SOUTHERN STATE COMMUNITY COLLEGE
HIGHLAND COUNTY

SOUTHERN STATE
COMMUNITY COLLEGE

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
Southern State Community College
100 Hobart Drive
Hillsboro, Ohio 45133

We have reviewed the *Independent Auditor's Report* of Southern State Community College, Highland 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. Southern State Community 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 28, 2026

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SOUTHERN STATE COMMUNITY COLLEGE
HIGHLAND COUNTY, OHIO
FOR THE YEAR ENDED JUNE 30, 2025

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Southern State Community College
Highland County
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2025

Federal Grantor/Pass Through Grantor/Program Title	Pass Through Entity Number	Assistance Listing Number	Total Federal Expenditures
United States Department of Education			
Direct from the Federal Agency			
Student Financial Assistance Cluster:			
Federal Supplemental Educational Opportunity Grants	N	84.007	$97,669
Federal Direct Student Loans	N	84.268	1,668,561
Federal Work-Study Program	N	84.033	24,664
Federal Pell Grant Program	N	84.063	2,480,715
Total Student Financial Assistance Cluster			4,271,609
Passed through the Ohio Department of Education			
Adult Education - Basic Grants to States	3120	84.002	124,504
Total United States Department of Education			4,396,113
Appalachian Regional Commission			
Passed through the American Association of Community Colleges			
Appalachain Regional Development	MU-21881	23.001	80,000
Total Appalachian Regional Commission			80,000
Total Expenditures of Federal Awards			$4,476,113

N - direct award.

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

Note 1 – Basis of Presentation

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

Note 2 - Significant Accounting Policies

Expenditures reported on the schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The College has elected not to use the 15- percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 3 – Federal Direct Student Loan Program

The College participates in the Federal Direct Student Loan Program. The dollar amounts listed in the schedule of federal awards expenditures represents new loans advanced during the fiscal year ended June 30, 2025. The College is a direct lender for these loan funds; however, they are not responsible for collecting these loans in future periods.

Assistance Listing Number	Program Name	Amount
84.268	Federal Subsidized Loans	$538,237
84.268	Federal Unsubsidized Loans	1,130,324
	Total Federal Direct Student Loans	$1,668,561

PLATTENBURG
Certified Public Accountants

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

To the Board of Trustees
Southern State Community College

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and discretely presented component unit of Southern State Community College, Highland County, Ohio, (the College) a component unit of the State of Ohio, as of and for the year ended June 30, 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 Governmental 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 the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we do not express an opinion on the effectiveness of the College's internal control.

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

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

To the Board of Trustees
Southern State Community College

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Southern State Community 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.

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

SOUTHERN STATE COMMUNITY 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	
Dollar threshold used to distinguish between Type A and Type B Programs	$750,000
Auditee qualified as low-risk auditee?	Yes

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

None

Section III – Federal Award Findings and Questioned Costs

None

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

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

SOUTHERN STATE COMMUNITY COLLEGE
HIGHLAND COUNTY

SOUTHERN STATE
COMMUNITY COLLEGE

BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

PLATTENBURG
Certified Public Accountants

SOUTHERN STATE COMMUNITY COLLEGE
HIGHLAND COUNTY, OHIO
FOR THE YEAR ENDED JUNE 30, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Southern State Community College

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 Southern State Community 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

