1 – Investments reflect prices quoted in active markets.

Level 2 – Investment reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active.

Level 3 – Investments reflect prices based upon unobservable sources.

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

Assets classified in Level 1 of the fair value hierarchy are valued directly from a primary external pricing vendor.

Investment by Fair Value Level	June 30, 2025	Quoted Prices in Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Bond Mutual Funds	$ 840,706	$ 840,706	$ -	$ -
Domestic Equities	2,411,717	2,411,717	-	-
International Equities	58,789	58,789	-	-
Equity Mutual Funds	1,468,167	1,468,167	-	-
Negotiable Certificates of Deposits	5,510,937	5,510,937	-	-
U.S. Treasury Bills	5,405,645	5,405,645	-	-
U.S. Treasury Bonds/Notes	4,029,128	4,029,128	-	-
U.S. Govt Agy-Exempt State	101,747	101,747	-	-
U.S. Govt Agy-Non-Ex St- Int Only	100,251	100,251	-	-
	$ 19,927,087	$ 19,927,087	$ -	$ -

Investment by Fair Value Level	June 30, 2024	Quoted Prices in Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Bond Mutual Funds	$ 818,598	$ 818,598	$ -	$ -
Domestic Equities	1,979,710	1,979,710	-	-
International Equities	39,513	39,513	-	-
Equity Mutual Funds	1,283,880	1,283,880	-	-
Negotiable Certificates of Deposits	4,038,748	4,038,748	-	-
U.S. Treasury Bills	6,869,735	6,869,735	-	-
U.S. Treasury Bonds/Notes	988,555	988,555	-	-
U.S. Govt Agy-Exempt State	1,096,946	1,096,946	-	-
	$ 17,115,685	$ 17,115,685	$ -	$ -

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

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

As of June 30, 2025, the College had the following investments and maturities using the segmented time distribution method:

			Investment Maturities (in years)		
Investment Type	Rating	Fair Value	<1	1-5	6-10
Fixed Income Funds	A- / A+	$ 840,706	$ 840,706	$ -	$ -
Equities and Equity Funds	N/A	3,938,673	3,938,673	-	-
Negotiable Certificates of Deposits	N/A	5,510,937	1,353,428	4,157,509	-
U.S. Treasury Bills	N/A	5,405,645	5,405,645	-	-
U.S. Treasury Bonds/Notes	N/A	4,029,128	997,578	3,031,550	-
U.S. Govt Agy-Exempt State	AA+	101,747	-	101,747	-
U.S. Govt Agy-Non-Ex St-Int Only	N/A	100,251	-	100,251	-
STAR Ohio Funds	AAAm	782,919	782,919	-	-
		$ 20,710,006	$ 13,318,949	$ 7,391,057	$ -

As of June 30, 2024, the College had the following investments and maturities using the segmented time distribution method:

			Investment Maturities (in years)		
Investment Type	Rating	Fair Value	<1	1-5	6-10
Fixed Income Funds	A- / A+	$ 818,598	$ 818,598	$ -	$ -
Equities and Equity Funds	N/A	3,303,103	3,303,103	-	-
Negotiable Certificates of Deposits	N/A	4,038,748	746,952	3,291,796	-
U.S. Treasury Bills	N/A	6,869,735	6,869,735	-	-
U.S. Treasury Bonds/Notes	N/A	988,555	-	988,555	-
U.S. Govt Agy-Exempt State	AA+	1,096,946	99,770	997,176	-
STAR Ohio Funds	AAAm	54,757	54,757	-	-
		$ 17,170,442	$ 11,892,915	$ 5,277,527	$ -

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The College's Investment Policy does not specifically limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The College's Investment Policy limits investments in fixed income securities to government and agency issues and corporate issues in the top four quality rating of recognized credit services. Investments below investment grade and derivatives are specifically prohibited.

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

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The College's Investment Policy limits investment in any single issue other than U.S. government securities to 10% of the total investment portfolio.

	June 30, 2025		June 30, 2024	
	Cash and Cash Equivalents	Investments	Cash and Cash Equivalents	Investments
Financial Statements	$ 3,247,242	$ 19,927,088	$ 4,946,177	$ 17,115,685
Investments:				
STAR Ohio	(782,919)	782,919	(54,757)	54,757
Footnote	$ 2,464,323	$ 20,710,007	$ 4,891,420	$ 17,170,442

NOTE 4 - PLEDGES RECEIVABLE

Pledges receivable as of June 30, 2025 and 2024 were temporarily restricted and due as follows:

	2025	2024
Within one year	$ 1,000	$ 1,000
One to five years	9,500	1,000
Total	$ 10,500	$ 2,000

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NOTE 5 - CAPITAL ASSETS, NET

	July 1, 2024 Balance	Additions	Net Transfers and Disposals	June 30, 2025 Balance
Nondepreciable capital assets:				
Land	$ 1,175,188	$ -	$ -	$ 1,175,188
Construction in progress	-	125,000		125,000
Total Nondepreciable Capital Assets	1,175,188	125,000	-	1,300,188
Depreciable Capital Assets:				
Land Improvements	555,091	-	-	555,091
Buildings	68,162,708	-	-	68,162,708
Leasehold Improvements	892,399	-	-	892,399
Equipment, Furniture, and Library Books	6,820,562	978,417	(84,404)	7,714,575
Total Depreciable Capital Assets	76,430,760	978,417	(84,404)	77,324,773
Less Accumulated Depreciation:				
Land Improvements	320,863	27,755	-	348,618
Buildings	21,575,355	1,662,562	-	23,237,917
Leasehold Improvements	522,987	40,924	-	563,911
Equipment, Furniture, and Library Books	5,110,394	414,964	(68,815)	5,456,543
Total Accumulated Depreciation	27,529,599	2,146,205	(68,815)	29,606,989
Total Depreciable Capital Assets, Net	48,901,161	(1,167,788)	(15,589)	47,717,784
Subscription Assets	2,269,669	189,680	(133,296)	2,326,053
Less Accumulated Amortization:	1,026,342	464,844	(133,296)	1,357,890
Total Subscription Assets, Net	1,243,327	(275,164)	-	968,163
Total Capital and Subscription Assets, Net	$ 51,319,676	$ (1,317,952)	$ (15,589)	$ 49,986,135

NOTE 5 - CAPITAL ASSETS, NET (Continued)

	July 1, 2023 Balance	Additions	Net Transfers, Disposals, and Reclassifications	June 30, 2024 Balance
Nondepreciable capital assets:				
Land	$ 1,175,188	$ -	$ -	$ 1,175,188
Construction in progress	4,006,019	-	(4,006,019)	-
Total Nondepreciable Capital Assets	5,181,207	-	(4,006,019)	1,175,188
Depreciable Capital Assets:				
Land Improvements	555,091	-	-	555,091
Buildings	55,797,877	8,799,280	3,565,551	68,162,708
Leasehold Improvements	510,143	88,285	293,971	892,399
Equipment, Furniture, and Library Books	6,458,331	575,181	(212,950)	6,820,562
Total Depreciable Capital Assets	63,321,442	9,462,746	3,646,572	76,430,760
Less Accumulated Depreciation:				
Land Improvements	293,108	27,755	-	320,863
Buildings	20,587,305	1,302,230	(314,180)	21,575,355
Leasehold Improvements	300,847	38,408	183,732	522,987
Equipment, Furniture, and Library Books	4,901,098	383,780	(174,484)	5,110,394
Total Accumulated Depreciation	26,082,358	1,752,173	(304,932)	27,529,599
Total Depreciable Capital Assets, Net	37,239,084	7,710,573	3,951,504	48,901,161
Subscription Assets	2,269,669	-	-	2,269,669
Less Accumulated Amortization:	560,212	466,130	-	1,026,342
Total Subscription Assets, Net	1,709,457	(466,130)	-	1,243,327
Total Capital and Subscription Assets, Net	$ 44,129,748	$ 7,244,443	$ (54,515)	$ 51,319,676

