CLARK STATE COLLEGE
CLARK COUNTY, OHIO

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2025

PLATTENBURG
Certified Public Accountants

OHIO AUDITOR OF STATE
KEITH FABER

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

Board of Trustees
Clark State College
570 E. Leffel Lane
Springfield, Ohio 45505

We have reviewed the *Independent Auditor's Report* of Clark State College, Clark County, prepared by Plattenburg & Associates, Inc., 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. Clark State 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 14, 2026

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CLARK STATE COLLEGE
CLARK COUNTY, OHIO
FOR THE YEAR ENDED JUNE 30, 2025

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Clark State College
Clark County
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025

Federal Grantor/ Pass Through Grantor/ Program Title	Pass Through Entity Number	Assistance Listing Number	Federal Expenditures
United States Department of Education			
Direct			
Student Financial Assistance Cluster:			
Federal Pell Grant Program	N/A	84.063	$ 11,542,611
Federal Supplemental Educational Opportunity Grants	N/A	84.007	200,000
Federal Work-Study Program	N/A	84.033	151,393
Federal Direct Student Loans	N/A	84.268	9,705,057
Total Student Financial Assistance Cluster			21,599,061
TRIO Cluster:			
TRIO-Student Support Services	N/A	84.042	344,592
Total TRIO Cluster			344,592
Fund for the Improvement of Postsecondary Education	P116S230012	84.116	101,168
Passed through the Ohio Department of Education			
Career and Technical Education - Basic Grants to States	V048A200035	84.048	274,724
Higher Education Institutional Aid	P031A200242	84.031A	265,537
Adult Education - Basic Grants to States	V002A200036	84.002	490,406
Total United States Department of Education			23,075,488
United States Department of Housing and Urban Development			
Direct			
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	B-D-23-1AL-1	14.228	106,722
Total United States Department of Housing and Urban Development			106,722
United States Department of Agriculture			
Passed through the Ohio Department of Job and Family Services			
SNAP Cluster:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	202222S251942	10.561	8,507
Total SNAP Cluster			8,507
Passed through Northeast Community College			
Soil and Water Conservation	NR203A750007C001-01-02	10.902	3,440
Total United States Department of Agriculture			11,947
United States Department of Defense			
Passed through ARCTOS Technology Solutions, LLC			
Air Force Defense Research Sciences Program	48440.01.00.0000.00.04-C1	12.800	266,159
Total United States Department of Defense			266,159
United States Department of Labor			
Direct			
H-1B Job Training Grants	N/A	17.268	885,274
Total United States Department of Labor			885,274

United States Department of Health and Human Services			
Passed through the Clark County Department of Job and Family Services			
Temporary Assistance for Needy Families	2024-0491	93.558	291,721
Passed through Ohio Department of Children and Youth:			
MaryLee Allen Promoting Safe and Stable Families Program	2001OHFFTA	93.556	13,405
Total United States Department of Health and Human Services			305,126
United States Department of Transportation			
Direct			
Commercial Motor Vehicle Operator Safety Training Grants	69A3602341170DTG0OH	20.235	112,100
Commercial Motor Vehicle Operator Safety Training Grants	69A3602441400DTG0OH	20.235	113,650
Total Commercial Motor Vehicle Operator Safety Training Grants			225,750
Total United States Department of Transportation			225,750
Total Expenditures of Federal Awards			$ 24,876,466

See accompanying notes to the Schedule of Expenditures of Federal Awards

Clark State College
Clark County
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025

NOTE 1 - GENERAL

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Clark State 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 Clark State College, it is not intended to and does not present the financial position, changes in net position, or cash flows of Clark State College.

NOTE 2 – BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting. Expenditures are recognized following, as applicable, to the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available. In addition, the College did not pass-through any federal awards to subrecipients during the year ended June 30, 2024.

The College has elected not to use the 15 percent de minimis indirect cost rate to recover indirect costs as allowed under the Uniform Guidance.

NOTE 3 – FEDERAL WORK-STUDY AND FEDERAL SEOG WAIVER

For the year ended June 30, 2025, the College received a waiver from the Department of Education for the Institutional Share Requirement under the Federal Work-study and Federal Supplemental Educational Opportunity Grant programs.

NOTE 4 – LOAN PROGRAMS

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

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Board of Trustees
Clark State College
Springfield, Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and discretely presented component unit of Clark State College (the College), a component unit of the State of Ohio, 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 October 13, 2025. We noted the College adopted new accounting guidance in Government Accounting Standards Board (GASB) Statement No. 101, Compensated Absences.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

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Purpose of this Report

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

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.
Cincinnati, Ohio
October 13, 2025

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE AND ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

Board of Trustees
Clark State College
Springfield, Ohio

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Clark State College (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 auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the College, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 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; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

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Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the College's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *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 generally accepted auditing standards, *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 combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

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

We have audited the financial statements of the business-type activities and the discretely presented component unit of the College, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the College's basic financial statements. We issued our report thereon dated October 13, 2025, which contained unmodified opinions on those financial statements, wherein we noted the College adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. We have not performed any procedures to the audited financial statements subsequent to October 13, 2025. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.
Cincinnati, Ohio
December 26, 2025

CLARK STATE COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2025

Section I – Summary of Auditor's Results

Financial Statements

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

Federal Awards

Internal control over major federal programs:	
• Material weakness(es) identified?	No
• Significant Deficiency(s) identified?	None reported
Type of auditor's report issued on compliance for major federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Identification of major federal programs:	
Student Financial Assistance Cluster	
H-1B Job Training Grants ALN 17.268	
Dollar threshold used to distinguish between Type A and Type B Programs	$750,000
Auditee qualified as low-risk auditee?	Yes

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

None

Section III – Federal Award Findings and Questioned Costs

None

CLARK STATE COLLEGE
SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025

None noted.

CLARK STATE COLLEGE
CLARK COUNTY, OHIO

BASIC FINANCIAL STATAEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

PLATTENBURG
Certified Public Accountants

CLARK STATE COLLEGE
CLARK COUNTY, OHIO
FOR THE YEAR ENDED JUNE 30, 2025

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Clark State College
Springfield, Ohio

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of the Clark State College (the College), a component unit of the State of Ohio, 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 as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the College, as of June 30, 2025 and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Notes to the financial statements, during 2025, the College adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 generally accepted auditing standards 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 pension information and other postemployment information to 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 13, 2025, on our consideration of the College's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.
Cincinnati, Ohio
October 13, 2025

This section of the Clark State College ("College") annual financial report presents an overview of its financial condition and assists readers in focusing on significant financial issues of the College for the fiscal year ended June 30, 2025.

This discussion has been prepared by management and should be read in conjunction with and is qualified in its entirety by the accompanying financial statements and footnotes. The discussion and analysis is designed to focus on current activities, resulting change, and current known facts. The financial statements, footnotes, and this discussion are the responsibility of management.

USING THE ANNUAL FINANCIAL REPORT

This annual financial report includes three financial statements:

- Statement of Net Position
- Statement of Revenues, Expenses and Changes in Net Position
- Statement of Cash Flows

These financial statements are 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* and subsequent statements. The Clark State College Foundation (the "Foundation") has been determined to be a component unit of the College. Accordingly, the Foundation is discretely presented in the College's financial statements. The Foundation is excluded from Management's Discussion and Analysis. Complete financial statements for the Foundation can be obtained from the Controller at the College.

One of the most important questions asked about the College's finances is whether the College, as a whole, is better off or worse off as a result of the year's activities. The three financial statements should assist readers of the annual report in answering this question. These statements present financial information in a form similar to that used by the private sector.

The College's net position is one indicator of its financial health. Over time, increases or decreases in net position is one indicator of the improvement or erosion of the College's financial health when considered with non-financial facts such as enrollment levels and the condition of the facilities.

The Statement of Revenues, Expenses and Changes in Net Position presents the revenues earned and expenses incurred during the year. Activities are reported as either operating or non-operating. The College's (as well as all other public colleges) dependency on State aid, grants and gifts will result in operating deficits because the financial reporting model classifies State appropriations, Pell grants and gifts as non-operating revenues. The utilization of long-lived assets referred to as Capital Assets is reflected in the financial statements as depreciation, which amortizes the cost of an asset over its expected useful life.

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

FINANCIAL AND OTHER COLLEGE HIGHLIGHTS

- Net position invested in capital assets (net of related debt) decreased by $1.1 million (1.9%). The College began the initial planning for renovations of the Applied Science Center which houses many of the Health related programs the College offers. There were also some upgrades to the Performing Arts Center some of which were financed by the State of Ohio and in part by the Clark State Foundation. The College continues to invest in its buildings through other projects around campus and partnerships with the community.

- Unrestricted net position (exclusive of pension/OPEB adjustments) decreased $65,600 (0.6%). Unrestricted net position (including pension/OPEB adjustments) increased by $1.8 million (9.5%).

- Student tuition and fees revenue (net of scholarship allowances) decreased by $1.3 million (18.7%). Gross tuition and fees revenue increased by $2.1 million (15.1%). Scholarship allowances were up $3.4 million (51.3%). The College did raise instructional fees in fiscal year 2025 by $5 per credit hour. The College also experienced an increase in enrollment in fiscal year 2025. Pell usage by students to pay their student tuition and fees also increased, creating an increase in scholarship allowances.

- Net accounts receivable increased by $1.5 million (23.9%). This was mainly due to timing of the disbursement of federal Title IV aid to students. An increase in enrollment also had an effect on student receivables.

- Current liabilities increased $70,000 (1.2%). The College experienced a decrease in Accrued Payroll tax liabilities relating to timing of payroll-related liability payments, an increase in Accounts Payable due to the timing of payments. The State of Ohio also provided several multi-year grant opportunities which increased deferred revenue by $625,400 (38.6%). Noncurrent liabilities, not including net OPEB & pension liabilities, decreased $431,800 (9.5%). GASB 101 for compensated absences was newly applied to the College's financials for this fiscal year. The College fiscal year 2024 balance was restated to reflect this change. As of June 30, 2025, the College has one bond outstanding in the amount of $2.2M and matures in 2032. The College also has one lease liability for the REACH center in Xenia. Decreases to noncurrent liabilities was due to normal reductions to the liability of the bond and the lease.

- Federal operating grants decreased $227,000 (5.9%). Some larger federal grants are winding down such as the H1B grant from the U.S. Department of Labor and Title III from the U.S. Department of Education. State and local grants increased $81,900 (116.3%) due to an increase in State Fire Marshal funding and more support for our Project Jericho youth program. Nongovernmental grants and contracts increased by $19,200 (20.4%). The College continues to receive money through a Metallica Scholars initiative through the All With My Hands Foundation, which supports students in hands-on learning in trades related programs. The College's major youth program, Project Jericho, continues to be funded through Clark County Department of Job and Family Services and the many generous donations received from the community through the Foundation and other funding opportunities. The State also provided many grant opportunities to the College through State Appropriations this year.