Accounting Standards

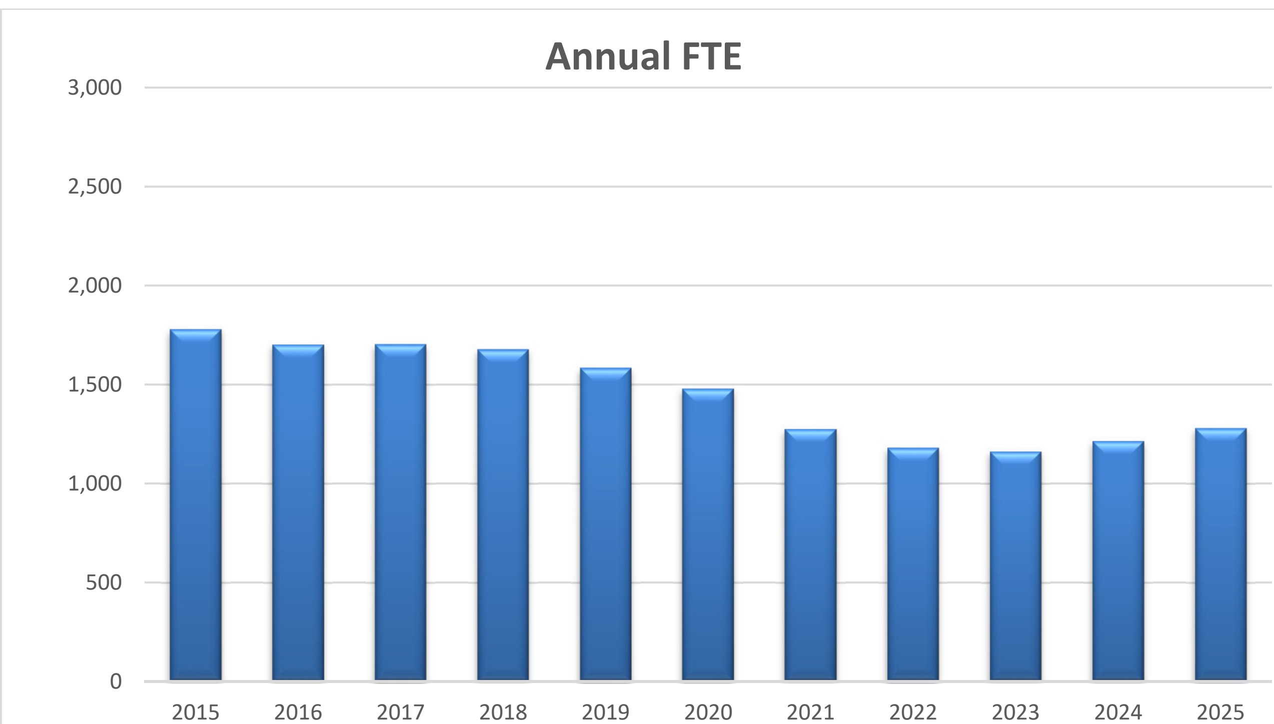
In June 1999, the Governmental Accounting Standards Board (GASB) released Statement No. 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments," which established a new reporting format for annual financial statements. In November 1999, GASB released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

The following discussion and analysis provides an overview of the College's financial activities. This is the 22nd year using this format.

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

Financial and Enrollment Highlights

- State Appropriations decreased 1.96%.
- In FY2025 the College experienced an increase in full-time equivalent enrollment of 5.23%.



Statement of Net Position

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

	2025	2024
Assets:		
Current Assets	$14,940,396	$14,420,237
Noncurrent Assets	5,059,434	4,628,572
Capital assets, net	21,854,835	21,876,014
Total Assets	41,854,665	40,924,823
Deferred Outflows of Resources	2,217,645	2,856,748
Liabilities:		
Current Liabilities	2,034,085	1,374,313
Noncurrent Liabilities	16,833,182	17,881,359
Total Liabilities	18,867,267	19,255,672
Deferred Inflows of Resources	2,401,709	2,965,114
Net Position:		
Net Investment in Capital Assets	15,309,835	14,516,014
Restricted	4,844,649	4,167,645
Unrestricted	2,648,850	2,877,126
Total Net Position	$22,803,334	$21,560,785

Receivables include student accounts for tuition, company accounts for training, and grant receivables. Deferred outflows of resources in FY2025 and FY2024 are largely a result of the continued reporting in accordance with GASB 68 and GASB 75. These balances decreased in FY2025 due to changes in actuarially determined deferrals and the net pension liability and net OPEB liability recognized by the College. See below for more discussion on GASB 68 and GASB 75. Long-term liabilities include deferred compensation (accrued vacation and sick days), outstanding balances of bond issues, and the College's proportionate share of the State-wide net pension liability and net OPEB liability. The overall decrease in noncurrent liabilities for 2025 is due to a decrease in the actuarially determined net pension and OPEB liabilities, and bond principal payments. Net position includes the net investment in capital assets and both restricted and unrestricted funds. Total net position increased approximately 10.00% from FY2024 to FY2025.

The net pension liability (NPL) is the one of the largest liability's reported by the College at June 30, 2025 and is reported pursuant to GASB Statement 68, *Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27*. The College adopted GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the College's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