NOTE 6 - NONCURRENT LIABILITIES

Noncurrent liabilities are summarized as follows as of June 30:

	2025				
	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Compensated Absences	$ 933,308	$ 1,283,104	$ 1,015,672	$ 1,200,740	$ 264,341
Net Pension Liability	18,644,514	-	1,344,006	17,300,508	-
Financed Purchases	80,399	-	27,510	52,889	18,620
Subscription Liabilities	1,318,807	189,680	459,896	1,048,591	484,221
Total	$ 20,977,028	$ 1,472,784	$ 2,847,084	$ 19,602,728	$ 767,182

	2024				
	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Compensated Absences	$ 908,985	$ 1,023,054	$ 998,731	$ 933,308	$ 536,747
Net Pension Liability	20,012,454	4,792,391	6,160,331	18,644,514	-
Net OPEB Liability	169,319	-	169,319	-	-
Financed Purchases	44,047	68,146	31,794	80,399	27,510
Subscription Liabilities	1,741,083	-	422,276	1,318,807	454,755
Total	$ 22,875,888	$ 5,883,591	$ 7,782,451	$ 20,977,028	$ 1,019,012

NOTE 7 - FINANCED PURCHASES

Capital assets acquired through purchase agreements have been capitalized in the Statements of Net Position in fiscal years 2025 and 2024 in the amount of $182,351. A corresponding long-term liability was recorded on the Statements of Net Position. Accumulated amortization in fiscal years 2025 and 2024 totaled $136,136 and $101,952, respectively.

Principal and interest payments required under the purchase agreements are due as follows:

	Financed Purchases		
Year Ended June 30:	Principal	Interest	Total
2026	$ 18,620	$ 5,125	$ 23,745
2027	12,851	2,986	15,837
2028	12,851	2,986	15,837
2029	8,567	1,991	10,558
	$ 52,889	$ 13,088	$ 65,977

Interest expense for the years ended June 30, 2025 and 2024 was $8,386 and $9,316, respectively.

NOTE 8 – SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The College has entered into subscription-based information technology arrangements (SBITAs) involving:

- Enterprise Resource Planning system software
- Master scheduling software
- Learning management system software
- Human resources software

NOTE 8 – SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (Continued)

The total costs of the College's subscription assets are recorded as $2,326,053, less accumulated amortization of $1,357,890.

The future subscription payments under SBITA agreements are as follows:

	Subscriptions		
Year Ended June 30:	Principal	Interest	Total
2026	$ 484,221	$ 30,410	$ 514,631
2027	444,633	7,577	452,210
2028	36,730	4,115	40,845
2029	39,847	2,222	42,069
2030	43,160	172	43,332
	$ 1,048,591	$ 44,496	$ 1,093,087

Interest expense for the years ended June 30, 2025 and 2024 was $45,475 and $65,863, respectively.

NOTE 9 – RETIREMENT PLANS

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

Net Pension Liability:

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

The net pension liability represents the College's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually. Ohio Revised Code limits the College's obligation for this liability to annually required payments. The College cannot control benefit terms or the way pensions are financed; however, the College does receive the benefit of employees' services in exchange for compensation including pension.

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

NOTE 9 – RETIREMENT PLANS (Continued)

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

Plan Description - State Teachers Retirement System (STRS):

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

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined (CO) 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. The calculation will be 2.2% of final average salary for the five highest years of earnings multiplied by all years of service. For members who were eligible to retire on July 1, 2015, the annual benefit is the greater of the benefit amount calculated upon retirement under the new benefit formula or the frozen benefit amount as of July 1, 2015. Effective August 1, 2021 to July 1, 2023, any member can retire with unreduced benefits with 34 years of service credit at any age or 5 years of service credit and age 65. Retirement eligibility for reduced benefits is 30 years of service credit at any age; or 29 years of service credit and age 55; or 5 years of service credit and age 60. Effective August 1, 2023 to May 31, 2025, any member can retire with unreduced benefits with 34 years of service credit at any age or 5 years of service credit at age 65. Retirement eligibility for reduced benefits is 29 years of service credit at any age; or 5 years of service credit and age 60. Effective June 1, 2025 to July 1, 2027, any member can retire with unreduced benefits with 33 years of service credit at any age or 5 years of service credit and age 65. Effective on or after August 1, 2027, any member can retire with unreduced benefits with 34 years of service credit at any age or 5 years of service credit and age 65. Retirement eligibility for reduced benefits is 29 years of service credit at any age or 5 years of service credit and age 60.

The DC Plan allows members to place all their member contributions and 11.09% of the 14% employer contributions into an investment account. The member determines how to allocate the member and employer money among various investment choices offered by STRS Ohio. The remaining 2.91% of the 14% employer rate is allocated to the defined benefit unfunded liabilities. 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 CO Plan offers features of both the DB Plan and the DC Plan. In the CO Plan, 12% of the 14% member rate is deposited into the member's DC account and the remaining 2% is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the CO Plan payment is payable to a member on or after age 60 with 5 years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50 and after termination of employment.

NOTE 9 – RETIREMENT PLANS (Continued)

New members who choose the DC Plan or CO Plan will have another opportunity to reselect a permanent plan during their fifth year of membership. Members may remain in the same plan or transfer to another STRS Ohio plan. The optional annuitization of a member's defined contribution account or the defined contribution portion of a member's CO Plan account to a lifetime benefit results in STRS Ohio bearing the risk of investment gain or loss on the account. STRS Ohio therefore has included all three plan options as one defined benefit plan for GASB Statement No. 68 reporting purposes.

A DB or CO Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. New members on or after July 1, 2013 must have at least 10 years of qualifying service credit to apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. Eligible survivors of members who die before service retirement may qualify for monthly benefits. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For the fiscal years ended June 30, 2025 and 2024, plan members were required to contribute 14% of their annual covered salary. For both fiscal years, the College was required to contribute 14%; the entire 14% was the portion used to fund pension obligations. The fiscal year 2025 and 2024 contribution rates were equal to the statutory maximum rates.

The College's contractually required contributions to STRS was $1,131,135 and $1,038,113 for fiscal years 2025 and 2024, respectively.

Plan Description - Ohio Public Employees' Retirement System (OPERS):

Plan Description – College employees who are not covered by STRS participate in OPERS. OPERS administers two separate pension plans. The traditional pension plan is a cost-share, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan. The traditional pension plan also includes members of the legacy combined plan, a hybrid defined benefit/defined contribution plan referred to as the combined plan division of the traditional pension plan throughout this disclosure. Prior to January 1, 2024, the combined plan was a separate pension plan. Effective January 1, 2022, the combined plan is no longer available for member selection. In October 2023, the legislature approved House Bill 33 which allowed for the consolidation of the combined plan into the traditional pension plan. The combined plan was consolidated into the traditional pension plan effective January 1, 2024 and is tracked as a separate division within the traditional pension plan. No changes were made to the benefit design features of the combined plan as part of the consolidation so that members in this plan will experience no changes. While members (e.g., College's employees) may have elected the member-directed plan, the majority of employee members are in OPERS' traditional pension 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 plan. Authority to establish and amend benefits is provided by Chapter 145 of the ORC. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS's 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 were categorized into three groups with varying provisions of the law applicable to each group.

NOTE 9 – RETIREMENT PLANS (Continued)

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 plan as per the reduced benefits adopted by SB 343 (see OPERS' ACFR referenced above for additional information):

Group A Eligible to retire prior to January 7, 2013 or five year 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 5 years of service credit or Age 55 with 25 years of service credit	**Age and Service Requirements:** Age 60 with 5 years 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
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	**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	**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

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 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. For those who retired prior to January 7, 2013, the COLA will continue to be a 3% simple annual COLA. For those retiring on or after 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%.