- Auxiliary enterprise revenue, in total, increased by $62,700 (5.2%). Bookstore revenues (net of scholarship allowances) increased $21,700 (11.6%) with gross revenue up $3,000 (0.7%). The College continues to partner with eCampus to provide affordable textbook options to students. The College no longer subsidizes food service on campus and is now partnering with Fresh Abilities to offer food on the premises. Parking revenue increased $1,300 (3.6%). Commercial Transportation Training Center revenues increased $39,800 (17.4%) due to an increase in enrollment which has been partially driven by the return of State support for a student loan/grant program for these students, a grant with the Federal Department of Transportation as well as a national need for the CDL drivers. They have also opened a testing facility to serve as a one-stop option for students pursuing their Commercial Driver's License.

STATEMENT OF NET POSITION

The Statement of Net Position includes all assets, deferred outflows of resources, liabilities and deferred inflows of resources. It is prepared under the accrual basis of accounting, whereby revenues and assets are recognized when the service is provided and whereby expenses and liabilities are recognized when others provide the service, regardless of when payment is initiated. Net position is simply the difference between the total assets and deferred outflows of resources, less the total liabilities and deferred inflows of resources. The change in net position during the fiscal year is an indicator of the change in the overall financial condition of the College during the year.

A summary of the College's assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position as of June 30, 2025 and 2024 is as follows:

	2025	Restated 2024
	(all dollar amounts in thousands)	
Current assets	$ 16,870	$ 17,887
Noncurrent assets	61,202	61,659
Total assets	78,072	79,546
Deferred outflows of resources	6,756	7,678
Current liabilities	6,110	6,040
Noncurrent liabilities	32,250	36,629
Total liabilities	38,360	42,669
Deferred inflows of resources	8,078	6,994
Net position		
Net investment in capital assets	55,673	56,742
Restricted		
Nonexpendable	250	250
Expendable	173	131
Unrestricted	(17,706)	(19,562)
Total net position	38,390	$ 37,561

Many end users of this financial statement will gain a clearer understanding of the College's actual financial condition by adding deferred inflows related to pension/OPEB and the net pension/OPEB liability to the reported net position and subtracting the net OPEB asset and deferred outflows related to pension and OPEB.

A review of the summary indicates a relatively strong financial position as of June 30, 2025. Total net position increased $659,120 primarily due to pension and OPEB adjustments. Net position decreased $1.3M (1.9%) (exclusive of pension and OPEB adjustments).

Net position represents the remaining amount of the College's assets and deferred outflows after deducting liabilities and deferred inflows.

Net investment in capital assets represents the College's capital assets after subtracting accumulated depreciation and the principal amount of outstanding debt attributable to the acquisition, construction, or improvement of those assets. Net investment in capital assets had a $1.1M decrease (1.9%). This is primarily due to a slower year in construction and renovation which was offset by depreciation.

Restricted nonexpendable net position represents the College's permanent endowments.

Restricted expendable net position represents funds that are externally restricted to specific purposes such as student financial aid, grants and capital component funds.

Unrestricted net position (exclusive of net pensions) are funds that the College has at its disposal to use for whatever purposes the Board determines appropriate. While not subject to external restrictions, the College has designated these funds internally for various academic, student services, student aid and capital purposes.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

The Statement of Revenues, Expenses and Changes in Net Position presents the results of operations for the College. A summary of the College's revenues, expenses and changes in net position for the years ended June 30, 2025 and 2024 is as follows:

	2025	Restated 2024
	(all dollar amounts in thousands)	
Operating revenues		
Student tuition and fees, net	$ 5,724	$ 7,038
Grants and contracts	3,915	4,041
Auxiliary enterprises	1,266	1,204
Other	1,550	1,319
Total	12,455	13,602
Operating expenses	42,318	41,054
Operating loss	(29,863)	(27,452)
Nonoperating revenues (expenses)		
State appropriations	18,106	16,843
Federal grants	11,543	8,942
Investment Income	378	473
Other	14	(49)
Interest expense	(97)	(109)
Capital appropriations	741	5,709
Capital grants	6	8
Total	30,691	31,817
Increase (decrease) in net position	828	$ 4,365

The College relies primarily on state appropriations and student tuition and fees to fund its ongoing programs and operations. Although classified by GASB 35 as a non-operating revenue source, state appropriations over the years have been the largest single source of revenue for the College up until fiscal year 2004. The amount received each year is no longer a function of student enrollment. Funding is based on student success measures – course completion, success points and completion metrics. FTE Enrollment increased 10.1% in fiscal year 2025. Student fees were increased $5 per credit hour in FY 2025. As the table below demonstrates, the State of Ohio has dramatically shifted the burden for funding the cost of higher education to students and their families. Although in recent years, the trend is reversing due to a combination of tuition restraint and the College's success in the appropriation model based on student success and completion.

State Operating Appropriations per Dollar of Gross Tuition

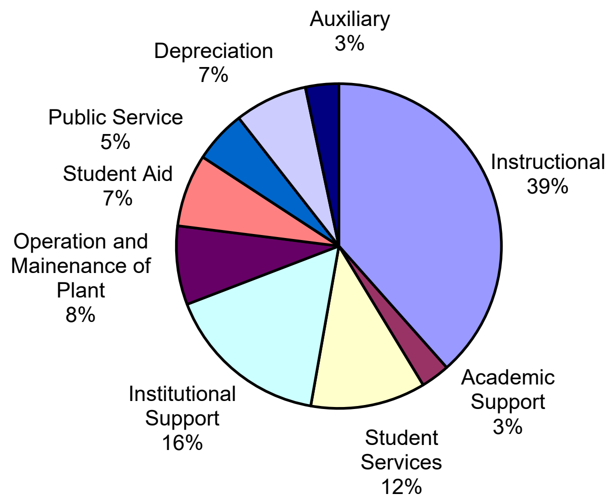
Fiscal Year	Gross Tuition	State Operating Appropriations	Net State Appropriations per Dollar of Gross Tuition
1980	$ 1,144,925	$ 2,160,717	$1.89
1990	2,781,764	4,491,168	1.61
2000	4,964,992	6,069,435	1.22
2010	12,626,366	9,367,573	0.74
2014	15,693,399	10,819,671	0.69
2015	16,636,325	11,164,635	0.67
2016	14,640,107	11,987,351	0.82
2017	15,169,101	13,164,123	0.87
2018	14,124,922	13,804,624	0.98
2019	14,498,916	14,631,745	1.01
2020	14,645,431	14,588,472	1.00
2021	14,312,734	15,559,047	1.09
2022	13,316,705	16,022,928	1.20
2023	12,549,521	16,156,173	1.29
2024	13,608,588	16,218,459	1.19
2025	15,662,184	16,036,247	1.03

In FY 1980, the State contributed $1.89 to Clark State for every dollar of gross tuition. As of 2025, that figure has dropped to $1.03. In FY 2025, state appropriations exceed gross tuition by approximately $414,000.

The increase in state support helps offset the tuition rate. It is a continual challenge to generate sufficient funds to attract qualified staff and faculty, maintain state-of-the art facilities, implement student retention/ academic support services, address deferred maintenance, develop new academic programs to meet workforce needs, and provide the latest technology and equipment to be able to furnish students with a quality learning experience at an affordable cost. It is imperative to adequately fund these initiatives in the interest of student success.

Total state appropriations decreased 1.1% in FY 2025. Net student tuition and fees decreased 18.7% from $7.0 million in FY 2024 to $5.7 million in FY 2025.

The following is a graphic illustration of expenses by function for the year ended June 30, 2025:



Operating expenses increased in comparison to the prior year. There was an increase in spending in FY 2025 primary due to instructional activities. Expenses relating to pension and OPEB adjustments reduced the Colleges overall expenses for the year. The following expense increases and decreases are exclusive of the pension and OPEB adjustments:

Expenses increased in functional categories of instruction 11.6%, academic support 2.7%, student services 5.9%, institutional support 3.2%, public service 13.8% and depreciation 4.6%. Investments were made in full-time personnel in instruction and a significant increase in Nursing enrollment created a related increase in expense. Public service increases were experience in restricted funding in categories for English as a Second Language instruction, Project Jericho and Workforce CDL training.

Expenses decreased in functional categories of, operation and maintenance of plant (4.0%), student aid (0.9%), and auxiliary (5.9%). Operation and maintenance of plan experienced a decrease as major construction projects decreased in fiscal year 2025 as planning began for new construction projects that should be under way in fiscal year 2026. Auxiliaries also saw a decrease due to restructuring of expenses in the Bookstore and Commercial Truck Driver Training.

The following table shows a comparison of total operating expenses per FTE for FY 2025 and FY 2024. Total operating expenses per FTE student decreased $826 during FY 2025.

	2025	2024	Difference	Change
Total operating expenses	$ 42,317,785	$ 41,055,052	$ 1,262,733	3.1%
FTE Enrollment	3,000	2,726	274	10.1%
Total operating expenses per FTE	$ 14,106	$ 15,061	$ (955)	(6.3%)

STATEMENT OF CASH FLOWS

The Statement of Cash Flows also provides information about the College's financial health by reporting the cash receipts and cash payments of the College during the year. A summary of the Statement of Cash Flows for the years ended June 30, 2025 and 2024 is as follows:

	2025	2024
Cash provided (used) by:		
Operating activities	$ (30,237)	$ (23,919)
Noncapital financing activities	29,663	25,736
Capital and related financing activities	(1,383)	(2,914)
Investing activities	(768)	465
Net change in cash and cash equivalents	(2,725)	(632)
Cash and cash equivalents		
Beginning of year	10,941	11,573
End of year	8,216	10,941

Cash and cash equivalents decreased by 25.1% primarily due to a decrease in grants and contracts as some of our major federal grants are winding down as well as an expense increase due to increased enrollment.

GASB STATEMENT NO. 68

In accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, the College is required to recognize its proportionate share of the net pension liability to more comprehensively measure the annual costs of pension benefits. For Clark State, the net pension liability reflected on the FY 2025 Statement of Net Position is $25.7 million.

GASB STATEMENT NO. 75

In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions (OPEB),* the College is required to recognize its OPEB asset/liability to more comprehensively measure the annual costs of its post-employment benefits other than pensions. For Clark State, a net OPEB asset of $1.3 million and a net OPEB liability of $2.5 million is reported on the FY 2025 Statement of Net Position.

CAPITAL ASSETS AND DEBT

Capital Assets

The College had $56.6 million invested in capital assets net of accumulated depreciation of $56.2 million at June 30, 2025. Depreciation expense for the year ended June 30, 2025 was $3.1 million and for 2024 was $2.9 million.