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

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

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

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

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

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

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

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

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

	2025	2024
Operating revenue:		
Net tuition and fees	$4,812,390	$5,280,689
Auxiliary	931,104	1,197,458
Grants and contracts	2,499,180	4,497,761
Other	74,436	116,630
Total operating revenue	8,317,110	11,092,538
Operating expenses:		
Instructional	4,965,635	4,894,342
Community service	1,294,107	2,870,028
Academic support	2,165,942	2,137,653
Student services	1,605,744	1,610,574
Institutional support	1,971,861	2,115,951
Plant operations	1,104,246	890,374
Depreciation	1,025,824	1,020,585
Scholarships	2,097,804	2,177,070
Auxiliary	1,132,764	1,240,190
Total operating expenses	17,363,927	18,956,767
Operating loss	(9,046,817)	(7,864,229)
Nonoperating revenues (expenses):		
Federal grants and contracts	2,673,200	2,399,891
State appropriations	7,150,294	7,293,254
Investment income (loss)	861,147	830,246
Interest on capital asset-related debt	(247,131)	(273,556)
Capital appropriations	700,362	883,483
Loss on disposal of real estate	0	0
Total Nonoperating revenues (expenses)	11,137,872	11,133,318
Change in net position	2,091,055	3,269,089
Net position - beginning of year, as restated	20,712,279	18,291,696
Net position - end of year	$22,803,334	$21,560,785

Net tuition and fees were $4,812,390 in FY2025 and $5,280,689 in FY2024. Auxiliary revenue consists of the non-grant portion of corporate and community services. These revenues decreased from FY2024 to FY2025. Operating expense decreases primarily reflect decreases in pension and OPEB expenses, associated with these balances were lower than the prior year, based on actuarially determined information, allocated amongst various functions. State appropriation in FY2025 and FY2024 represented 68.5% and 71.2%, respectively of non-operating revenues (expenses).

Statement of Cash Flows

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

	2025	2024
Cash provided by (used in):		
Operating actvities	($8,216,990)	($8,208,593)
Non-capital financing activities	9,823,494	9,693,145
Capital and related financing activities	(1,324,996)	(1,300,567)
Investing activities	515,997	549,034
Net increase (decrease) in cash	797,505	733,019
Cash - beginning of year	10,865,546	10,132,527
Cash - end of year	$11,663,051	$10,865,546

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

Capital Assets

Capital assets, net of accumulated depreciation totaled $21,854,835 at June 30, 2025 and $21,876,014 at June 30, 2024 a decrease of $21,179 from the prior year-end. Additions to capital assets during the year totaled $1,004,645 with no disposals in FY2025. Depreciation expense for the year ended June 30, 2025 totaled $1,025,824. For more information on capital assets, see note 4 to the basic financial statements.

Debt

As of June 30, 2025, the College had outstanding debt of $6,545,000 of which $845,000 was short-term (or due within one year) and $5,700,000 was long-term debt (would come due beyond one year). The outstanding debt related to two 20 year bond issues that were used to provide a portion of the funding of the Patriot Center located on the Central Campus, and a portion of the funding for a renovation and expansion project on the Fayette Campus, and the construction of a new Brown County campus, which will replace the existing facility. The Patriot Center was completed in March of 2005. The Fayette expansion was completed in 2009. The construction of the new Brown County Campus began March 2013, and completed in July 2014. For more information on debt, see note 9 to the basic financial statements.

Economic Factors that will affect the Future

Challenges

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

Opportunities

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

Southern State Community College
Highland County
Statements of Net Position
For the Fiscal Years Ended June 30, 2025

	2025	
	College	Foundation
Assets:		
Current assets:		
Cash and Cash equivalents	$10,413,986	$734,608
Accounts receivable, net	3,303,051	0
Pledges receivable	0	3,603
Prepaid expenses	461,816	0
Inventories	9,159	0
Other assets	12,318	1,855
Total current assets	14,200,330	740,066
Noncurrent assets:		
Restricted cash equivalents	514,457	0
Restricted investments	0	3,568,626
Net OPEB asset	976,351	0
Capital assets, net	21,854,835	0
Total noncurrent assets	23,345,643	3,568,626
Total assets	37,545,973	4,308,692
Deferred outflows of resources:		
Pension plans	2,090,817	0
OPEB plans	126,828	0
Total deferred outflows of resources	2,217,645	0
Liabilities:		
Current liabilities:		
Accounts payable	42,469	0
Accrued liabilities	444,398	0
Held in custody for others	702,218	0
Bonds payable, current portion	845,000	0
Total current liabilities	2,034,085	0
Noncurrent liabilities:		
Bonds payable, long-term portion	5,700,000	0
Compensated absences	1,125,346	0
Net pension liability	10,007,836	0
Net OPEB liability	0	0
Total noncurrent liabilities	16,833,182	0
Total liabilities	18,867,267	0
Deferred inflows of resources		
Grants and contracts	568,006	0
Pension plans	1,421,376	0
OPEB plans	412,327	0
Total deferred inflows of resources	2,401,709	0
Net position:		
Net investment in capital assets	15,309,835	0
Restricted for:		
Nonexpendable:		
Endowments	12,318	3,531,539
Expendable:		
Loans	17,696	0
Scholarships and fellowships	0	592,244
OPEB plans	690,852	0
Unrestricted (deficit)	2,463,941	184,909
Total net position	$18,494,642	$4,308,692