Funding Policy – The ORC provides statutory authority for member and employer contributions. For fiscal years 2025 and 2024, member contribution rates were 10% of salary and employer contribution rates were 14%. Employer contribution rates are expressed as a percentage of covered payroll. The College's contractually required contributions was $752,405 and $690,039 for fiscal years 2025 and 2024, respectively.

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

The net pension liability presented as of June 30, 2025 was measured as of June 30, 2024 for the STRS plan and December 31, 2024 for the OPERS plan. The net pension liability presented as of June 30, 2024 was measured as of June 30, 2023 for the STRS plan and December 31, 2023 for the OPERS plan. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of those dates. The College's proportion of the net pension liability was based on the College's share of contributions to the pension plan relative to the projected contributions of all participating entities.

NOTE 9 – RETIREMENT PLANS (Continued)

The following is information related to the College's proportionate share, pension expense, and deferred inflows and outflows reported for fiscal years 2025 and 2024:

Fiscal Year 2025	STRS	OPERS	Total
Proportionate Share of the Net Pension Liability	$10,332,178	$ 6,968,330	$ 17,300,508
Proportion of the Net Pension Liability	0.0536970%	0.0284241%	
Change in Proportion	0.0008185%	0.0007043%	
Pension Expense	$ 191,015	$ 546,943	$ 737,958
Deferred Outflows of Resources			
Differences between expected and actual experience	$ 650,657	$ 133,329	$ 783,986
Net difference between projected and actual earnings on pension plan investments	-	822,051	822,051
Change in assumptions	476,164	-	476,164
Change in College's proportionate share and difference in employer contributions	178,780	95,808	274,588
College contributions subsequent to the measurement date	1,131,135	384,428	1,515,563
	$ 2,436,736	$ 1,435,616	$ 3,872,352
Deferred Inflows of Resources			
Differences between expected and actual experience	$ (5,658)	$ -	$ (5,658)
Net difference between projected and actual earnings on pension plan investments	(888,357)	-	(888,357)
Change in assumptions	(358,414)	-	(358,414)
Change in the College's proportionate share and difference in employer contributions	(299,670)	-	(299,670)
	$ (1,552,099)	$ -	$ (1,552,099)

NOTE 9 – RETIREMENT PLANS (Continued)

Fiscal Year 2024	STRS	OPERS	Total
Proportionate Share of the Net Pension Liability	$11,387,359	$ 7,257,155	$ 18,644,514
Proportion of the Net Pension Liability	0.0528785%	0.0277198%	
Change in Proportion	-0.0002219%	-0.0000668%	
Pension Expense	$ 641,632	$ 349,238	$ 990,870
Deferred Outflows of Resources			
Differences between expected and actual experience	$ 415,160	$ 118,612	$ 533,772
Net difference between projected and actual earnings on pension plan investments	-	1,464,804	1,464,804
Change in assumptions	937,810	-	937,810
Change in College's proportionate share and difference in employer contributions	-	7,344	7,344
College contributions subsequent to the measurement date	1,038,113	356,926	1,395,039
	$ 2,391,083	$ 1,947,686	$ 4,338,769
Deferred Inflows of Resources			
Differences between expected and actual experience	$ (25,269)	$ -	$ (25,269)
Net difference between projected and actual earnings on pension plan investments	(34,128)	-	(34,128)
Change in assumptions	(705,902)	-	(705,902)
Change in the College's proportionate share and difference in employer contributions	(626,086)	(60,730)	(686,816)
	$ (1,391,385)	$ (60,730)	$ (1,452,115)

$1,515,563 reported as deferred outflows of resources related to pension at June 30, 2025 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, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended June 30	STRS	OPERS	Total
2026	$ (826,815)	$ 546,310	$ (280,505)
2027	976,087	925,333	1,901,420
2028	(234,512)	(317,169)	(551,681)
2029	(161,258)	(103,286)	(264,544)
	$ (246,498)	$ 1,051,188	$ 804,690

NOTE 9 – RETIREMENT PLANS (Continued)

Actuarial Assumptions – STRS

The total pension liability in the June 30, 2024 and 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	Varies by service from 2.5% to 8.5%
Payroll increases	3.00%
Investment rate of return:	7.00%, net of investment expenses, including inflation
Discount rate of return:	7.00%
Cost-of-living adjustments (COLA)	0%

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

The actuarial assumptions used in the June 30, 2024 and 2023 valuations are based on the results of the latest available actual experience study for the period July 1, 2015 through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

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

	June 30, 2025		June 30, 2024	
Asset Class	Target Allocation*	Long Term Expected Real Rate of Return**	Target Allocation*	Long Term Expected Real Rate of Return**
Domestic Equity	26.00%	6.90%	26.00%	6.60%
International Equity	22.00%	7.70%	22.00%	6.80%
Alternatives	19.00%	9.10%	19.00%	7.38%
Fixed Income	22.00%	4.50%	22.00%	1.75%
Real Estate	10.00%	5.10%	10.00%	5.75%
Liquidity Reserves	1.00%	2.40%	1.00%	1.00%
Total	100.00%		100.00%	

** Final target weights reflected at October 1, 2022.*
*** 10-year annualized geometric nominal returns, which include the real rate of return and inflation of 2.40% and 2.25% and is net of investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.*

NOTE 9 – RETIREMENT PLANS (Continued)

Discount Rate – The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024 and 2023. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2024. Therefore, the long-term expected rate of return on pension plan investments of 7.00% was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2024 and 2023.

Sensitivity of the College's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following table presents the College's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.00%, as well as what the College's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.00%) or one-percentage-point higher (8.00%) than the current rate used:

Fiscal Year 2025	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
College's proportionate share of the net pension liability	$ 16,667,615	$ 10,332,178	$ 4,973,488
Fiscal Year 2024			
College's proportionate share of the net pension liability	$ 17,511,239	$ 11,387,359	$ 6,208,234

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 in the December 31, 2024 and 2023 actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	December 31, 2024	December 31, 2023
Wage inflation	2.75%	2.75%
Future salary increases (including inflation)	2.75% to 10.75%	2.75% to 10.75%
COLA or Ad Hoc COLA	Pre 1/7/2013 retirees: 3% simple; Post 1/7/2013 retirees: 2.90% simple through 2025, then 2.05% simple	Pre 1/7/2013 retirees: 3% simple; Post 1/7/2013 retirees: 3% simple through 2024, then 2.05% simple
Investment rate of return	6.90%	6.90%
Actuarial cost method	Individual entry age	Individual entry age

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions.

NOTE 9 – RETIREMENT PLANS (Continued)

For all of the previous described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The most recent experience study was completed for the five-year period ended December 31, 2020.

During 2024 and 2023, 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 a gain of 8.8% for 2024 and 11.2% for 2023.

The allocation of investment assets within the Defined Benefit portfolio is approved by the Board 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 long-term expected 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 over a 20-year period 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 geometric real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Defined Benefit portfolio's target asset allocation for the most recent valuation periods, these best estimates are summarized in the following table. A simple weighted sum of asset class returns will not yield the results shown on the table given the process followed to adjust for inflation, the compounding to a given time period, and the impact of volatility and correlations to the portfolio.