A summary of net capital assets for the years ended June 30, 2025 and 2024 is as follows:

	2025	2024
Land, building improvements and infrastructure	$ 4,777	$ 4,627
Buildings	47,254	48,803
Furniture and equipment	4,184	4,067
Library books	51	59
Vehicles	215	232
Construction in progress	77	0
Total capital assets, net	56,558	57,788

Capital projects during FY 2025 included the review of upcoming renovation project for the Applied Science Center provided by capital funding from the State of Ohio. The Performing Arts Center also received some improvements with capital funding from the State of Ohio as well as Foundation support. Camera safety project was also provided by the State of Ohio. See Note 5 of the financial statements for additional details.

Debt

The College holds one bond and had $2.2 million of liability at June 30, 2025. Interest rates range from 2.0% to 4.0%, and the bond will mature in 2032. See Note 6 of the financial statements for additional details.

STRATEGIC PLAN

The College embarked on a new strategic planning process in Spring 2022. Faculty, staff, students, Trustees, Foundation Directors, business leaders and the community at large were invited to participate in the process.

The goals that will be implemented over 2023-2026 are the following:

- Develop and strengthen quality, innovative academic programs
- Improve enrollment, student success, retention and completion
- Facilitate and support an equitable and inclusive culture of care that recognizes, embraces, and reflects the diversity of the communities we serve
- Cultivate effective and efficient communication strategies and collaboration throughout the college
- Promote and support collaboration with diverse communities, businesses and industry partners

Clark State College
Statement of Net Position
June 30, 2025

		2025
Assets		
Current Assets		
Equity in pooled cash and cash equivalents	$	8,116,839
Cash with fiscal agent		100,001
Investments		442,404
Accounts receivable, net		7,593,808
Prepaid expenses		546,079
Inventory		65,425
Employee loans receivable		4,999
Total current assets		16,869,555
Noncurrent assets		
Noncurrent Investments		946,816
Capital assets, not being depreciated		2,518,735
Capital assets, net of depreciated		54,038,964
Lease asset, net of amortization		2,427,853
Net OPEB asset		1,270,061
Total noncurrent assets		61,202,429
Total assets		78,071,984
Deferred outflows of resources		1,764,917
OPEB		4,990,647
Pension		6,755,564
Total deferred outflows of resources		
Liabilities		
Current liabilities		
Accounts payable and other accrued liabilities		2,858,426
Bonds and notes payable, current portion		255,000
Wages payable		1,663,284
Accrued payroll tax liabilities		3,281
Unearned revenue		995,549
Unclaimed funds		260,843
Lease liability, current portion		73,507
Total current liabilities		6,109,890
Noncurrent liabilities		
Bonds and notes payable, less current portion		2,117,836
Deposits held in trust for others		33,854
Accrued compensated absences		852,151
Lease liability, less current portion		1,124,902
Net OPEB liability		2,458,397
Net pension liability		25,662,379
Total noncurrent liabilities		32,249,519
Total liabilities		38,359,409
Deferred inflows of resources		
OPEB		4,973,374
Pension		3,104,653
Total deferred inflows of resources		8,078,027
Net position		
Net investment in capital assets		55,673,120
Restricted		
Nonexpendable		250,000
Expendable		172,606
Unrestricted (deficit)		(17,705,614)
Total net position	$	38,390,112

See accompanying notes to financial statements.

		2025
Assets		
Cash and cash equivalents	$	101,233
Investments		32,392,591
Pledges receivable		8,558
Prepaid expenses		32,529
	$	32,534,911
Liabilities and Net Assets		
Liabilities		
Accounts payable, Clark State College	$	125,817
Wages payable		5,662
		131,479
Net assets		
Without donor restrictions		1,133,557
With donor restrictions		31,269,874
		32,403,432
	$	32,534,911

See accompanying notes to financial statements.

		2025
Operating revenues		
Student tuition and fees, net of scholarship allowance		
Of $9,937,876 respectively		5,724,308
Federal grants and contracts		3,649,742
State and local grants and contracts		152,232
Nongovernmental grants and contracts		113,024
Auxiliary enterprises		
Bookstore, net of scholarship allowances of $201,576		207,769
Parking		37,550
Truck driving		1,020,984
Other operating revenues		1,549,660
Total operating revenues		12,455,269
Operating expenses		
Educational and general		
Instruction		16,349,130
Academic support		1,220,610
Student services		4,866,191
Institutional support		6,802,464
Operation and maintenance of plant		3,326,815
Student aid		3,075,032
Public service		2,221,678
Depreciation expense		3,081,962
Auxiliary enterprises		1,373,903
Total operating expenses		42,317,785
Operating loss		(29,862,516)
Nonoperating revenues (expenses)		
State appropriations		18,105,803
Federal grants revenue		11,542,611
Investment Income		378,333
Other nonoperating items		14,538
Interest expense		(97,495)
Net nonoperating revenues (expenses)		29,943,790
Gain (loss) before other revenues, expenses, gains, or losses		81,274
Capital appropriations		740,843
Capital grants and gifts		6,555
Total other revenues, expenses, gains, or losses		747,398
Change in net position		828,672
Net position – beginning of year, as previously reported		37,730,992
Change in accounting principle		(169,552)
Net position – beginning of year, as restated		37,561,440
Net position – end of year	$	38,390,112

See accompanying notes to financial statements.

	Without Donor Restrictions	With Donor Restrictions	Total 2025
Revenues and other support Campaign contributions	$ 184,746	234,443	419,189
Investment return, net	104,327	3,513,379	3,617,706
Miscellaneous	-	50,568	50,568
Net assets released from restrictions	1,588,207	(1,588,207)	-
Total revenues and other support	1,877,280	2,210,183	4,087,463
Expenses			
Programs	1,411,934	-	1,411,934
Management and general	278,555	-	278,555
Fundraising	18,581	-	18,581
Total expenses	1,709,070	-	1,709,070
Change in net assets	168,210	2,210,183	2,378,393
Net assets at beginning of year	965,348	29,059,691	30,025,039
Net assets at end of year	$ 1,133,558	31,269,874	32,403,432

See accompanying notes to financial statements.

	2025
Cash flow from operating activities	
Tuition and fees	$ 6,326,039
Grants, gifts and contracts	2,024,772
Payments for goods and services	(8,134,183)
Payments for utilities	(994,631)
Payments to employees	(21,628,658)
Payments for benefits	(6,736,826)
Payments for scholarships and fellowships	(3,075,032)
Collection (payment of loans to students and employees	(2,494)
Auxiliary enterprise charges	
Bookstore	207,769
Parking	37,550
Truck driving	1,020,984
Other receipts	717,849
Net cash from operating activities	(30,236,862)
Cash flows from noncapital financing activities	
State appropriations	18,105,803
Federal grants revenue	11,542,611
Other nonoperating items	14,538
Net cash from noncapital financing activities	29,662,952
Cash flows from capital financing activities	
Purchase of capital assets	(1,748,314)
Principal paid on notes, bonds and leases	(260,980)
Interest paid on notes, bonds and leases	(97,495)
Capital appropriations	716,982
Capital grants and gifts proceeds	6,555
Net cash from capital financing activities	(1,383,252)
Cash flow from investing activities	
Net change in investments	(1,146,136)
Income on investments	378,333
Net cash from investing activities	(767,803)
Net change in cash and cash equivalents	(2,724,965)
Cash and cash equivalents, beginning of year	10,941,805
Cash and cash equivalents, end of year	$ 8,216,840
Reconciliation of cash and cash equivalents to the Statements of Net Position:	
Cash and cash equivalents	8,116,839
Cash with fiscal agent	100,001
	$ 8,216,840

		2025
Reconciliation of net operating loss to net cash from operating activities		
Operating loss	$	(29,862,516)
Adjustments to reconcile operating loss to net cash from operating activities		
Depreciation and Amortization		3,081,962
Provision for bad debts		10,789
Change in assets, deferred outflows, liabilities and deferred inflows:		
Accounts receivable net		(1,453,715)
Prepaid expenses		(42,395)
Inventory		3,202
Employee loans receivable		(2,494)
Net OPEB asset		20,442
Deferred outflows of resources		922,674
Accounts payable and other accrued liabilities		946,007
Wages payable		78,311
Accrued payroll tax liabilities		(374,590)
Unearned revenue		(625,419)
Unclaimed funds		6,957
Deposits held in trust for others		(58,919)
Compensated absences		(23,631)
Net pension liability		(2,451,238)
Net OPEB liability		(1,496,047)
Deferred inflows of resources		1,083,758
Net cash from operating activities	$	(30,236,862)

See accompanying notes to financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity: The College is an institution of higher education and is considered to be a component unit of the State of Ohio ("State") because its Board of Trustees is appointed by the Governor of the State. Accordingly, the College is included in the State's financial statements as a discrete component unit. Transactions with the State relate primarily to appropriations, grants from various state agencies and payments to the State retirement program for certain College employees.

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

Clark State College Foundation ("Foundation") is a legally separate, tax-exempt organization that exists to provide financial assistance to the educational programs, services, and facilities of the College. Although the College does not control the timing or the number of receipts from the Foundation, the majority of resources or incomes thereon that the Foundation holds and invests are restricted to the activities of the College by the donors. Therefore, the Foundation is considered a component unit of the College and is discretely presented in the College's financial statements.

Financial Statement Presentation: The accompanying financial statements of the College have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Government Accounting Standards Board ("GASB").

GASB Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities* ("GASB Statement No. 35") and subsequent statements issued by GASB, established standards for external financial reporting for public colleges and universities and require that resources be classified for accounting and reporting purposes into the following net position categories:

- **Net investment in capital assets** – Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.

- **Restricted, nonexpendable** – Net position subject to externally-imposed stipulations that they be maintained permanently by the College.

- **Restricted, expendable** – Net position whose use 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. These represent amounts for capital construction projects, student services, and public service initiatives.

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

When an expense is incurred for purposes for which both restricted and unrestricted resources are available, it is the College's policy to apply the restricted resources first, then unrestricted resources as needed.

The financial statement presentation required by GASB Statement No. 35 is intended to provide a comprehensive, entity-wide perspective of the College's assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues, expenses, change in net position and cash flows.

Basis of Accounting: For financial reporting purposes, the College is considered a special-purpose government engaged only in business-type activities. Accordingly, the College's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred.

Equity in Pooled Cash and Cash Equivalents: Equity in pooled cash and cash equivalents consist of cash on hand and demand deposits with banks. For purposes of the statement of cash flows, the College considers all highly liquid debt instruments with original maturities of three months or less to be cash equivalents. Cash and cash equivalents include cash and money market funds, stated at cost, which approximates fair value.

Investments: The College accounts for its investments at fair value. Changes in unrealized gain (loss) on the carrying value of investments are reported as a component of investment income in the statements of revenues, expenses, and change in net position. Fair value is determined by market quotations. Donated investments are recorded at the fair value at the time received.

Accounts Receivable: Accounts receivable consists of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty, and staff. Accounts receivable also includes amounts due from federal government, state and local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the College's grants and contracts. Accounts receivable are recorded net of estimated uncollectible amounts.

Inventories: Inventories are comprised of textbooks and educational materials sold by the bookstore and are stated at actual cost using the first-in, first-out method.