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

Southern State Community College
Highland County
Statements of Revenues, Expenses and Changes in Net Position
For the Fiscal Years Ended June 30, 2025

	2025	
	College	Foundation
Revenues:		
Operating revenues:		
Student tuition and fees (net of scholarship allowance)	$4,812,390	$0
State grants and contracts	1,821,934	0
Local grants and contracts	120	0
Private grants and contracts	187,161	489,965
Auxiliary services	931,104	0
Other operating revenue	74,436	0
Total operating revenue	7,827,145	489,965
Expenses:		
Operating expenses:		
Instructional	4,965,635	0
Community service	1,294,107	0
Academic support	2,165,942	0
Student services	1,283,844	321,900
Institutional support	1,971,861	0
Plant operations	1,104,246	0
Depreciation	1,025,824	0
Scholarships	2,097,804	0
Auxiliary activities	1,132,764	0
Total operating expenses	17,042,027	321,900
Operating income (loss)	(9,214,882)	168,065
Nonoperating revenues (expenses):		
Federal grants and contracts	2,673,200	0
State appropriations	7,150,294	0
Investment income (loss), net of investment expense	477,537	383,610
Interest on capital asset-related debt	(247,131)	0
Total nonoperating revenues (expenses)	10,053,900	383,610
Income (loss) before other revenues, expenses, gains, losses	839,018	551,675
Capital appropriations	700,362	0
Loss on disposal of real estate	0	0
Change in net position	1,539,380	551,675
Net position - beginning of year, as previously reported	17,803,768	3,757,017
Change in accounting principle	(848,506)	0
Net position - beginning of year, as restated	16,955,262	0
Net position - end of year	$18,494,642	$4,308,692

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

Southern State Community College
Highland County
Statements of Cash Flows
For the Fiscal Years Ended June 30, 2025

	2025	
	College	Foundation
Cash flows from operating activities:		
Tuition and fees	$4,812,390	$0
Grants and contracts	2,009,215	0
Private gifts	0	489,976
Other operating revenue	74,436	0
Payments to suppliers	(3,068,483)	0
Payments for utilities	0	0
Payments to employees	(7,262,492)	0
Payments for benefits	(3,055,933)	0
Scholarships	(2,097,804)	(321,900)
Auxiliary enterprise charges	931,104	0
Other disbursements	(727,499)	0
Net cash provided (used) by operating activities	(8,385,066)	168,076
Cash flows from noncapital financing activities:		
Federal grants and contracts	2,673,200	0
State appropriations	7,150,294	0
Net cash provided (used) by noncapital financing activities	9,823,494	0
Cash flows from capital and related financing activities:		
Capital appropriations	700,362	0
Purchase of capital assets	(1,004,645)	0
Sale of capital assets	0	0
Principal paid on capital debt	(815,000)	0
Interest paid on capital debt	(205,714)	0
Net cash provided (used) by capital and related financing activities	(1,324,997)	0
Cash flows from investing activities:		
Interest on investments	436,120	383,610
(Purchase) sale of investments	0	(303,733)
Net cash provided (used) by investing activities	436,120	79,877
Net increase (decrease) in cash and cash equivalents	549,551	247,953
Cash and cash equivalents - beginning of year	10,378,892	486,655
Cash and cash equivalents - end of year	$10,928,443	$734,608

Southern State Community College
Highland County
Statements of Cash Flows
For the Fiscal Years Ended June 30, 2025

	2025	
	College	Foundation
Reconciliation of operating income (loss) to net cash used by operating activities:		
Operating income (loss)	($9,214,882)	$168,065
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation expense	1,025,824	0
Changes in assets and liabilities:		
Receivables, net	189,870	11
Inventories	48	0
Other assets	161,846	0
Accrued liabilities	224,507	0
Deferred outflows of resources-pension/OPEB	639,103	0
Deferred inflows of resources-grants and contracts	22,271	0
Deferred inflows of resources-pension/OPEB	(585,676)	0
Net pension/OPEB asset	(239,002)	0
Net pension liability	(920,768)	0
Net OPEB liability	0	0
Deposits held for others	405,265	0
Compensated absences	(130,915)	0
Prepaid expenses	37,443	0
Net cash provided (used) by operating activities	($8,385,066)	$168,076

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

Note 1 – Summary of Significant Accounting Policies

Reporting Entity

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

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

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

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

Basis of Presentation

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

Basis of Accounting

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

Cash and Cash Equivalents

The College's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Cash equivalents include the College's investment in the STAR Ohio and money market funds, which amounted to $10,928,443 at June 30, 2025.