	December 31, 2024		December 31, 2023	
Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	24.00%	2.42%	24.00%	2.85%
Domestic Equities	21.00%	5.70%	21.00%	4.27%
Real Estate	13.00%	4.17%	13.00%	4.46%
Private Equity	15.00%	8.40%	15.00%	7.52%
International Equities	20.00%	6.10%	20.00%	5.16%
Risk Parity	2.00%	4.40%	2.00%	4.38%
Other Investments	5.00%	2.54%	5.00%	3.46%
Total	100.00%		100.00%	

NOTE 9 – RETIREMENT PLANS (Continued)

Discount Rate – The discount rate used to measure the total pension liability was 6.90% for the Traditional Pension Plan as of December 31, 2024 and 2023. 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 statutorily required rates. 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 of 6.90% was applied to all periods of projected benefit payments to determine the total pension liability as of December 31, 2024 and 2023.

Sensitivity of the College's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following table presents the College's proportionate share of the net pension liability for fiscal years 2024 and 2023, calculated using the current period discount rate of 6.90%, as well as what the College's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage point lower (5.90%) and one-percentage point higher (7.90%) than the current rate used:

Fiscal Year 2025	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Decrease (7.90%)
College's proportionate share of the net pension liability	$11,400,034	$ 6,968,330	$ 3,285,902
Fiscal Year 2024			
College's proportionate share of the net pension liability	$11,424,891	$ 7,257,155	$ 3,791,018

Alternate Retirement Plans ("ARP"):

Certain full-time College faculty and unclassified staff have the option to choose the ARP in place of STRS or OPERS. The ARP is a defined contribution plan, which provides employees with the opportunity to establish individual retirement accounts with a defined group of investment options, with each participant having control of the assets and investment options associated with those assets. The administrators of the plan are the providers of the plan investment options. Authority to establish and amend benefits and contribution requirements for the ARP is provided by state statute per the Ohio Revised Code.

Under the provisions of the ARP, the required contribution rates of plan participants are equal to the contribution rates of employees who would otherwise participate in STRS or OPERS. The College contributes 11.09% of a participating faculty member's compensation and 11.76% of participating non-faculty member's compensation to the participant's account. The College is also required to contribute an additional 2.91% of employees' covered compensation to STRS and 2.24% of employees' covered compensation to OPERS. For the year ended June 30, 2025, the amounts contributed to STRS and OPERS by the College on behalf of ARP participants were $14,140 and $58,776, respectively. For the year ended June 30, 2024, the amounts contributed to STRS and OPERS by the College on behalf of ARP participants were $25,454 and $64,254, respectively. Employees become fully vested in employer contributions to the ARP after three years, with no vesting provided for terms of service less than three years.

NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Net OPEB Liability (Asset):

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

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

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

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

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

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 Board to offer this plan.

Coverage under the current program includes hospitalization, physicians' fees and prescription drugs and partial reimbursement of the monthly Medicare Part B premiums. Pursuant to the Ohio Revised Code, the Retirement Board has discretionary authority over how much, if any, of the associated health care costs will be absorbed by the Plan. All benefit recipients pay a portion of the health care costs in the form of a monthly premium. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Medicare Part D is a federal program to help cover the costs of prescription drugs for Medicare beneficiaries. This program allows STRS to recover part of the cost for providing prescription coverage since all eligible STRS health care plans include creditable prescription drug coverage.

NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium.

Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14% of covered payroll. For the fiscal years ended June 30, 2025 and 2024, no employer allocation was made to the health care fund.

Plan Description - Ohio Public Employees' Retirement System (OPERS):

Plan Description – The OPERS administers two separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; and the member-directed plan, a defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust. The 115 Health Care Trust (115 Trust or Health Care Trust) was established in 2014, under Section 115 of the Internal Revenue Code (IRC). The purpose of the 115 Trust is to fund health care for the Traditional Pension and Member-Directed plans. 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. Retirees in the Traditional Pension and Combined plans may have an allowance deposited into a health reimbursement arrangement (HRA) account to be used toward the health care program of their choice and other eligible expenses. An OPERS vendor is available to assist with the selection of a health care program.

With one exception, OPERS-provided health care coverage is neither guaranteed nor statutorily required. Ohio law currently requires Medicare Part A equivalent coverage or Medicare Part A premium reimbursement for eligible retirees and their eligible dependents.

OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents.

OPERS members enrolled in the Traditional Pension Plan retiring with an effective date of January 1, 2022, or after must meet the following health care eligibility requirements to receive an HRA allowance:

Age 65 or older Retirees Minimum of 20 years of qualifying service credit

Age 60 to 64 Retirees Based on the following age-and-service criteria:

Group A 30 years of total service with at least 20 years of qualified health care service credit;

Group B 31 years of total service credit with at least 20 years of qualified health care service credit; or

Group C 32 years of total service cred with at least 20 years of qualified health care service credit.

NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Age 59 or younger Based on the following age-and-service criteria:

Group A 30 years of qualified health care service credit;

Group B 32 years of qualified health care service credit at any age or 31 years of qualified heath care service credit and at least age 52; or

Group C 32 years of qualified health care service credit and at least page 55.

Retirees who do not meet the requirement for coverage as a non-Medicare participant can become eligible for coverage at age 65 if they have at least 20 years of qualifying service.

Members with a retirement date prior to January 1, 2022, who were eligible to participate in the OPERS health care program will continue to be eligible after January 1, 2022, as summarized in the following table:

Group A	Group B	Group C
Age and Service Requirements:	**Age and Service Requirements:**	**Age and Service Requirements:**
December 1, 2014 or prior	***December 1, 2014 or prior***	***December 1, 2024 or prior***
Any age with 10 years of service credit	Any age with 10 years of service credit	Any age with 10 years of service credit
January 1, 2015 through December 31, 2021	***January 1, 2015 through December 31, 2021:***	***January 1, 2015 through December 31, 2021***
2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

See the Age and Service Retirement section of the OPERS ACFR for a description of Groups A, B and C.

Eligible retirees may receive a monthly HRA allowance for reimbursement of health care coverage premiums and other qualified medical expenses. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are provided to eligible retirees, and are deposited into their HRA account.

The base allowance is determined by OPERS and is currently $1,200 per month for non-Medicare retirees and $350 per month for Medicare retirees. The retiree receives a percentage of the base allowance, calculated based on years of qualifying service credit and age when the retiree first enrolled in OPERS health care. Monthly allowances range between 51 percent and 90 percent of the base allowance for both non-Medicare and Medicare retirees.

Retirees will have access to the OPERS Connector, which is a relationship with a vendor selected by OPERS to assist retirees participating in the health care program. The OPERS Connector may assist retirees in selecting and enrolling in the appropriate health care plan.

When members become Medicare-eligible, recipients enrolled in OPERS health care programs must enroll in Medicare Part A (hospitalization) and Medicare Part B (medical).

NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

OPERS reimburses retirees who are not eligible for premium-free Medicare Part A (hospitalization) for their Part A premiums as well as any applicable surcharges (late-enrollment fees). Retirees within this group must enroll in Medicare Part A and select medical coverage, and may select prescription coverage, through the OPERS Connector. OPERS also will reimburse 50 percent of the Medicare Part A premium and any applicable surcharges for eligible spouses. Proof of enrollment in Medicare Part A and confirmation that the retiree is not receiving reimbursement or payment from another source must be submitted. The premium reimbursement is added to the monthly pension benefit.

Participants in the Member-Directed Plan have access to the Connector and have a separate health care funding mechanism. A portion of employer contributions for these participants is allocated to a retiree medical account (RMA). Members who elect the Member-Directed Plan after July 1, 2015, will vest in the RMA over 15 years at a rate of 10 percent each year starting with the sixth year of participation. Members who elected the Member-Directed Plan prior to July 1, 2015, vest in the RMA over a five-year period at a rate of 20 percent per year. Upon separation or retirement, participants may use vested RMA funds for reimbursement of qualified medical expenses.