Capital Assets: Capital assets are recorded at cost or, if acquired by gift, at acquisition value at the date of the gift. In the absence of historical cost records, equipment is recorded at the current cost of replacement as of that date.

Leased Assets: A leased asset is a lessee's right to use an asset over the life of a lease. The asset is calculated as the initial amount of the lease liability, plus any lease payments made to the lessor before the lease commencement date, plus any initial direct costs incurred, minus any lease incentives received. The amortization period of the leased asset is from the lease commencement date to the earlier of the end of the lease term or the end of the useful life of the asset. At the termination of the lease, the leased asset and associated lease 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.

Capital asset additions and improvements with a cost in excess of $5,000 are capitalized and depreciated on a straight-line basis over the estimated useful life of the property as follows:

Classification	Life
Infrastructure	20 - 40 years
Buildings	45 years
Leasehold improvements	20 - 40 years
Furniture and equipment	5 - 20 years
Library books	10 years
Vehicles	3 - 6 years

Unearned Revenue: Unearned revenue includes amounts received for tuition and fees and certain auxiliary activities prior to the end of the fiscal year but related to the subsequent accounting period. Unearned revenues also include amounts received from grant and contract sponsors that have not yet been earned.

Deposits Held in Trust for Others: Deposits held in trust for others in the amount of $33,854 represents the balance in the College's various activity funds that are available to be spent.

Compensated Absences: The liability and expense incurred for employee vacation and sick pay are recorded as accrued compensated absences in the statement of net position and as a component of compensation and benefit expense in the statement of revenues, expenses and change in net position. GASB 101 was implemented this year which impacted the colleges calculation of compensated absences.

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

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

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

Operating and Nonoperating Revenues: The College's policy for defining operating activities as reported on the statements of revenues, expenses, and change in net position is to report those activities that generally result from exchange transactions, such as payments received for providing services and payments made for services or goods received. Nearly all of the College's expenses are from exchange transactions. Certain significant revenue streams relied upon for operations are recorded as nonoperating revenues as defined by GASB Statements No. 34 and 35, including state appropriations and investment income. Pell grants are considered nonexchange transactions and are recorded as non-operating revenues in the accompanying financial statements.

Scholarship Discounts and Allowances: Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship discounts and allowances in the statements of revenues, expenses, and change in net position. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the College, and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, and other federal, state or nongovernmental programs, are recorded as either operating or nonoperating revenues in the College's financial statements based on whether or not they are considered exchange transactions. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the College has recorded a scholarship discount and allowance.

Estimates: The preparation of financial statements in conformity with the 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 and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 – EQUITY IN POOLED CASH AND INVESTMENTS

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

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

Cash with Fiscal Agent: Effective July 1, 2020, the College became self-insured through a fiscal agent for health insurance. The money held by the fiscal agent cannot be identified as an investment or deposit, since it is held in a pool made up of numerous participants. The amount held by the fiscal agent at June 30, 2025 was $100,001. This amount is not included in the "cash and cash equivalents" or "investments" reported below.

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

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

As of June 30, 2025, the carrying amount of the College's deposits was $3,450,760, which does not include $3,914 in petty cash. Of the 2025 bank balance, $2,077,548 was covered by federal depository insurance, $2,061,540, was collateralized in both the College's name and the financial institution's name.

Investments: At June 30, 2025, the College had amounts on deposit with STAR Ohio, totaling $5,969,376, which is included in the "Equity in Pooled Cash and Cash Equivalents" amount on the statements of net position. STAR Ohio is an investment pool managed by the State Treasurer's office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the Securities and Exchange Commission as an investment company but has adopted Governmental Accounting Standards Board (GASB) Statement No. 79, "Certain External Investment Pools and Pool Participants". The College measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

As of June 30, 2025, the College had the following investments and maturities:

		Investment Maturities (in Years)		
	Measurement Value	Less than 1	1 to 3	3 to 50
Negotiable certificates of deposit	1,388,489	441,673	946,816	-
US treasury notes	732	732	-	-
Star Ohio	5,969,376	5,969,376	-	-
	$ 7,358,597	$ 6,411,781	$ 946,816	-

The College's investments include $732, invested in obligations of the U.S. Treasury and are therefore not subject to the credit risk disclosures of GASB Statement No. 40 which are stated at their fair value.

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

Interest rate risk: The College has a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. In practice the College manages its exposure to declines in fair values by limiting the maximum maturity of its investment portfolio to approximately two years.

Credit Risk: It is College practice to limit its investments to those explicitly guaranteed by the U.S. government, to STAR Ohio (rated AAAm by Standard & Poor's), or to high yield cash investments with authorized banks which pledge pooled securities as collateral.

Concentration of credit: The College places no limit on the amount they may invest in any one issuer.

NOTE 3 – FAIR VALUE MEASUREMENT

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

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

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

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

The College has the following recurring fair value measurements as of June 30, 2025:

Description	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Negotiable certificates of deposit	$ 1,388,489	$ 1,388,489	$ -	$ -
US treasury notes	732	732	-	-
Total	$ 1,389,221	$ 1,389,221	$ -	$ -

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

NOTE 4 – RECEIVABLES

Receivables at June 30, 2025 consisted of billings for student fees, rentals, sponsored billings and intergovernmental receivables arising from grants. All receivables are not considered collectible in full and an allowance for doubtful accounts was established as reflected in the financial statements. Accounts receivable consist of the following at June 30:

	2025
Student charges	$ 5,757,344
Room rentals	28,178
Post-secondary	313,287
Customized training services	34,493
Sponsored billings	539,193
Intergovernmental	2,778,931
Miscellaneous	646,502
	10,097,928
Less allowance for possible collection losses	(2,504,120)
Accounts receivable, net	$ 7,593,808

NOTE 5 – CAPITAL ASSETS

The following is a summary of capital asset activity of the College for the year ended June 30, 2025:

	Beginning Balance	Additions	Transfers/ Retirements	Ending Balance
Nondepreciable capital assets:				
Land	$ 2,441,928	$ -	$ -	$ 2,441,928
Construction in progress	0	436,727	(359,920)	76,807
Total nondepreciable capital assets	2,441,928	436,727	(359,920)	2,518,735
Depreciable capital assets:				
Infrastructure	4,484,446	-	-	4,484,446
Buildings	88,507,868	401,683	-	88,909,551
Building improvements	1,675,224	281,196	-	1,956,420
Furniture and equipment	12,434,394	996,512	(35,180)	13,395,726
Library books	404,227	5,727	(3,684)	406,270
Vehicles	1,056,165	89,084	(45,377)	1,099,872
Total depreciable capital assets	108,562,324	1,774,202	(84,241)	110,252,285
Accumulated depreciation				
Infrastructure	3,785,218	27,508	-	3,812,726
Buildings	39,704,375	1,951,628	-	41,656,003
Building improvements	188,964	104,145	-	293,109
Furniture and equipment	8,367,440	879,258	(35,180)	9,211,518
Library books	345,193	13,501	(3,684)	355,010
Vehicles	824,409	78,248	(17,702)	884,955
Total accumulated depreciation	53,215,599	3,054,288	(56,566)	56,213,321
Total nondepreciable capital assets-net	2,441,928	436,727	(359,920)	2,518,735
Total depreciable capital assets-net	55,346,725	(1,280,086)	(27,675)	54,038,964
Lease assets:				
Buildings	1,484,713	1,350,000	-	2,834,713
Total lease assets	1,484,713	1,350,000	-	2,834,713
Accumulated amortization	254,520	152,340	-	406,860
Total lease assets-net	1,230,193	1,197,660	-	2,427,853
Total capital assets-net	59,018,846	354,301	(387,595)	58,985,552

NOTE 6 – LONG-TERM OBLIGATIONS

The College's long-term obligations at June 30, 2025 consisted of the following:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Bonds and notes payable					
Bonds and notes payable	$ 2,445,000	$ -	$ (240,000)	$ 2,205,000	$ 255,000
Bond premium	188,816	-	(20,980)	167,836	-
Total bonds	2,633,816	-	(260,980)	2,372,836	255,000
Net pension liability:					
SERS	13,824,227	-	(1,045,605)	12,778,622	-
STRS	14,289,390	-	(1,405,633)	12,883,757	-
Total net pension liability	28,113,617	-	(2,451,238)	25,662,379	-
Net OPEB liability:					
SERS	3,954,444	-	(1,496,047)	2,458,397	-
Total net OPEB liability	3,954,444	-	(1,496,047)	2,458,397	-
Other long-term obligations					
Deposits held in trust for others	92,773	-	(58,919)	33,854	-
Net compensated absences	875,782	-	(23,631)	852,151	-
Lease liability	1,271,916	-	(71,668)	1,198,409	73,507
Total other obligations	2,240,471	-	(154,218)	2,084,414	73,507
Total long-term liabilities	36,942,348	-	(848,429)	32,578,026	328,507

In June 2006, the College issued $8,175,000 of General Receipts Bonds, Series 2006, to pay a portion of the costs of the Sara T. Landess Technology and Learning Center. These bonds are special obligations of the College. Principal and interest on the bonds are payable solely from the pledged general receipts of the College. The bonds are not obligations of the State of Ohio, are not general obligations of the College, and the full faith and credit of the College is not pledged to their payment. Bondholders have no right to have excises or taxes levied by the Ohio General Assembly.

The College has covenanted it will ensure sufficient general receipts at all times sufficient to, at least, pay debt service charges on the General Receipt Bonds when due. The total principal and interest remaining to be paid at June 30, 2024 was $2,444,104. Principal and interest paid during fiscal year 2025 and total general receipts were $311,063 and $8,918,604, respectively.

The interest is payable semi-annually each June 1 and December 1, beginning December 1, 2016, and ending December 1, 2032. The principal is payable annually each December 1 beginning December 1, 2016 and ending December 1, 2032. The interest rates range from 2.0% to 4.0%. The bonds are payable as follows:

Year Ending June 30	Principal	Interest	Total
2026	255,000	56,263	306,263
2027	260,000	46,062	306,062
2028	265,000	38,213	303,213
2029	275,000	32,812	307,812
2030	280,000	27,088	307,088
2031	285,000	20,861	305,861
2032	290,000	13,305	303,305
2033	295,000	4,500	304,500
	$ 2,205,000	$239,104	$ 2,444,104

Under the College's compensated absences policy, vacation leave is earned based on years of service, subject to limits on accrual. Employees earn 4.62 hours per pay period for 0-4 years of service. Employees earn 6.15 hours per pay period for 5 or more years of service. The policy allows a maximum of 200 vacation hours to be carried over to the subsequent year. Upon termination of employment, an employee is entitled to payment for all unused, accrued vacation hours.

College employees earn 10 hours of sick leave for each month of service up to a maximum of 120 hours per year. Annual unused sick leave has unlimited accrual. This sick leave will either be absorbed by time off due to illness or injury, or within certain limitations, be paid to the employee upon retirement. The amount paid to an employee upon retirement is limited to one-quarter of the accumulated sick leave to a maximum payout of 240 hours.