During fiscal year 2025, the College and Foundation invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, *Certain External Investment Pools and Pool Participants*. The College and Foundation measure their investments in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For fiscal year 2025, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, 24 hours advance notice for deposits and withdrawals of $100 million or more is appreciated. STAR Ohio reserves the right to limit the transaction to $250 million per day. All accounts of the participant will be combined for these purposes.

Investments

The College does not have a formal investment policy but consults the Ohio Revised Code for guidance with respect to allowable investments. The Foundation does have a formal policy, and the purchase of specific investment instruments is at the discretion of the Treasurer within these policy guidelines. As of June 30, 2025, investments held by the Foundation were valued at $3,568,626. In accordance with GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, investments are reported at fair value.

Accounts and Pledges Receivables

At June 30, 2025, accounts receivable consists primarily of student tuition and fees, third party, and intergovernmental grants and contracts. Student and third-party accounts receivable are reported net of an allowance for doubtful accounts of $820,113 at June 30, 2025, whereas other receivables are reported at net, based on separate allowances for doubtful accounts estimated by management. Pledges receivable are unconditional promises to give and are recognized at the present value of future cash flows. No allowance for uncollectible promises to give is considered necessary.

Inventory

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

Restricted Assets

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

Capital Assets

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

Lease Assets

A lease 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 lease 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 a lease, the lease 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.

Deferred Inflows/Outflows of Resources

Deferred inflows of resources is comprised primarily of receipts relating to tuition and student fees in advance of the services to be provided and grant funds not earned as of June 30, 2025. Deferred inflows and outflows of resources related to pensions/OPEB are explained in notes 6 and 7.

Operating Revenues

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

Scholarships and Allowances and Student Aid

Financial aid to students is reported in the financial statements under the alternative method as prescribed by the National Association of College and University Business Officers (NACUBO). Certain aid such as loans, funds provided to students as awarded by third parties, and Federal Direct Lending is accounted for as a third party payment (credited to the student's account as if the student made the payment). All other aid is reflected in the financial statements as operating expenses, or scholarship allowances, which reduce revenues. The amount reported as operating expense represents the portion of aid provided to the student in the form of cash. Scholarship allowances represent the portion of aid provided to the student in the form of reduced tuition. Scholarship allowances for fiscal year 2025 were $1,246,373.

Pensions/Other Postemployment Benefits (OPEB)

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

Federal Financial Assistance Programs

The College participates in federally funded Pell Grants, SEOG Grants, and Federal Direct Lending programs. Federal programs are audited in accordance with the Single Audit Act Amendments of 1996, and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). During fiscal year 2025 the College distributed $1,668,561 for direct lending through the U.S. Department of Education, which is not included as revenues and expenses on the accompanying financial statements.

Net Position

Net position is classified according to external donor restrictions or availability of assets for satisfaction of College obligations. Capital assets, net of accumulated depreciation, reduced by related debt represents the College's net investment in capital assets. Nonexpendable restricted net position represents gifts that have been received for endowment purposes, the corpus of which cannot be expended. Expendable restricted net position represents funds that have been received for specific purposes. Unrestricted net position includes resources which can be used at the College's discretion. Of the College's $4,844,649 in restricted net position at June 30, 2025 none is restricted by enabling legislation.

Prepaid Expenses

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

Use of Estimates

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

Note 2 – Cash, Cash Equivalents and Investments

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

	Cash	Investments
Category 1	Deposits that are either insured or collateralized with securities held by the College or by its agent in the College's name.	Investments that are insured or registered, or securities held by the College or by its agent in the College's name.
Category 2	Deposits collateralized with securities held by the pledging financial institution's trust department or agent in the College's name.	Investments that are uninsured and registered, with securities held by the counterparty's trust department or agent in the College's name.

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

Primary Government - College

At June 30, 2025, the carrying amount of the College's cash deposits was $2,311,282and the bank balance was $3,360,430. At June 30, 2025, $335,825 of the bank balance was insured by the FDIC (Category 1); the remaining bank balances were Category 3.