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 ORC 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.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2025 and 2024, state and local employers contributed at a rate of 14.0% of earnable salary. These are the maximum employer contribution rates permitted by the ORC. 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. For calendar years 2025 and 2024, the portion of employer contributions allocated to health care was 0% for members in the Traditional Pension and 2% for members in the Combined Plan.

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 for 2025 was 4.0%.

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

The net OPEB liability (asset) for STRS was measured as of June 30, 2024 and 2023, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of those dates. The net OPEB liability (asset) and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2023 and 2022, rolled forward to the measurement date of December 31, 2024 and 2023, respectively, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. 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.

NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Fiscal Year 2025	STRS	OPERS	Total
Proportionate Share of the Net OPEB Liability (Asset)	$ (1,018,531)	$ (645,786)	$ (1,664,317)
Proportion of the Net OPEB Liability (Asset)	0.0536970%	0.0275478%	
Change in Proportion	0.0008185%	0.0007003%	
OPEB Expense (Negative)	$ (262,939)	$ (218,196)	$ (481,135)
Deferred Outflows of Resources			
Differences between expected and actual experience	$ 44,278	$ -	$ 44,278
Net difference between projected and actual earnings on OPEB plan investments	-	13,297	13,297
Change in assumptions	125,366	-	125,366
Difference between employer contributions and proportionate share of contributions	3,502	-	3,502
	$ 173,146	$ 13,297	$ 186,443
Deferred Inflows of Resources			
Differences between expected and actual experience	$ (109,761)	$ (31,431)	$ (141,192)
Net difference between projected and actual earnings on OPEB plan investments plan investments	(43,733)	-	$ (43,733)
Change in assumptions	(459,350)	(93,181)	(552,531)
Difference between employer contributions and proportionate share of contributions	(6,275)	(8,535)	(14,810)
	$ (619,119)	$ (133,147)	$ (752,266)

NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Fiscal Year 2024	STRS	OPERS	Total
Proportionate Share of the Net OPEB Liability (Asset)	$ (1,028,415)	$ (242,305)	$ (1,270,720)
Proportion of the Net OPEB Liability (Asset)	0.0528785%	0.0268475%	
Change in Proportion	-0.0002219%	-0.0000065%	
OPEB Expense (Negative)	$ (93,566)	$ 302,425	$ 208,859
Deferred Outflows of Resources			
Differences between expected and actual experience	$ 1,603	$ -	$ 1,603
Net difference between projected and actual earnings on OPEB plan investments	1,836	145,519	147,355
Change in assumptions	151,502	62,382	213,884
Difference between employer contributions and proportionate share of contributions	5,401	-	5,401
	$ 160,342	$ 207,901	$ 368,243
Deferred Inflows of Resources			
Differences between expected and actual experience	$ (156,859)	$ (34,487)	$ (191,346)
Change in assumptions	(678,533)	(104,160)	(782,693)
Difference between employer contributions and proportionate share of contributions	(43,746)	(3,819)	(47,565)
	$ (879,138)	$ (142,466)	$ (1,021,604)

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

Year Ended June 30	STRS	OPERS	Total
2026	$ (155,086)	$ (72,282)	$ (227,368)
2027	(69,547)	57,682	(11,865)
2028	(88,437)	(77,834)	(166,271)
2029	(81,977)	(27,416)	(109,393)
2030	(66,435)	-	(66,435)
FY2031 - FY2034	15,509	-	15,509
	$ (445,973)	$ (119,850)	$ (565,823)

NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Actuarial Assumptions – STRS:

The total OPEB liability in the June 30, 2024 and 2023 actuarial valuations was determined using the following assumptions, applied to all periods included in the measurement:

Salary increases	Varies by service from 2.5% to 8.5%
Payroll increases	3.0%
Investment rate of return	7.0%, net of investment expenses, including inflation
Discount rate of return	7.0%

Health care cost trends	Initial	Ultimate
Medical		
Pre-Medicare		
Current measurement period	7.50%	3.94%
Prior measurement period	7.50%	4.14%
Medicare		
Current measurement period	-112.22%	3.94%
Prior measurement period	-10.94%	4.14%
Prescription Drug		
Pre-Medicare		
Current measurement period	-8.00%	3.94%
Prior measurement period	-11.95%	4.14%
Medicare		
Current measurement period	-15.14%	3.94%
Prior measurement period	1.33%	4.14%

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

The actuarial assumptions used in the June 30, 2024 and 2023 valuations are based on the results of the latest available actual experience study for the period July 1, 2015 through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

STRS' investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board.

NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

	June 30, 2025		June 30, 2024	
Asset Class	Target Allocation*	Long Term Expected Real Rate of Return**	Target Allocation*	Long Term Expected Real Rate of Return**
Domestic Equity	26.00%	6.90%	26.00%	6.60%
International Equity	22.00%	7.70%	22.00%	6.80%
Alternatives	19.00%	9.10%	19.00%	7.38%
Fixed Income	22.00%	4.50%	22.00%	1.75%
Real Estate	10.00%	5.10%	10.00%	5.75%
Liquidity Reserves	1.00%	2.40%	1.00%	1.00%
Total	100.00%		100.00%	

** Final target weights reflected at October 1, 2022.*
*** 10-year annualized geometric nominal returns, which include the real rate of return and inflation of 2.40% and 2.25% and is net of investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.*

Benefit term changes since the prior measurement date include healthcare trends were updated to reflect emerging claims and recoveries experience as well as benefit changes effective January 1, 2025. The larger Medicare trends for years 2027 and 2028 reflect the assumed impact of the expiration of current Medicare Advantage contract on December 31, 2028.

Discount Rate – The discount rate used to measure the total OPEB liability was 7.00% as of June 30, 2024 and 2023. The projection of cash flows used to determine the discount rate assumes STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members as of June 30, 2024. Therefore, the long-term expected rate of return on OPEB plan assets of 7.00% was applied to all periods of projected health care costs to determine the total OPEB liability as of June 30, 2024 and 2023.

Sensitivity of the College's Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate and the Health Care Cost Trend Rates – The following table presents the College's proportionate share of the net OPEB asset for fiscal years 2025 and 2024, calculated using the current period discount rate assumption of 7.00%, as well as what the College's proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.00%) and one percentage point higher (8.00%) than the current rate.

Fiscal Year 2025	1% Increase (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
College's proportionate share of the net OPEB asset	$ 828,132	$ 1,018,531	$ 1,184,218
Fiscal Year 2024			
College's proportionate share of the net OPEB asset	$ 870,418	$ 1,028,415	$ 1,166,012

NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower and one percentage point higher than the current health care cost trend rates:

Fiscal Year 2025	1% Decrease In Trend Rates	Current Trend Rates	1% Increase In Trend Rates
College's proportionate share of the net OPEB asset	$ 1,195,410	$ 1,018,531	$ 805,810
Fiscal Year 2024			
College's proportionate share of the net OPEB asset	$ 1,172,398	$ 1,028,415	$ 854,989

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 and include the types of coverages provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OBEB liability for fiscal year 2025 was determined by an actuarial valuation as of December 31, 2023, rolled forward to the measurement date of December 31, 2024. The total OBEB liability for fiscal year 2024 was determined by an actuarial valuation as of December 31, 2022, rolled forward to the measurement date of December 31, 2023. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB Statement No. 74:

Wage inflation	2.75%
Projected salary increases	2.75% to 10.75%, including wage inflation
Singe discount rate:	
Current measurement period	6.00%
Prior measurement period	5.70%
Investment rate of return	6.00%
Municipal bond rate:	
Current measurement period	4.08%
Prior measurement period	3.77%
Health care cost trend rate:	
Current measurement period	5.5% initial, 3.50% ultimate in 2039
Prior measurement period	5.5% initial, 3.50% ultimate in 2038
Actuarial cost method	Individual entry age

NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previous described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The most recent experience study was completed for the five-year period ended December 31, 2020.