College employees also earn 24 hours of personal time each year. These hours are given to employees at the beginning of each fiscal year. Only 8 hours can be carried over to the next fiscal year.

The President is covered by the above stated Board policy on "sick leave severance upon retirement." The President is entitled to 22 days annual paid vacation. The President may elect to receive the cash equivalent of up to 10 days of unused vacation annually.

In accordance with GASB Statement No. 101, *Compensated Absences*, the College recognizes a liability for leave when earned if (1) the leave is attributable to services already rendered, (2) the leave accumulates, and (3) it is more likely than not that the leave will be used for time off or otherwise paid or settled. The liability for compensated absences includes vacation, sick, and personal leave. The liability is measured using the pay rates in effect at the financial statement date and includes salary-related payments (such as retirement contributions) required to be paid on the leave. Estimates are based on historical usage.

The total amount accrued for compensated absences at June 30:

	2025
Vacation	$ 351,613
Sick	342,842
Personal	157,153
Faculty banked	543
Total	$ 852,151

Lease Liability – Lease Assets

The College has entered into a contract with the YMCA of Greater Dayton that conveys control of the right to use their nonfinancial asset (the underlying asset) for classroom space as specified in the contract for a period of time. The basis and terms of this contract is for 20 years after the commencement date with two renewal terms of 5 years each.

During the period there were no outflows of resources recognized for variable payments not previously included in the measurement of the lease liability. During the period there were no outflows of resources recognized for other payments, such as residual value guarantees or termination penalties, not previously included in the measurement of the lease liability. There were no commitments under leases before the commencement of the lease term.

The following table represents the principal and interest requirements to maturity:

Fiscal Year Ending June 30	Principal	Interest	Total
2026	73,507	29,545	103,052
2027	77,331	27,609	104,940
2028	79,317	25,623	104,940
2029	81,354	23,586	104,940
2030	83,443	21,497	104,940
2031-2035	450,477	74,223	524,700
2036-2038	352,979	16,199	369,178
	$ 1,198,408	$218,282	$ 1,416,690

The College has also partnered with the City of Springfield to build a new fire station on South Limestone which will house the College's Fire program. The college has given $1.35M in support to the construction of the building, shown as a Lease Asset on the College's financials for this fiscal year. The agreement for residence in the building began in fiscal year 2025. However, because no future payments will be made, there is no lease liability for this lease.

NOTE 7 – STATE SUPPORT

The College is a state-assisted institution of higher education, which receives a student-based subsidy, determined annually using a formula devised by the Ohio Department of Higher Education.

In addition to the student subsidies, the State of Ohio provides the funding for construction of major plant facilities on the College campus. The funding is obtained from issuance of revenue bonds by the Ohio Public Facilities Commission ("OPFC"), which in turn causes the construction and subsequent lease of the facility by the Ohio Department of Higher Education. Upon completion of a facility, the Department of Higher Education turns over control to the College, which capitalizes the cost.

Neither the obligation for the revenue bonds issued by OPFC nor the annual debt service charges for principal and interest on the bonds are reflected in the College's financial statements. Currently, these are being funded through appropriations to the Department of Higher Education by the Ohio General Assembly.

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

NOTE 8 – DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability/Net OPEB Liability (Asset)

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

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

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

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

The remainder of this note includes the required pension disclosures. See Note 9 for the required OPEB disclosures.

Plan Description - School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

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

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

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

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost-of-living adjustment (COLA) on the first anniversary date of the benefit. New benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. The COLA is indexed to the percentage increase in the CPI-W, not to exceed 2.5 percent and with a floor of 0 percent. A three-year COLA suspension was in effect for all benefit recipients for the years 2018, 2019, and 2020. The Retirement Board approved a 2.5 percent COLA for calendar year 2024.

Funding Policy
Plan members are required to contribute 10 percent of their annual covered salary and the College is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2025, the allocation to pension, death benefits, and Medicare B was 14.0 percent. For fiscal year 2025, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The College's contractually required contribution to SERS was $1,490,729 for fiscal year 2025.

<u>Plan Description - State Teachers Retirement System (STRS)</u>

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

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

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. The calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of credited service. Effective August 1, 2023, any member can retire with unreduced benefits with 34 years of services credit at any age; or five years of service credit and age 65. Effective June 1, 2025 - July 1, 2027, any member can retire with unreduced benefits with 33 years of service credit at any age; or five 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 five years of service credit and age 65.

In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent upon a determination by its actuary that it was necessary to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of living increases are not affected by this change. Effective July 1, 2022, an ad-hoc COLA of 3 percent of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2023 as long as they retired prior to July 1, 2018. Effective July 1, 2023, a permanent 1 percent COLA of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2024 as long as they retired prior to July 1, 2019.

Eligibility changes for DB Plan members who retire with actuarially reduced benefits effective August 1, 2023, can retire with 29 years of service credit at any age; or five years of service credit and age 60. Effective June 1, 2025 - July 1, 2027, retirement eligibility for reduced benefits is 28 years of service credit at any age; or five years of service credit and age 60. Effective on or after August 1, 2027, retirement eligibility for reduced benefits is 29 years of service credit at any age; or five years of service credit and age 60.

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

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

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

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

Funding Policy
Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The 2025 employer and employee contribution rate of 14 percent was equal to the statutory maximum rates. For 2025, the full employer contribution was allocated to pension.

The College's contractually required contribution to STRS was $1,444,949 for fiscal year 2025.

<u>Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions</u>

The net pension liability (asset) was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The College's proportion of the net pension liability was based on the College's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	SERS	STRS	Total
Proportion of the Net Pension Liability:			
Current Measurement Date	0.24979730%	0.06695777%	
Prior Measurement Date	0.25018890%	0.06635446%	
Change in Proportionate Share	-0.00039160%	0.00060331%	
Proportionate Share of the Net Pension Liability	$12,778,622	$12,883,757	$25,662,379
Pension Expense	$1,229,739	$429,589	$1,659,328

At June 30 2025, reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	$487,877	$811,340	$1,299,217
Changes of assumptions	114,314	593,754	708,068
Changes in proportionate share and difference between employer contributions and proportionate share of contributions	0	47,684	47,684
Contributions subsequent to the measurement date	1,490,729	1,444,949	2,935,678
Total Deferred Outflows of Resources	$2,092,920	$2,897,727	$4,990,647
Deferred Inflows of Resources			
Differences between expected and actual experience	$0	$7,055	$7,055
Changes of assumptions	0	446,926	446,926
Net difference between projected and actual earnings on pension plan investments	799,296	1,107,741	1,907,037
Changes in proportionate share and difference between employer contributions and proportionate share of contributions	405,029	338,606	743,635
Total Deferred Inflows of Resources	$1,204,325	$1,900,328	$3,104,653

$2,935,678 reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 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:

Fiscal Year Ending June 30:	SERS	STRS	Total
2026	($861,823)	($953,078)	($1,814,901)
2027	620,160	1,129,991	1,750,151
2028	(125,434)	(379,569)	(505,003)
2029	(235,037)	(244,894)	(479,931)
Total	($602,134)	($447,550)	($1,049,684)

Actuarial Assumptions - SERS

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

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

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2024, and compared with June 30, 2023, are presented below:

	June 30, 2024	June 30, 2023
Inflation	2.40%	2.40%
Future Salary Increases, including inflation	3.25% to 13.58%	3.25% to 13.58%
COLA or Ad Hoc COLA	2.0%, on or after April 1, 2018, COLAs for future retirees will be delayed for three years following commencement	2.00%, on or after April 1, 2018, COLAs for future retirees will be delayed for three years following commencement
Investment Rate of Return	7.00% net of system expenses	7.00% net of system expenses
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)	Entry Age Normal (Level Percent of Payroll)

Mortality rates were based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

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

The long-term return expectation for the Pension Plan Investments has been determined by using a building-block approach and assumes a time horizon, as defined in SERS' Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating an arithmetic weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. As of June 30, 2024:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (geometric)
Cash	3.00 %	0.97 %
US Equity	22.00	4.68
Non-US Equity Developed	12.00	4.96
Non-US Equity Emerging	6.00	5.66
Fixed Income/Global Bonds	18.00	2.38
Private Equity	14.00	7.10
Real Estate	13.00	3.64
Infrastructure	7.00	4.80
Private Debt/Private Credit	5.00	5.86
Total	100.00 %	

Discount Rate
The total pension liability for 2024 was calculated using the discount rate of 7.00 percent. The discount rate determination did not use a municipal bond rate. The projection of cash flows used to determine the discount rate assumed that employers would contribute the actuarially determined contribution rate of projected compensation over the remaining 20-year amortization period of the unfunded actuarial accrued liability. The actuarially determined contribution rate for fiscal year 2024 was 14 percent. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.00 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability. The annual money-weighted rate of return, calculated as the internal rate of return on pension plan investments, for fiscal year 2024 was 9.31 percent.

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	$19,549,522	$12,778,622	$7,077,889

Changes Between the Measurement Date and the Report Date
The pension information is measured as of June 30, 2024 (measurement date) and used for the fiscal year ending June 30, 2025 (reporting date). There were no changes between the measurement date and the reporting date.

Actuarial Assumptions – STRS

Key methods and assumptions used in the June 30, 2024, actuarial valuation compared to those used in the June 30, 2023, actuarial valuation are presented below:

	June 30, 2024	June 30, 2023
Inflation	2.50%	2.50%
Salary increases	From 2.50% to 8.50% based on service	From 2.50% to 8.50% based on service
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation	7.00% net of investments expense, including inflation
Discount Rate of Return	7.00 percent	7.00%
Payroll Increases	3.00 percent	3.00%
Cost-of-Living Adjustments (COLA)	0.0%, effective July 1, 2017	0.0%, effective July 1, 2017

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

Actuarial assumptions used in the June 30, 2024, valuation are based on the results of an actuarial experience study for the period July 1, 2015, through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

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

Asset Class	Target Allocation *	Long-Term Expected Rate of Return **
Domestic Equity	26.00%	6.90%
International Equity	22.00	7.70
Alternatives	19.00	9.10
Fixed Income	22.00	4.50
Real Estate	10.00	5.10
Liquidity Reserves	1.00	2.40
Total	100.00%	

* Final target weights reflected at October 1, 2022.
** 10 year annualized geometric nominal returns, which include the real rate of return and inflation of 2.4 percent, and is net of investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	$20,783,758	$12,883,757	$6,201,713

Changes Between the Measurement Date and the Reporting date
At the April 2025 STRS Board meeting, they approved the following change:

1. Beginning July 1, 2025, approve a 1.5% cost-of-living increase be paid to eligible benefit recipients on their anniversary date in fiscal year 2026; and
2. Temporarily make thirty-two years of service credit the minimum requirement for unreduced benefits and adjust the years of service credit required for reduced retirement benefits to twenty-seven or more years of service credit at any age for the period effective June 1, 2025 through May 1, 2030, then temporarily make thirty-three years of service credit the minimum requirement for unreduced benefits and adjust the years of service credit required for reduced retirement benefits to twenty-eight or more years of service at any age from June 1, 2030 through May 1, 2032, with a return to a minimum of thirty-four years of service credit (twenty-nine years or more for reduced retirement benefits) effective June 1, 2032 going forward.