The College held $8,102,768 in STAR Ohio investments, which is an external investment pool and is considered cash equivalents under GASB Statement No. 9. Oversight of the pool is through the Treasurer of State. The fair value of the College's position in the pool is the same as the value of its pool shares. Such investments are not required to be categorized in accordance with Governmental Accounting Standards Board Statement No. 3. All other investments are Category 1. The following summarizes the market value of the College's investments:

June 30, 2025			
Investment Type	Fair Value/NAV	< 1 Year	Fair Value Hierarchy
Star Ohio	$8,102,768	$8,102,768	N/A
Money Market Funds	514,457	514,457	Level 1
Total	$8,617,225	$8,617,225	

Component Unit – Foundation

At June 30, 2025, the carrying amount of the Foundation's cash deposits was $0 and the bank balance was $0. The following summarizes the market value of the Foundation's investments:

June 30, 2025

Investment Type	Fair Value/NAV	Investment Maturities < 1 Year
Star Ohio	$595,526	$595,526
Money Market Funds	139,083	139,083
Other Bonds	1,484,274	1,484,274
Equity Funds	1,850,353	1,850,353
Common Stock	234,000	234,000
Total	$4,303,236	$4,303,236

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

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

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

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

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

PrimaryGovernment - The College has no investment policy that limits its investment choices. As of the fiscal year ended June 30, 2025 the College’s investments in STAR Ohio rated AAAm by Standard & Poor’s. Money market funds are unrated.

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

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

Primary Government - The College places no limit on the amount the College may invest in any one issuer. More than 5% of the College's investments are in STAR Ohio and money market funds. These investments were 94% and 6% as of June 30, 2025 of the College's total investments.

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

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

For the fiscal year ended June 30, 2025, more than 5% of the Foundation's investments are equity funds, common stock, and other bonds. These investments represent 43%, 5%, and 52% of the Foundation's total investments, respectively.

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

Primary Government - *Deposits*. As of June 30, 2025, the College's bank balance of $2,511,860 was either covered by FDIC or collateralized by the financial institution's public entity deposit pool in the manner described below.

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

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

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

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

Note 3 – Accounts Receivable

Accounts receivable at June 30, 2025 was comprised of the following:

	Gross Receivables	Allowance for Doubtful Accounts	Net Receivables
Current Receivables:			
Students	$4,067,537	($820,113)	$3,247,424
Intergovernmental	16,792	0	16,792
Third Party	38,835	0	38,835
Total Current Receivables	$4,123,164	($820,113)	$3,303,051

Note 4 – Capital Assets

Capital asset activity for the year ended June 30, 2025 is as follows:

	2025			
	Beginning Balance	Additions	Reductions	Ending Balance
Capital assets not depreciated:				
Land	$3,817,468	$0	$0	$3,817,468
Non-Depreciable Artwork	4,400	0	0	4,400
Total capital assets not depreciated	3,821,868	0	0	3,821,868
Capital assets being depreciated:				
Buildings and Improvements	32,630,936	641,849	0	33,272,785
Equipment	4,445,207	362,796	0	4,808,003
Library books	545,426	0	0	545,426
Vehicles	794,947	0	0	794,947
Total capital assets depreciated	38,416,516	1,004,645	0	39,421,161
Total capital assets	42,238,384	1,004,645	0	43,243,029
Accumulated depreciation:				
Buildings and Improvements	(15,610,998)	(855,568)	0	(16,466,566)
Equipment	(3,558,722)	(159,441)	0	(3,718,163)
Library books	(544,984)	(295)	0	(545,279)
Vehicles	(647,666)	(10,520)	0	(658,186)
Total accumulated depreciation	(20,362,370)	(1,025,824)	0	(21,388,194)
Capital assets, net	$21,876,014	($21,179)	$0	$21,854,835

The following estimated useful lives are used to compute depreciation:

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

Note 5 – State Support

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

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

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

Note 6 - Defined Benefit Pension Plans

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

Net Pension Liability/Net OPEB Liability (Asset)

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

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

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

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

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description

The College's employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers two separate pension plans: the Traditional Pension Plan, a defined benefit plan, and the Member-Directed Plan, a defined contribution plan. OPERS is a qualified governmental plan under Section 401(a) of the Internal Revenue Code and is administered in accordance with ORC Chapter 145. All state and local governmental employees in Ohio, except those covered by one of the other state or local retirement systems in Ohio, are members of OPERS. New public employees have 180 days from the commencement of employment to select membership in one of the pension plans. Contributions to OPERS are effective with the first day of the member's employment. Contributions made prior to the member's plan selection are maintained in the Traditional Pension Plan and later transferred to the Member-Directed Plan, if elected by the member, as appropriate.

The Traditional Pension Plan also includes members of the legacy Combined Plan, a hybrid defined benefit/defined contribution plan now referred to as the Combined Plan division of the Traditional Pension Plan. Prior to January 1, 2024, the Combined Plan was a separate pension plan. Effective January 1, 2022, the Combined Plan was no longer available for member selection. In October 2023, the legislature approved House Bill (HB) 33 which allowed for the consolidation of the Combined Plan into the Traditional Pension Plan. The Combined Plan was consolidated into the Traditional Pension Plan effective January 1, 2024 and is tracked as a separate division within the Traditional Pension Plan. No changes were made to the benefit design features of the Combined Plan as part of this consolidation so that members in this plan will experience no changes. Throughout this report, references to the Traditional Pension Plan are inclusive of the Combined Plan division, unless otherwise noted. The effect of this change was immaterial to these financial statements.