During 2024 and 2023, 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 Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and 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 a gain of 10% for 2024 and 14% for 2023.

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 benefit 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 over a 20-year period 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 geometric real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Defined Benefit portfolio's target asset allocation for the most recent valuation periods, these best estimates are summarized in the following table. A simple weighted sum of asset class returns will not yield the results shown on the table given the process followed to adjust for inflation, the compounding to a given time period, and the impact of volatility and correlations to the portfolio.

	December 31, 2024		December 31, 2023	
Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	37.00%	2.37%	37.00%	2.82%
Domestic Equities	26.00%	5.70%	25.00%	4.27%
REITs	5.00%	5.00%	5.00%	4.68%
International Equities	26.00%	6.10%	25.00%	5.16%
Risk Parity	3.00%	4.40%	3.00%	4.38%
Other Investments	3.00%	2.50%	5.00%	2.43%
Total	100.00%		100.00%	

NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Discount Rate. A single discount rate of 6.00% and 5.70% was used to measure the OPEB liability (asset) on the measurement date of December 31, 2024 and 2023, respectively. 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). The single discount rate was based on the actuarial assumed rate of return of 6.00% and the tax-exempt municipal bond rate was not needed in the determination of the single discount rate. The single discount rate on the prior measurement date was based on an expected rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 3.77%. 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 2124. As a result, the single discount rate was set as the actuarial assumed long-term expected rate of return on health care investments and was applied to projected costs through the year 2124, the duration of the projection period through which projected health care payments are fully funded.

Sensitivity of the College's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate – The following table presents the College's proportionate share of the net OPEB liability (asset) for fiscal years 2025 and 2024, calculated using the single discount rate of 6.00% and 5.70%, respectively, as well as what the College's proportionate share of the net OPEB liability (asset) if it were calculated using a discount rate that is 1.0% point lower or 1.0% point higher than the current rate:

Fiscal Year 2025	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
College's proportionate share of the net OPEB liability (asset)	$ (320,689)	$ (645,786)	$ (917,159)

Fiscal Year 2024	1% Decrease (4.70%)	Current Discount Rate (5.70%)	1% Increase (6.70%)
College's proportionate share of the net OPEB liability (asset)	$ 133,093	$ (242,305)	$ (553,035)

Sensitivity of the College's Proportionate Share of the Net OPEB Liability (Asset) 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 (asset). The following table presents the net OPEB (asset) calculated using the assumed trend rates, and the expected net OPEB (asset) 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 that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2025 is 5.50%. 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 that in the not-too-distant future, 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.

NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Fiscal Year 2025	1% Decrease In Trend Rates	Current Trend Rates	1% Increase In Trend Rates
College's proportionate share of the net OPEB liability (asset)	$ (655,704)	$ (645,786)	$ (634,766)
Fiscal Year 2024			
College's proportionate share of the net OPEB liability (asset)	$ (252,233)	$ (242,305)	$ (230,767)

NOTE 11 - OPERATING EXPENSES BY NATURAL CLASSIFICATION

The College's operating expenses by natural classification were as follows for the years ended June 30, 2025 and 2024:

	2025	2024
Salaries and wages	$ 13,918,653	$ 12,653,183
Employee benefits	3,036,995	3,411,852
Supplies and materials	753,458	969,027
Services	5,611,202	5,103,282
Utilities	438,398	441,294
Depreciation and amortization	2,611,049	2,218,303
Student scholarships and financial aid	2,664,149	3,004,347
	$ 29,033,904	$ 27,801,288

NOTE 12 - RISK MANAGEMENT

Central Ohio Technical College is exposed to various risks of loss related to torts, theft of, damage to, and destructions of assets, errors, omissions, injuries to employees and natural disasters. The College contracts with Wright Specialty Insurance and United Educators for property and general liability insurance, including boiler and machinery coverage. General liability insurance is maintained in the amount of $1,000,000 for each occurrence and $3,000,000 in the aggregate. The College also carries a $10,000,000 excess liability policy that provides coverage beyond the general liability. There has been no significant change in coverage from the prior year.

Vehicles are covered by Wright Specialty Insurance and hold a $500 deductible. Automobile liability coverage has a $1,000,000 limit. Settled claims have not exceeded any aforementioned commercial coverage in any of the past three years and there has been no significant reduction in coverage from the prior year.

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

Central Ohio Technical College provides life insurance to its employees through the Ohio State University.

NOTE 12 - RISK MANAGEMENT (Continued)

Central Ohio Technical College obtains hospitalization coverage for its employee through the Ohio State University. The carrier for the hospitalization coverage is NGS American, Inc., Delta Dental for dental insurance, and Vision Service Plan for vision insurance. The College pays a composite rate per employee and the employees co-pay based on their insurance plan and level of coverage. Premiums are paid from the same funds that pay the employees' salaries.

NOTE 13 - CONTINGENCIES

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

The College receives financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant and is subject to audit by the grantor agencies.

NOTE 14 - RELATED PARTY

The College and The Ohio State University at Newark (Ohio State Newark) share expenditures for offices that serve both the College and Ohio State Newark students, faculty, and staff. The agreement systematically allocates costs related to the sharing of personnel, operating expenditures, and capital equipment. Cost-shared expenditures are paid by either institution, as outlined in the agreement, and subsequently billed to the other institution. Before the close of each fiscal year, all cost-shared accounts are reconciled. At June 30, 2025 and 2024, the College had payables of $160,342 and $163,167, respectively, due to Ohio State Newark. At June 30, 2025 and 2024, the College had receivables of $537,856 and $419,222, respectively, due from Ohio State Newark.

REQUIRED SUPPLEMENTARY INFORMATION

Ohio Public Employees Retirement System

Measurement Date Fiscal Year (1)	College's Proportion of the Net Pension Liability	College's Proportionate Share of the Net Pension Liability	College's Covered Payroll	College's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2016	0.037311%	$ 6,487,394	$ 4,846,914	133.85%	81.08%
2017	0.035527%	8,054,985	4,673,836	172.34%	77.25%
2018	0.032953%	5,128,894	4,744,529	108.10%	84.66%
2019	0.029640%	8,085,541	4,356,460	185.60%	74.70%
2020	0.030235%	5,917,045	4,461,736	132.62%	82.17%
2021	0.029980%	4,354,321	4,408,550	98.77%	86.88%
2022	0.029700%	2,464,764	4,399,843	56.02%	92.62%
2023	0.027787%	8,208,174	4,394,314	186.79%	75.74%
2024	0.027720%	7,257,155	4,799,750	151.20%	79.01%
2025	0.028424%	6,968,330	4,928,850	141.38%	80.99%

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

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	College's Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	$ 654,337	$ (654,337)	$ -	$ 4,673,836	14.00%
2017	664,234	(664,234)	-	4,744,529	14.00%
2018	566,340	(566,340)	-	4,356,460	13.00%
2019	624,643	(624,643)	-	4,461,736	14.00%
2020	617,197	(617,197)	-	4,408,550	14.00%
2021	615,978	(615,978)	-	4,399,843	14.00%
2022	615,204	(615,204)	-	4,394,314	14.00%
2023	671,965	(671,965)	-	4,799,750	14.00%
2024	690,039	(690,039)	-	4,928,850	14.00%
2025	752,405	(752,405)	-	5,374,321	14.00%

See accompanying notes to the required supplementary information.