Any effect on the net pension liability is unknown.

NOTE 9 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB)

See Note 8 for a description of the net OPEB liability (asset).

Plan Description - School Employees Retirement System (SERS)

Health Care Plan Description

The College contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. The following types of credit purchased after January 29, 1981, do not count toward health care coverage eligibility: military, federal, out-of-state, municipal, private school, exempted, and early retirement incentive credit. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Annual Comprehensive Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

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

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

Funding Policy

State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2025, no allocation was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2025, this amount was $30,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2025, the College's surcharge obligation was $76,117.

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The College's contractually required contribution to SERS was $76,117 for fiscal year 2025.

Plan Description - State Teachers Retirement System (STRS)

Plan Description
The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Health care premiums were reduced by a Medicare Part B premium credit beginning in 2023. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org 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 Ohio to recover part of the cost for providing prescription coverage since all eligible STRS Ohio health care plans include creditable prescription drug coverage.

Funding Policy
Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. All benefit recipients pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2025, STRS did not allocate any employer contributions to post-employment health care.

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

The net OPEB liability (asset) was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of that date. The College's proportion of the net OPEB liability (asset) was based on the College's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share:

	SERS	STRS	Total
Proportion of the Net OPEB Liability/Asset:			
Current Measurement Date	0.24137540%	0.06695777%	
Prior Measurement Date	0.24003490%	0.06635446%	
Change in Proportionate Share	0.00134050%	0.00060331%	
Proportionate Share of the:			
Net OPEB Liability	$2,458,397	$0	$2,458,397
Net OPEB (Asset)	$0	($1,270,061)	($1,270,061)
OPEB Expense	($281,775)	($286,166)	($567,942)

At June 30 2025, reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	$0	$55,211	$55,211
Changes of assumptions	1,055,143	156,327	1,211,470
Net difference between projected and actual earnings on OPEB plan investments	12,003	0	12,003
Changes in proportionate share and difference between employer contributions and proportionate share of contributions	403,194	6,922	410,116
Contributions subsequent to the measurement date	76,117	0	76,117
Total Deferred Outflows of Resources	$1,546,457	$218,460	$1,764,917
Deferred Inflows of Resources			
Differences between expected and actual experience	$2,650,791	$136,871	$2,787,662
Changes of assumptions	1,129,298	572,789	1,702,087
Net difference between projected and actual earnings on OPEB plan investments	0	54,533	54,533
Changes in proportionate share and difference between employer contributions and proportionate share of contributions	423,893	5,199	429,092
Total Deferred Inflows of Resources	$4,203,982	$769,392	$4,973,374

$76,117 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date was recognized as a reduction of the net OPEB liability (adjustment to net OPEB asset) in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30:	SERS	STRS	Total
2026	($679,583)	($194,376)	($873,959)
2027	(460,223)	(85,555)	(545,778)
2028	(340,142)	(108,912)	(449,054)
2029	(302,093)	(101,140)	(403,233)
2030	(298,479)	(81,760)	(380,239)
Thereafter	(653,122)	20,811	(632,311)
Total	($2,733,642)	($550,932)	($3,284,574)

Actuarial Assumptions - SERS

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

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

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

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2024, compared with June 30, 2023, are presented below:

	June 30, 2024	June 30, 2023
Inflation	2.40%	2.40%
Future Salary Increases, including inflation	3.25% to 13.58%	3.25% to 13.58%
Investment Rate of Return	7.00% net of investment expense	7.00% net of investment expense
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)	Entry Age Normal (Level Percent of Payroll)
Fiduciary Net Position is Projected to be Depleted	2059	2048
Municipal Bond Index Rate:		
Measurement Date	3.93%	3.86%
Prior Measurement Date	3.86%	3.69%
Single Equivalent Interest Rate,		
Measurement Date	4.88%	4.27%
Prior Measurement Date	4.27%	4.08%
Health Care Cost Trend Rate:		
Medical Trend Assumption		
Measurement Date	7.00% to 4.40%	6.75% to 4.40%
Prior Measurement Date	6.75% to 4.40%	7.00% to 4.40%

Mortality rates among healthy retirees were based on the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females. Mortality rates for contingent survivors were based on PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5 percent for males and adjusted 122.5 percent for females. Mortality rates for actives is based on PUB-2010 General Amount Weighted Below Median Employee mortality table. Mortality rates are projected using a fully generational projection with Scale MP-2020.
The most recent experience study was completed for the five-year period ended June 30, 2020.

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2016 through 2020, and was adopted by the Board on April 15, 2021. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a long-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.00 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. As of June 30, 2024:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (geometric)
Cash	3.00 %	0.97 %
US Equity	22.00	4.68
Non-US Equity Developed	12.00	4.96
Non-US Equity Emerging	6.00	5.66
Fixed Income/Global Bonds	18.00	2.38
Private Equity	14.00	7.10
Real Estate	13.00	3.64
Infrastructure	7.00	4.80
Private Debt/Private Credit	5.00	5.86
Total	100.00 %	

Discount Rate

The discount rate used to measure the total OPEB liability at June 30, 2024, was 4.88 percent. The discount rate used to measure total OPEB liability prior to June 30, 2024, was 4.27 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the contribution rate of 1.50 percent of projected covered payroll each year, which includes a 1.50 percent payroll surcharge and no contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be depleted in 2059 by SERS' actuaries. The Fidelity General Obligation 20-year Municipal Bond Index Rate was used in the determination of the single equivalent interest rate for both the June 30, 2023, and the June 30, 2024, total OPEB liability. The Municipal Bond Index Rate is the single rate that will generate a present value of benefit payments equal to the sum of the present value determined by the long-term expected rate of return, and the present value determined by discounting those benefits after the date of depletion. The Municipal Bond Index Rate was 3.93 percent at June 30, 2024, and 3.86 percent at June 30, 2023.

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

The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.88%) and higher (5.88%) than the current discount rate (4.88%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.00% decreasing to 3.40%) and higher (8.00% decreasing to 5.40%) than the current rate.

	1% Decrease (3.88%)	Current Discount Rate (4.88%)	1% Increase (5.88%)
District's proportionate share of the net OPEB liability	$3,278,185	$2,458,397	$1,806,965

	1% Decrease (6.00% decreasing to 3.40%)	Current Trend Rate (7.00% decreasing to 4.40%)	1% Increase (8.00% decreasing to 5.40%)
District's proportionate share of the net OPEB liability	$1,661,785	$2,458,397	$3,505,480

Changes Between Measurement Date and Reporting Date
The OPEB information is measured as of June 30, 2024 (measurement date) and used for the fiscal year ending June 30, 2025 (reporting date). There were no changes between the measurement date and the reporting date.

Actuarial Assumptions - STRS

Key methods and assumptions used in the June 30, 2024 actuarial valuation compared to the prior year are presented below:

	June 30, 2024	June 30, 2023
Projected salary increases	Varies by service from 2.50% to 8.50%	Varies by service from 2.50% to 8.50%
Investment Rate of Return	7.00%, net of investment expenses, including inflation	7.00%, net of investment expenses, including inflation
Payroll Increases	3.00%	3.00%
Discount Rate of Return	7.00%	7.00%
Health Care Cost Trends		
Medical		
Pre-Medicare	7.50% initial 3.94% ultimate	7.50% initial 4.14% ultimate
Medicare	(112.22%) initial 3.94% ultimate	(10.94%) initial 4.14%ultimate
Prescription Drug		
Pre-Medicare	8.00% initial 3.94% ultimate	(11.95%) initial 4.14%ultimate
Medicare	(15.14%) initial 3.94% ultimate	1.33% initial 4.14% ultimate

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

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

Actuarial assumptions used in the June 30, 2024, valuation are based on the results of an actuarial experience study for the period July 1, 2015, through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

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

Asset Class	Target Allocation *	Long-Term Expected Rate of Return **
Domestic Equity	26.00%	6.90%
International Equity	22.00	7.70
Alternatives	19.00	9.10
Fixed Income	22.00	4.50
Real Estate	10.00	5.10
Liquidity Reserves	1.00	2.40
Total	100.00%	

* Final target weights reflected at October 1, 2022.
** 10 year annualized geometric nominal returns, which include the real rate of return and inflation of 2.4 percent, and is net of investment expenses. Over a 30-year period, STRS investment consultant indicates that the above target allocations should generate a return above the actual rate of return, without net value added by management.

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

Sensitivity of the Proportionate Share of the Net OPEB (Asset) to Changes in the Discount and Health Care Cost Trend Rate
The following table represents the net OPEB asset as of June 30, 2024, calculated using the current period discount rate assumption of 7.00 percent, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net OPEB asset	($1,032,643)	($1,270,061)	($1,476,666)

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB asset	($1,490,622)	($1,270,061)	($1,004,808)

Changes Between the Measurement Date and the Reporting date
At the May 2025 STRS Board meeting, the Board approved the following change: Increasing the health care subsidy for twenty-seven years of service to the maximum subsidy minus the subsidy for three years of service for anyone who retires between August 1, 2023, and July 1, 2032, effective June 1, 2025 through July 1, 2032. After that the maximum subsidy for Healthcare Plan participants who retire August, 1, 2032 or later will align with the eligibility for unreduced pensions, and all others eligible for subsidies receive one less year of subsidy for each year below the minimum years of service required to receive unreduced subsidy at any age. Any effect on the net OPEB asset is unknown.

NOTE 10 – GRANTS, CONTRACTS AND OTHER ASSISTANCE

Miscellaneous amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amounts, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the management expects such amounts, if any, to be immaterial.

NOTE 11 – CONTINGENT LIABILITIES

Grants

Under the terms of federal and state grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursement to the grantor agencies. College management believes disallowances, if any, will be immaterial.

Litigation

In the opinion of management, liabilities, if any, resulting from lawsuits and claims will not materially affect the financial position of the college.

NOTE 12 – RISK MANAGEMENT

The College is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees other than workers' compensation obtained through the state of Ohio, vehicle coverage, and natural disasters.

Coverage	Amount	Deductible
Property	$ 1,000,000,000	$ 25,000
Terrorism	200,000,000	25,000
General Liability	1,000,000	None
Limited Professional Liability	1,000,000	None
Automobile	1,000,000	$0 Liab, $500 PD
Educators Legal Liability	1,000,000	10,000
1st Excess Liability	15,000,000 excess 1,000,000	None
1st Excess Educators Legal Liability	15,000,000 excess 1,000,000	None
Crime	500,000	2,500
Cyber	2,000,000	25,000

Settled claims have not exceeded this commercial coverage in any of the past three years. Insurance coverage was reviewed and changed for the 2024-2025 coverage year.