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

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

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

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.
Traditional plan state and local members who retire before meeting the age-and-years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The amount of a member's pension benefit vests a retirement.

Once a benefit recipient retired under the Traditional Pension Plan has received benefits for 12 months, the member is eligible for an annual cost-of-living adjustment. This cost-of-living adjustment is calculated on the member's original base retirement benefit at the date of retirement and is not compounded. For those who retired prior to January 7, 2013, the cost-of-living adjustment is 3%. For those retiring on or after January 7, 2013, beginning in 2019, the adjustment is based on the average percentage increase in the Consumer Price Index, capped at 3%.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-Directed Plan Plan members who have met the retirement eligibility requirements may apply for retirement benefits. Member-Directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the Member-Directed Plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20% each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual accounts. Options include the annuitization of their benefit account (which includes joint and survivor options and will continue to be administered by OPERS), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance (net of taxes withheld), or a combination of these options. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

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

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The College's contractually required contributions to OPERS was $529,301 for fiscal year 2025.

Plan Description - State Teachers Retirement System (STRS)

Plan Description

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

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

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. 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 fifty and after termination of employment.

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

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. New members 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 contributions to STRS was $550,533 for fiscal year 2025.

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

The net pension liability was measured as of December 31, 2024 (OPERS) and June 30, 2024 (STRS), 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:

	OPERS	STRS	Total
Proportionate Share of the Net Pension Liability	$4,594,702	$5,413,134	$10,007,836
Proportion of the Net Pension Liability:			
Current Measurement Date	0.01874200%	0.02813243%	
Prior Measurement Date	0.01829000%	0.02851277%	
Change in Proportionate Share	0.00045200%	-0.00038034%	
Pension Expense	$551,268	($313,446)	$237,822

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

	OPERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	$87,913	$340,886	$428,799
Changes of assumptions	0	249,467	249,467
Net difference between projected and actual earnings on pension plan investments	542,036	0	542,036
Changes in proportionate share and difference between employer contributions and proportionate share of contributions	55,331	0	55,331
Contributions subsequent to the measurement date	264,651	550,533	815,184
Total Deferred Outflows of Resources	$949,931	$1,140,886	$2,090,817
Deferred Inflows of Resources			
Differences between expected and actual experience	$0	$2,964	$2,964
Changes of assumptions	0	187,777	187,777
Net difference between projected and actual earnings on pension plan investments	0	465,419	465,419
Changes in proportionate share and difference between employer contributions and proportionate share of contributions	54,892	710,323	765,215
Total Deferred Inflows of Resources	$54,892	$1,366,483	$1,421,375

$815,184 reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement dates was 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:	OPERS	STRS	Total
2026	$299,576	($682,935)	($383,359)
2027	608,046	334,915	942,961
2028	(209,131)	(299,329)	(508,460)
2029	(68,103)	(128,781)	(196,884)
Total	$630,388	($776,130)	($145,742)

Actuarial Assumptions - OPERS

Effective January 1, 2024, the Combined Plan was consolidated into the Traditional Pension Plan, as approved by the legislature in HB 33. Prior to January 1, 2024, the Combined Plan was a separate pension plan.

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

Projections of benefits for financial-reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2024, using the following key actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with the requirements of GASB 67:

	December 31, 2024	December 31, 2023
Wage Inflation	2.75 percent	2.75 percent
Future Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation	2.75 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3.0 percent, simple	3.0 percent, simple
Post-January 7, 2013 Retirees	2.9 percent, simple through 2025, then 2.05 percent, simple	3.0 percent, simple through 2024, then 2.05 percent, simple
Investment Rate of Return	6.9 percent	6.9 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

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

MP-2020 mortality improvement scales (males and females) to all of these tables. The most recent experience study was completed for the five year period ended December 31, 2020.

During 2024, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Defined Contribution portfolio and the Health Care portfolio. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, including the defined benefit component of the Combined Plan division, and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a gain of 8.8% for 2024.

The allocation of investment assets within the Defined Benefit portfolio is approved by the Board as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long- term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return over a 20-year period are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric real rates of return were provided by the Board’s investment consultant.