State Teachers Retirement System of Ohio

Measurement Date Fiscal Year (1)	College's Proportion of the Net Pension Liability	College's Proportionate Share of the Net Pension Liability	College's Covered Payroll	College's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2016	0.070752%	$ 19,582,614	$ 7,473,026	262.04%	72.10%
2017	0.068619%	22,968,814	7,100,915	323.46%	66.80%
2018	0.065526%	15,565,747	7,063,113	220.38%	75.30%
2019	0.058548%	12,873,463	6,506,574	197.85%	77.31%
2020	0.060100%	13,290,849	6,899,800	192.63%	77.40%
2021	0.058930%	14,259,038	7,143,507	199.61%	75.48%
2022	0.054953%	7,026,222	6,780,828	103.62%	87.78%
2023	0.053100%	11,804,280	6,903,302	170.99%	78.88%
2024	0.052879%	11,387,359	7,067,179	161.13%	80.02%
2025	0.053697%	10,332,178	7,415,093	139.34%	82.55%

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

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	College's Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	$ 994,128	$ (994,128)	$ -	$ 7,100,915	14.00%
2017	988,836	(988,836)	-	7,063,113	14.00%
2018	910,920	(910,920)	-	6,506,574	14.00%
2019	965,972	(965,972)	-	6,899,800	14.00%
2020	1,000,091	(1,000,091)	-	7,143,507	14.00%
2021	949,316	(949,316)	-	6,780,828	14.00%
2022	966,462	(966,462)	-	6,903,302	14.00%
2023	989,405	(989,405)	-	7,067,179	14.00%
2024	1,038,113	(1,038,113)	-	7,415,093	14.00%
2025	1,131,135	(1,131,135)	-	8,079,536	14.00%

See accompanying notes to the required supplementary information.

CENTRAL OHIO TECHNICAL COLLEGE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF THE COLLEGE'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET) AND
COLLEGE OPEB CONTRIBUTIONS

Ohio Public Employees Retirement System

Measurement Date Fiscal Year (1) (2)	College's Proportion of the Net OPEB Liability (Asset)	College's Proportionate Share of the Net OPEB Liability (Asset)	College's Covered Payroll	College's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
2018	0.031970%	$ 3,471,707	$ 4,744,529	73.17%	54.14%
2019	0.028794%	3,754,058	4,356,460	86.17%	46.33%
2020	0.029300%	4,047,091	4,461,736	90.71%	47.80%
2021	0.029039%	(516,658)	4,408,550	(11.72%)	115.57%
2022	0.028793%	(901,841)	4,399,843	(20.50%)	128.23%
2023	0.026854%	169,319	4,394,314	3.85%	94.79%
2024	0.026848%	(242,305)	4,799,750	(5.05%)	107.76%
2025	0.027548%	(645,786)	4,928,850	(13.10%)	121.51%

(1) Information prior to 2018 is not available. The College will continue to present information for years available until a full ten-year trend is compiled.

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

Fiscal Year (3)	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	College's Covered Payroll	Contributions as a Percentage of Covered Payroll
2018	$ 43,564	$ (43,564)	$ -	$ 4,356,460	1.00%
2019	-	-	-	4,461,736	0.00%
2020	-	-	-	4,408,550	0.00%
2021	-	-	-	4,399,843	0.00%
2022	-	-	-	4,394,314	0.00%
2023	-	-	-	4,799,750	0.00%
2024	-	-	-	4,928,850	0.00%
2025	-	-	-	5,374,321	0.00%

(3) The College elected not to present information prior to 2018. The College will continue to present information for years available until a full ten-year trend is compiled.

See accompanying notes to the required supplementary information.

CENTRAL OHIO TECHNICAL COLLEGE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF THE COLLEGE'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET) AND COLLEGE OPEB CONTRIBUTIONS

State Teachers Retirement System of Ohio

Measurement Date Fiscal Year (1) (2)	College's Proportion of the Net OPEB Liability (Asset)	College's Proportionate Share of the Net OPEB Liability (Asset)	College's Covered Payroll	College's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
2018	0.065530%	$ 2,556,567	$ 7,063,113	36.20%	47.11%
2019	0.058548%	(940,812)	6,506,574	(14.46%)	176.00%
2020	0.060100%	(955,400)	6,899,800	(13.85%)	174.74%
2021	0.058930%	(1,035,694)	7,143,507	(14.50%)	182.13%
2022	0.054953%	(1,158,637)	6,780,828	(17.09%)	174.73%
2023	0.053100%	(1,374,946)	6,903,302	(19.92%)	230.73%
2024	0.052879%	(1,028,415)	7,067,179	(14.55%)	168.52%
2025	0.053697%	(1,018,531)	7,415,093	(13.74%)	158.01%

(1) Information prior to 2018 is not available. The College will continue to present information for years available until a full ten-year trend is compiled.

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

Fiscal Year (3)	Contractually Required Contributions (4)	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	College's Covered Payroll	Contributions as a Percentage of Covered Payroll
2017	$ -	$ -	$ -	$ 7,063,113	0.00%
2018	-	-	-	6,506,574	0.00%
2019	-	-	-	6,899,800	0.00%
2020	-	-	-	7,143,507	0.00%
2021	-	-	-	6,780,828	0.00%
2022	-	-	-	6,903,302	0.00%
2023	-	-	-	7,067,179	0.00%
2024	-	-	-	7,415,093	0.00%
2025	-	-	-	8,079,536	0.00%

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

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

See accompanying notes to the required supplementary information.

STATE TEACHERS RETIREMENT SYSTEM OF OHIO

Notes to Pension Information

Changes of Benefit Terms

For measurement year 2017, the COLA was reduced to zero.

Changes of Assumptions

For measurement year 2017, changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended June 30, 2016. Significant changes included a reduction of the discount rate from 7.75% to 7.45%, the inflation assumption was lowered from 2.75% to 2.50%, the payroll growth assumption was lowered to 3.00%, and total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation. The health and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016. Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

For measurement year 2021, the discount rate was adjusted to 7.00% from 7.45%.

For measurement period 2022, demographic assumptions were changed based on the actuarial experience study for the period July 1, 2015 through June 30, 2021.

For measurement period 2024, retirement rates were extended to younger ages intended to ensure that the ranges in retirement eligibility impacted participants at such ages.

Notes to OPEB Information

For measurement year 2017, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1% to 1.9% per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2019.

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

For measurement year 2019, there was no change to the claims cost process. Claims 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.

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

For measurement year 2021, the non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055% to 2.10%. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D subsidy was updated to reflect it is expected to be negative in 2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

For measurement year 2022, salary increase rates were updated based on the actuarial experience study for the period July 1, 2015 through June 30, 2021 and were changed from age-based to service-based.

For measurement period 2023, health care trends were updated to reflect emerging claims and recoveries experience as well as benefit changes effective January 1, 2024.

For measurement period 2024, health care trends were updated to reflect emerging claims and experience as well as benefit changes effective January 1, 2025. The larger Medicare trends for Years 2027 and 2028 reflect the assumed impact of the expiration of current Medicare Advantage contract on December 31, 2028.

Changes of Assumptions

For measurement year 2017, the discount rate was increased from 3.26% to 4.13% based on the methodology defined under GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)*, and the long-term expected rate of return was reduced from 7.75% to 7.45%. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trends were modified along with the portion of rebated prescription drug costs.

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

For measurement year 2021, the discount rate was adjusted to 7.00% from 7.45%.

For measurement year 2022, healthcare trends were updated to reflect emerging claims and recoveries experience.

OHIO PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Notes to Pension Information

Changes of Benefit Terms

There have been no changes in benefit terms.

Changes of Assumptions

For measurement year 2016, changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended December 31, 2015. Significant changes included a reduction of the discount rate from 8.00% to 7.50%, a reduction in the wage inflation rate from 3.75% to 3.25%, and total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.50% due to lower inflation. The health and disabled mortality assumptions were transitioned from the RP-2000 mortality tables to the RP-2014 mortality tables. Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

For measurement year 2018, a reduction of the discount rate was made from 7.50% to 7.20%.