Employee Group Medical/Surgical, Dental, and Vision Insurance
Medical/surgical, dental, and vision insurance is offered to employees through a self-insurance program. Beginning July 1, 2020, the College changed from traditional insurance coverage to being a member of the Jefferson Health Plan Health Benefits Program, a claims servicing pool, in which monthly premiums are paid to the fiscal agent who in turn pays the claims on the College's behalf. The claims liability of $336,765 reported in Accounts Payable and accrued liabilities at June 30, 2025, is based on an estimate provided by the third party administrator and the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues," as amended by GASB Statement No. 30, "Risk Financing Omnibus," which requires that a liability for unpaid claim costs, including estimates of costs related to incurred, but not reported claims, be accrued at the estimated ultimate cost of settling the claims.

Changes in claims activity are as follows:

Fiscal Year	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2025	300,847	3,585,615	(3,549,697)	336,765

NOTE 13 – CHANGE IN ACCOUNTING PRINCIPLE

GASB Statement No. 101 sets out to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The implementation of GASB Statement No. 101 had the following effect on net position as reported June 30, 2024:

Net position – beginning of year, as previously presented	37,730,992
Change in accounting principle-adoption of GASB 101	(169,552)
Net position – beginning of year, as restated or adjusted	37,561,440

NOTE 14 – CLARK STATE COLLEGE FOUNDATION

Clark State College Foundation ("Foundation") is a legally separate, tax-exempt component unit of Clark State College ("College"). The Foundation acts primarily as a fund-raising organization to supplement the resources that are available to the College in support of its programs. The assets of the Foundation have been given by donors/grantors independent from the College and are governed by a Board of Directors. The 23-member board of the Foundation is self-perpetuating and consists of graduates and friends of the College. Although the College does not control the timing or number of receipts from the Foundation, the majority of resources, or income thereon, which the Foundation holds and invests, is restricted to the activities of the College by the donors. Because the restricted resources held by the Foundation can only be used by, or for the benefit of, the College, the Foundation is considered a component unit of the College and is discretely presented in the College's financial statements.

The accompanying financial statements of the Foundation have been prepared in accordance with pronouncements of the Financial Accounting Standards Board. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information in the College's financial reporting entity for these differences.

Revenues are reported as an increase in net assets without donor restrictions unless the use of the related assets is limited by donor-imposed restrictions. Contributions are recognized as revenue in the period the unconditional promise or payment is first received. Conditional contributions are not recognized until the conditions are substantially met. Contributions of assets other than cash are recorded at estimated fair value. Certain funding from non-government agencies is accounted for as donor restricted until either the required use, passage of time or receipt of funds occurs. Accordingly, such contributions are then released from restriction and recorded as net assets without donor restrictions. Contributions that were received as net assets with donor restrictions in a certain fiscal year whose restriction is fulfilled in the same fiscal year are directly reported as revenue without donor restrictions.

Unconditional promises are included in the financial statements as pledges receivable and revenue of the appropriate net asset category. Pledges are recorded after discounting at 1.00% to the present value of future cash flows, for the years ended June 30, 2025.

Unconditional promises are expected to be realized in the following periods:

		2025
One year or less	$	2,482
Between one and five years		6,759
		9,241
Discounts and allowances		(682)
Net pledges	$	8,559

Foundation investments are stated at fair value, with changes in market value being recognized as gains and losses during the period in which they occur. Fair value of investments held by the Foundation is summarized as follows:

The following summarizes investment composition at June 30:

	2025	
	Fair Value	Cost Basis
Bond funds	398,343	399,893
Money market accounts	996,906	975,590
Mutual fund – fixed	6,609,867	6,627,350
Mutual fund – sector	1,839,378	1,097,680
Corporate bonds	374,628	375,935
ADR/foreign – bonds	183,047	183,175
Mutual fund – equity	21,940,422	18,223,202
Marketable CDs	50,000	50,000
Total investments	32,392,591	27,932,825

During the year ended June 30, 2025, the Foundation distributed $450,000 to the College for both restricted and unrestricted purposes. At June 30, 2025 the Foundation owed the College $125,817.

Complete financial statements for the Foundation can be obtained from the Business Office at 570 East Leffel Lane, Springfield, Ohio 45505.

Assets and liabilities of the Foundation measured at fair value on a recurring basis are summarized below:

Fair Value Measurements at June 30, 2025

	Balance as of June 30, 2025	Active Markets for Identical Assets (Level 1)	Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Foundation investments:				
Corporate and ADR bonds	956,018		956,018	
Mutual funds:				
Equity	21,940,422	21,940,422		
Fixed income	6,609,867	6,609,867		
Sector	1,839,378	1,839,378		
Total mutual funds	30,389,667			
Money market accounts	996,906			
Total investments	$ 32,392,591			

REQUIRED SUPPLEMENTARY INFORMATION

Clark State College
Required Supplementary Information
Schedule of College's Proportionate Share of the Net Pension Liability
School Employees Retirement System of Ohio
Last Ten Fiscal Years (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	0.252810%	14,425,567	7,613,979	189.46%	69.16%
2017	0.247848%	18,140,166	8,117,207	223.48%	62.98%
2018	0.237936%	14,216,170	7,911,800	179.68%	69.50%
2019	0.236548%	13,547,553	7,866,326	172.22%	71.36%
2020	0.237841%	14,230,469	8,159,474	174.40%	70.85%
2021	0.234389%	15,503,011	8,221,936	188.56%	68.55%
2022	0.246658%	9,100,946	8,513,986	106.89%	82.86%
2023	0.265939%	14,384,071	10,183,586	141.25%	75.82%
2024	0.250189%	13,824,226	9,683,464	142.76%	76.06%
2025	0.249797%	12,778,622	10,274,186	124.38%	78.52%

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

See accompanying notes to the required supplementary information.

Notes to Schedule:

Change in assumptions.

2023-2025: The following changes of assumptions affected the total pension liability since the prior measurement date:

(1) Cost of Living Adjustments (COLA) was increased from 2.00% to 2.50% for calendar years 2025, 2024 and 2023.

2022: The following changes of assumptions affected the total pension liability since the prior measurement date:

(1) The assumed rate of inflation was reduced from 3.00% to 2.40%,
(2) Payroll growth assumption was reduced from 3.50% to 1.75%,
(3) Assumed real wage growth was increased from 0.50% to 0.85%,
(4) Cost of Living Adjustments (COLA) was reduced from 2.50% to 2.00%,
(5) The discount rate was reduced from 7.50% to 7.00%,
(6) Rates of withdrawal, compensation, participation, spouse coverage assumption, retirement, and disability were updated to reflect recent experience, and,
(7) Mortality among active members, service retirees and beneficiaries, and disabled members were updated.

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

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

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

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

Changes of benefit terms.

2025: Effective August 1, 2024, HB 33 established a Contribution-Based Benefit Cap (CBBC). Under this provision, a member’s retirement allowance (and any survivor benefit derived from that allowance) will be limited if the calculated benefit under the statutory formula exceeds the CBBC amount.

2023-2024: There were no changes in benefit terms since the prior measurement period.

2022: Cost of Living Adjustments (COLA) increased from 0.50% to 2.50%.

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

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

2018: SERS changed from a fixed 3.00% annual increase to a Cost of Living Adjustments (COLA) based on the changed in the Consumer Price Index (CPI-W), with a cap of 2.50% and a floor of 0.00%.

2016-2017: There were no changes in benefit terms from the amounts reported for these fiscal years.

Clark State College

Required Supplementary Information
Schedule of College's Proportionate Share of the Net Pension Liability
State Teachers Retirement System of Ohio
Last Ten Fiscal Years (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	0.079560%	21,988,021	8,208,655	267.86%	72.09%
2017	0.077993%	26,106,585	8,985,871	290.53%	66.78%
2018	0.075423%	17,916,971	8,239,779	217.44%	75.30%
2019	0.073883%	16,245,187	7,868,129	206.47%	77.30%
2020	0.073640%	16,284,940	8,551,671	190.43%	77.40%
2021	0.071282%	17,247,788	8,103,929	212.83%	75.48%
2022	0.069716%	8,913,887	8,507,329	104.78%	87.78%
2023	0.067746%	15,060,132	8,624,986	174.61%	78.88%
2024	0.066354%	14,289,392	8,733,293	163.62%	80.02%
2025	.0669578%	12,883,757	9,353,250	137.75%	82.55%

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

See accompanying notes to the required supplementary information.

Notes to Schedule:

Change in assumptions.
2025: Retirement rates were extended to younger ages intended to ensure that the ranges in retirement eligibility impacted participants at such ages. Demographic assumptions were changed based on the actuarial experience study for the period July 1, 2015 through June 30, 2021.

2024: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for these fiscal years.

2023: The following changes of assumptions affected the total pension liability since the prior measurement date:

(1) Post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table:
    a. Adjusted 110.0% for males, projected forward generationally using mortality improvement scale MP-2020
(2) Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table:
    a. Adjusted 95.0% for females, projected forward generationally using mortality improvement scale MP-2020
(3) Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disable Annuitant Table:
    a. Projected forward generationally using mortality improvement scale MP-2020
(4) Projected salary increases changed from 2.50% to 12.50% to 2.50% to 8.50%

2022: There were changes in assumptions since the prior measurement date, which the discount rate was adjusted to 7.00% from 7.45%.

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

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

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

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

Change in benefit terms.
2025: In March 2024, the Board adopted a change in the service retirement eligibility requirements for both unreduced and actuarially reduced benefits. This change is effective for retirements beginning June 1, 2024. The change allows for unreduced retirement at 34 years of service indefinitely (was previously set to increase to 35 years beginning August 1, 2029). The change also allows for an actuarially reduced retirement at any age with 29 years of service.

2019-2024: There were no changes in benefit terms from the amounts reported for these fiscal years.

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

2016-2017: There were no changes in benefit terms from the amounts reported for these fiscal years.

Schedule of College Pension Contributions
School Employees Retirement System of Ohio
Last Ten Fiscal Years

	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	College's Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	1,136,409	(1,136,409)	-	8,117,207	14.00%
2017	1,107,652	(1,107,652)	-	7,911,800	14.00%
2018	1,061,954	(1,061,954)	-	7,866,326	13.50%
2019	1,101,529	(1,101,529)	-	8,159,474	13.50%
2020	1,151,071	(1,151,071)	-	8,221,936	14.00%
2021	1,191,958	(1,191,958)	-	8,513,986	14.00%
2022	1,425,702	(1,425,702)	-	10,183,586	14.00%
2023	1,355,685	(1,355,685)	-	9,683,464	14.00%
2024	1,438,386	(1,438,386)	-	10,274,186	14.00%
2025	1,490,729	(1,490,729)	-	10,648,064	14.00%

See accompanying notes to the required supplementary information.

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

	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	College's Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	1,258,022	(1,258,022)	-	8,985,871	14.00%
2017	1,153,569	(1,153,569)	-	8,239,779	14.00%
2018	1,101,538	(1,101,538)	-	7,868,129	14.00%
2019	1,197,234	(1,197,234)	-	8,551,671	14.00%
2020	1,134,550	(1,134,550)	-	8,103,929	14.00%
2021	1,191,026	(1,191,026)	-	8,507,329	14.00%
2022	1,207,498	(1,207,498)	-	8,624,986	14.00%
2023	1,222,661	(1,222,661)	-	8,733,293	14.00%
2024	1,309,455	(1,309,455)	-	9,353,250	14.00%
2025	1,444,949	(1,444,949)	-	10,321,064	14.00%

See accompanying notes to the required supplementary information

Clark State College

Required Supplementary Information

Schedule of College's Proportionate Share of the Net OPEB Liability

School Employees Retirement System of Ohio

Last Nine Fiscal Years (1) (2)

	College's Proportion of the Net OPEB Liability	College's Proportionate Share of the Net OPEB Liability	College's Covered Payroll	College's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2017	0.241441%	$ 6,881,973	$ 8,117,207	84.78%	11.49%
2018	0.229139%	6,149,480	7,911,800	77.73%	12.46%
2019	0.230016%	6,381,277	7,866,326	81.12%	13.57%
2020	0.231463%	5,820,809	8,159,474	71.34%	15.57%
2021	0.225699%	4,905,175	8,221,936	59.66%	18.17%
2022	0.235131%	4,450,049	8,513,986	52.27%	24.08%
2023	0.251677%	3,533,573	10,183,586	34.70%	30.34%
2024	0.240035%	3,954,444	9,683,464	40.84%	30.02%
2025	0.241375%	2,458,397	10,274,186	23.93%	44.50%

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

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

See accompanying notes to the required supplementary information

Notes to Schedule:

Change in assumptions.

2025: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

(1) Discount Rate:
- Prior Measurement Date 4.27%
- Measurement Date 4.88%

(2) Municipal Bond Index Rate:
- Prior Measurement Date 3.86%
- Measurement Date 3.93%

(3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:
- Prior Measurement Date 4.27%
- Measurement Date 4.88%

(4) Health care trend rates were updated.

(5) Fiduciary Net Position projected depletion changed from 2048 to 2059.

2024: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

(1) Discount Rate:
- Prior Measurement Date 4.08%
- Measurement Date 4.27%

(2) Municipal Bond Index Rate:
- Prior Measurement Date 3.69%
- Measurement Date 3.86%

(3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:
- Prior Measurement Date 4.08%
- Measurement Date 4.27%

(4) The assumption for percent of pre-Medicare eligible retirees who choose the Wraparound plan increased from 10% to 20%.

(5) The health care trend assumption on retiree premiums was updated to not apply trend to the $35 surcharge.

(6) The morbidity factors were updated based on the Society of Actuaries' June 2013 research report Health Care Costs—From Birth to Death by Dale Yamamoto and from the ASOP 6 practice note developed by the American Academy of Actuaries.

(7) An assumption was added to assume that 15% of pre-65 retirees who waive will elect coverage upon Medicare eligibility.

2023: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

(1) Discount Rate:
  Prior Measurement Date 2.27%
  Measurement Date 4.08%
(2) Municipal Bond Index Rate:
  Prior Measurement Date 1.92%
  Measurement Date 3.69%
(3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:
  Prior Measurement Date 2.27%
  Measurement Date 4.08%
(4) Health care trend rates were updated.

2022: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

(1) Discount Rate:
  Prior Measurement Date 2.63%
  Measurement Date 2.27%
(2) Investment Rate of Return:
  Prior Measurement Date 7.50%
  Measurement Date 7.00%
(3) Assumed Rate of Inflation:
  Prior Measurement Date 3.00%
  Measurement Date 2.40%
(4) Payroll Growth Assumption:
  Prior Measurement Date 3.50%
  Measurement Date 1.75%
(5) Assumed Real Wage Growth:
  Prior Measurement Date 0.50%
  Measurement Date 0.85%
(6) Municipal Bond Index Rate:
  Prior Measurement Date 2.45%
  Measurement Date 1.92%
(7) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:
  Prior Measurement Date 2.63%
  Measurement Date 2.27%
(8) Rates of withdrawal, retirement and disability were updated to reflect recent experience.
(9) Rate of health care participation for future retirees and spouses was updated to reflect recent.
(10) Mortality among active members was updated to the following:
  a. PUB-2010 General Amount Weighted Below Median Employee mortality table.
(11) Mortality among service retired members was updated to the following:
  a. PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females.
(12) Mortality among beneficiaries was updated to the following:
  a. PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5% for males and adjusted 122.5% for females.
(13) Mortality among disabled member was updated to the following:
  a. PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females.
(14) Mortality rates are projected using a fully generational projection with Scale MP-2020.

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

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

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

(1) Discount Rate:
  Prior Measurement Date 3.70%

Measurement Date 3.22%

(2) Municipal Bond Index Rate:
Prior Measurement Date 3.62%
Measurement Date 3.13%

(3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:
Prior Measurement Date 3.70%
Measurement Date 3.22%

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

(1) Discount Rate:
Prior Measurement Date 3.63%
Measurement Date 3.70%

(2) Municipal Bond Index Rate:
Prior Measurement Date 3.56%
Measurement Date 3.62%

(3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:
Prior Measurement Date 3.63%
Measurement Date 3.70%

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

(1) Discount Rate:
Fiscal Year 2018 3.63%
Fiscal Year 2017 2.98%

(2) Municipal Bond Index Rate:
Fiscal Year 2018 3.56%
Fiscal Year 2017 2.92%

(3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:
Fiscal Year 2018 3.63%
Fiscal Year 2017 2.98%

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

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

Change in benefit and funding terms.

2025: The SERS Board increased the minimum compensation used for determining the health care surcharge from $25,000 to $30,000.

2024: Effective January 1, 2024, the non-Medicare disability health care subsidy amounts will change to reflect amounts equal to that of service retirees by years of service.

2017-2023: There were no changes in benefit terms from the amounts reported for these fiscal years.

Clark State College

Required Supplementary Information

Schedule of College's Proportionate Share of the Net OPEB Liability (Asset)

State Teachers Retirement System of Ohio

Last Nine Fiscal Years (1) (2)

	College's Proportion of the Net OPEB Liability (Asset)	College's Proportionate Share of the Net OPEB Liability (Asset)	College's Covered Payroll	College's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
2017	0.077993%	$ 4,171,082	$ 8,985,871	46.42%	37.30%
2018	0.075423%	2,942,740	8,239,779	35.71%	47.11%
2019	0.073883%	(1,187,223)	7,868,129	(15.09%)	176.00%
2020	0.073640%	(1,219,648)	8,551,671	(14.26%)	174.70%
2021	0.071282%	(1,252,785)	8,103,929	(15.46%)	182.13%
2022	0.697165%	(1,469,916)	8,507,329	(17.28%)	174.73%
2023	0.067746%	(1,754,182)	8,624,986	(20.34%)	230.73%
2024	0.066354%	(1,290,503)	8,733,293	(14.78%)	168.52%
2025	0.066958%	(1,270,061)	9,353,250	(13.58%)	158.01%

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

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

See accompanying notes to the required supplementary information

Notes to Schedule:

Change in assumption.

2025: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for this fiscal year.

2024: Healthcare trends were updated to reflect emerging claims and recoveries experience as well as benefit changes effective January 1, 2024. The change in the subsidy percentage and the base amount for all retiree Non-Medicare Eligible (NME) participants, from 2.2% per year in last year’s valuation to 2.5% per year, capped at 75%, as well as the unfreezing of the NME subsidy, the removal of the 6% cap on the year over year subsidy increase for Medicare Eligible (ME) participants, the changes in deductible and office visits copays for Aetna’s Medicare Advantage plan, and updates in the medical and PBM vendor contracts. In addition, there were benefit changes related to the change in eligibility for unreduced Pension benefits.

2023: The discount rate remained unchanged at 7.00% for the June 30, 2022 valuation.

2022: There were changes in assumptions since the prior measurement date, which the discount rate was adjusted to 7.00% from 7.45%.

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

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

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

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

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

Change in benefit terms.
2025: 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.

2024: Healthcare trends were updated to reflect emerging claims and recoveries experience as well as benefit changes effective January 1, 2024. The change in the subsidy percentage and the base amount for all retiree Non-Medicare Eligible (NME) participants, from 2.2% per year in last year's valuation to 2.5% per year, capped at 75%, as well as the unfreezing of the NME subsidy, the removal of the 6% cap on the year over year subsidy increase for Medicare Eligible (ME) participants, the changes in deductible and office visits copays for Aetna's Medicare Advantage plan, and updates in the medical and PBM vendor contracts. In addition, there were benefit changes related to the change in eligibility for unreduced Pension benefits.

2023: 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. Healthcare trends were updated to reflect emerging claims and recoveries experience.

2022: The non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055% to 2.100%. 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 CY2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

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

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

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

2018: The subsidy multiplier for non-Medicare benefit recipients was reduced from 2.10% to 1.90% per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2019.

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

Clark State College

Required Supplementary Information

Schedule of College's OPEB Contributions
School Employees Retirement System of Ohio
Last Ten Fiscal Years (1)

	Contractually Required Contributions (2)	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	College's Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	$ 80,442	$ (80,442)	-	$ 8,117,207	0.99%
2017	67,938	(67,938)	-	7,911,800	0.86%
2018	121,355	(121,355)	-	7,866,326	1.54%
2019	124,536	(124,536)	-	8,159,474	1.53%
2020	62,097	(62,097)	-	8,221,936	0.76%
2021	62,376	(62,376)	-	8,513,986	0.73%
2022	60,796	(60,796)	-	10,183,586	0.60%
2023	81,543	(81,543)	-	9,683,464	0.84%
2024	97,715	(97,715)	-	10,274,186	0.95%
2025	76,117	(76,117)	-	10,648,064	0.71%

(1) Includes Surcharge

See accompanying notes to the required supplementary information

Clark State College

Required Supplementary Information

Schedule of College OPEB Contributions

State Teachers Retirement System of Ohio

Last Ten Fiscal Years

	Contractually Required Contributions (2)	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	College's Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	-	-	-	$ 8,985,871	0.00%
2017	-	-	-	8,239,779	0.00%
2018	-	-	-	7,868,129	0.00%
2019	-	-	-	8,551,671	0.00%
2020	-	-	-	8,103,929	0.00%
2021	-	-	-	8,507,329	0.00%
2022	-	-	-	8,624,986	0.00%
2023	-	-	-	8,733,293	0.00%
2024	-	-	-	9,353,250	0.00%
2025	-	-	-	10,321,064	0.00%

See accompanying notes to the required supplementary information

OHIO AUDITOR OF STATE
KEITH FABER

CLARK STATE COLLEGE

CLARK 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 1/27/2026

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