For measurement year 2021, changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended December 31, 2020. Significant changes included a reduction of the discount rate from 7.20% to 6.90%, a reduction in the wage inflation rate from 3.25% to 2.75%, and total salary increase rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.50% due to lower inflation. The health and disabled mortality assumptions were transitioned from the RP-2014 mortality tables to the Pub-2010 mortality tables.

Effective January 1, 2024, the Combined Plan was consolidated into the Traditional Pension Plan as a separate division. No changes were made to the benefit design features of the Combined Plan as part of this consolidation. Members in this plan will continue to receive benefits under the Combined Plan provisions in effect prior to the consolidation, subject to future changes to the Traditional Pension Plan.

Notes to OPEB Information

Changes of Benefit Terms

There have been no changes in benefit terms.

Changes of Assumptions

For measurement year 2017, the single discount rate changed from 4.23% to 3.85%.

For measurement year 2018, the single discount rate increased from 3.85% to 3.96%, the investment rate of return was reduced from 6.50% to 6.00%, and the health care cost trend rate changed from 7.5% initial, 3.25% ultimate in 2028 to 10.0% initial, 3.25% ultimate in 2029.

For measurement year 2019, the single discount rate was reduced from 3.96% to 3.16% and the health care cost trend rate changed from 10.0% initial, 3.25% ultimate in 2029 to 10.5% initial, 3.50% ultimate in 2030.

For measurement year 2020, the single discount rate increased from 3.16% to 6.00% and the health care cost trend rate changed from 10.5% initial, 3.50% ultimate in 2030 to 8.5% initial, 3.50% ultimate in 2035.

For measurement year 2021, changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended December 31, 2020. Significant changes included a reduction in the wage inflation rate from 3.25% to 2.75%, lowering of the total salary increases rate by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.50% due to lower inflation, and the health care cost trend rate changing from 8.5% initial, 3.50% ultimate in 2035 to 5.5% initial, 3.50% ultimate in 2034.

For measurement year 2022, the single discount rate changed from 6.00% to 5.22% and the health care cost trend rate changed from 5.5% initial, 3.50% ultimate in 2034 to 5.5% initial, 3.50% ultimate in 2036.

For measurement year 2023, the single discount rate changed from 5.22% to 5.70% and the health care cost trend rate changed from 5.5% initial, 3.50% ultimate in 2036 to 5.5% initial, 3.50% ultimate in 2038.

For measurement year 2024, the single discount rate changed from 5.70% to 6.00% and the health care cost trend rate changed from 5.5% initial, 3.50% ultimate in 2038 to 5.5% initial, 3.50% ultimate in 2039.

SUPPLEMENTAL INFORMATION

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

Board of Trustees
Central Ohio Technical College
Newark, Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of Central Ohio Technical College (the College), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated December 15, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
December 15, 2025

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

Board of Trustees
Central Ohio Technical College
Newark, Ohio

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Central Ohio Technical College's (the College) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the College's major federal programs for the year ended June 30, 2025. The College's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the College complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
December 15, 2025

CENTRAL OHIO TECHNICAL COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2025

Federal Gantor/Pass Through Grantor/Program Title	Assistance Listing Number	Pass-Through Entity Number	Expenditures
U.S. Department of Education			
Student Financial Assistance Cluster:			
Federal Direct Student Loans	84.268	(1)	$ 2,967,328
Federal Pell Grant Program	84.063	(1)	6,047,446
Federal Supplemental Education Opportunity Grants	84.007	(1)	95,400
Federal Work-Study Program	84.033	(1)	86,207
Total Student Financial Assistance Cluster			9,196,381
Passed through Ohio Department of Education:			
Career and Technical Education - Basic Grants to States	84.048A	06507820-C2	163,100
Total U.S. Department of Education			9,359,481
U.S. Department of Labor			
Employment and Training Administration:			
Passed through Muskingum University:			
COVID-19 - WIOA National Dislocated Worker Grants / WIA National Emergency Grants	17.277	MI-37027-21-60-A-39	4,327
WIOA Dislocated Worker National Reserve Demonstration Grants	17.280	24A60WO000035-01-01	2,960
Passed through Columbus State Community College			
Workforce Data Quality Initiative (WDQI)	17.261	24A60CC000021-01-00	116,772
Total U.S. Department of Labor			124,059
Total Expenditures of Federal Awards			$ 9,483,540

(1) - Direct Award

The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of these statements.

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the College under programs of the federal government for the year ended June 30, 2025. 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.

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The College has elected not to use the de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 2 - OUTSTANDING LOANS

The College originates but does not make Federal Direct Student Loans (FDLs). For the fiscal year 2025, the College certified need for $2,967,328 in loans. The amount presented represents the value of new FDLs awarded during the fiscal year as follows:

Federal Subsidized Loans	$ 1,084,614
Federal Unsubsidized Loans	1,832,020
Parent PLUS Loans	50,694
Total FDL	$ 2,967,328

Section I – Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified not considered to be material weakness(es)?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major program:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified not considered to be material weakness(es)?	None reported
Type of auditors' report issued on compliance for major federal program:	Unmodified
Any audit findings that are required to be reported in accordance with 2 CFR 200.516(a)?	No

Identification of major program:

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

Dollar threshold to distinguish between Type A and Type B programs:	$750,000
Auditee qualified as low-risk auditee?	No

Section II – Financial Statement Findings

None noted

Section III – Federal Awards Findings and Questioned Costs

None noted

Section IV – Summary of Prior Audit Findings and Questioned Costs

None noted

Board of Trustees:

Title/Name	Term Expires	Surety	Amount of Coverage
Brady T. Burt (1)	2027	(3)	$ 1,000,000
Chairperson Robert A. Montagnese (2)	2026	(3)	1,000,000
Andrew Guanciale (1)	2025	(3)	1,000,000
Marion M. Sutton (1)	2027	(3)	1,000,000
Rhoda Warnock (2)	2027	(3)	1,000,000
Bruce E. Hawkins (2)	2025	(3)	1,000,000
J. Andrew Crawford (1)	2026	(3)	1,000,000
Mark Law (1)	2025	(3)	1,000,000
Sally Heckman (1)	2026	(3)	1,000,000

(1) School Board Caucus replaced by Trustee Selection Committee
(2) Government Appointed
(3) Marsh USA, Wright Specialty Insurance, Uniondale, New York. The College also has a $15 million umbrella insurance policy with United Educators. Chevy Chase, Maryland.

Cabinet Members:

Name	Title	Surety	Amount of Coverage
Dr. John Berry	President	(3)	$ 1,000,000
Dr. Greg Ferenchak	Provost	(3)	1,000,000
Dr. David Brillhart	Vice President for Business and Finance	(3)	1,000,000
Dr. Jacqueline Parrill	Vice President and Chief of Staff	(3)	1,000,000
Mr. Brian Boehmer	Superintendent of Facilities and Support Services	(3)	1,000,000
Dr. Sanath Kumar	Director of Marketing and Public Relations	(3)	1,000,000
Ms. Kimberly Manno, J.D.	Director of Advancement	(3)	1,000,000
Ms. Sarah Morrison	Dean of Enrollment Management	(3)	1,000,000
Dr. John Davenport	Dean of Students	(3)	1,000,000

(3) Marsh USA, Wright Specialty Insurance, Uniondale, New York. The College also has a $15 million umbrella insurance policy with United Educators. Chevy Chase, Maryland.

cshco.com

OHIO AUDITOR OF STATE
KEITH FABER

CENTRAL OHIO TECHNICAL COLLEGE

LICKING COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.

Certified for Release 1/20/2026

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