For each major asset class that is included in the Defined Benefit portfolio’s target asset allocation as of December 31, 2024, these best estimates are summarized in the following table. A simple weighted sum of asset class returns will not yield the results shown on the table given the process followed to adjust for inflation, the compounding to a given time period, and the impact of volatility and correlations to the portfolio.

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	24.00%	2.42%
Domestic Equities	21.00%	5.70%
Real Estate	13.00%	4.17%
Private Equity	15.00%	8.40%
International Equities	20.00%	6.10%
Risky Parity	2.00%	4.40%
Other Investments	5.00%	2.54%
Total	100.00%	

Discount Rate

The discount rate used to measure the total pension liability was 6.9% for the Traditional Pension Plan and Member-Directed Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan and Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate
The following table presents the net pension liability or asset calculated using the discount rate of 6.9%, and the expected net pension liability or asset if it were calculated using a discount rate that is 1.0% lower or 1.0% higher than the current rate.

	1% Decrease 5.90%	Current Discount Rate 6.90%	1% Increase 7.90%
Proportionate share of the net pension liability	$7,516,667	$4,594,702	$2,166,575

Changes Between the Measurement Date and the Report Date
The pension information is measured as of December 31, 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 proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.00 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.00 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	$8,732,334	$5,413,134	$2,605,661

Changes Between the Measurement Date and the Report 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 7 - Defined Benefit OPEB Plans

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

Ohio Public Employees Retirement System (OPERS)

Plan Description
The Ohio Public Employees Retirement System (OPERS) administers two separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefits pension plan and the member-directed plan, a defined contribution plan.

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

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

OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents.
OPERS members enrolled in the Traditional Pension Plan retiring with an effective date of January 1, 2022, or after must meet the following health care eligibility requirements to receive an HRA allowance:

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

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

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

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

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

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

Group A 30 years of qualified health care service credit;

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

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

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

Members with a retirement date prior to January 1, 2022, who were eligible to participate in the OPERS health care program will continue to be eligible after January 1, 2022, subject to membership in Group A, B, or C. See the Age and Service Retirement section of the OPERS ACFR for a description of Groups A, B and C.

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

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

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

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

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

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

The heath care trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or separation, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

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

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

Funding Policy
The Ohio Revised Code provides the statutory authority allowing public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2025 and 2024, state and local employers contributed at a rate of 14.0 percent of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2024, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2024 was 4.0 percent; however, effective July 1, 2022, a portion of the health care rate was funded with reserves which has continued through 2024.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The College's contractually required contributions to OPERS was $0 for fiscal years 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, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability (asset) was measured as of December 31, 2024 (OPERS) and June 30, 2024 (STRS), and the total OPEB liability (asset) 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:

	OPERS	STRS	Total
Proportionate Share of the Net OPEB (Asset)	($442,732)	($533,618)	($976,350)
Proportion of the Net OPEB Liability/Asset:			
Current Measurement Date	0.01888600%	0.02813243%	
Prior Measurement Date	0.02025600%	0.02851277%	
Change in Proportionate Share	-0.00137000%	-0.00038034%	
OPEB Expense	($136,352)	($127,975)	($264,327)

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

	OPERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	$0	$23,198	$23,198
Changes of assumptions	0	65,681	65,681
Net difference between projected and actual earnings on OPEB plan investments	9,116	0	9,116
Changes in proportionate share and difference between employer contributions and proportionate share of contributions	12,358	16,476	28,834
Total Deferred Outflows of Resources	$21,474	$105,355	$126,829
Deferred Inflows of Resources			
Differences between expected and actual experience	$21,549	$57,507	$79,056
Changes of assumptions	63,882	240,658	304,540
Net difference between projected and actual earnings on OPEB plan investments	0	22,912	22,912
Changes in proportionate share and difference between employer contributions and proportionate share of contributions	0	5,819	5,819
Total Deferred Inflows of Resources	$85,431	$326,896	$412,327

No amount is reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date that was recognized as an 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:	OPERS	STRS	Total
2026	($36,693)	($82,560)	($119,253)
2027	44,893	(35,020)	9,873
2028	(53,361)	(43,653)	(97,014)
2029	(18,796)	(40,082)	(58,878)
2030	0	(31,940)	(31,940)
Thereafter	0	11,714	11,714
Total	($63,957)	($221,541)	($285,498)

Actuarial Assumptions - OPERS

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

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2023, rolled forward to the measurement date of December 31, 2024.

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

Wage Inflation	2.75 percent
Projected Salary Increases	2.75 to 10.75 percent including wage inflation
Single Discount Rate	6.00 percent
Prior Year Single Discount Rate	5.70 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate	4.08 percent
Prior Year Municipal Bond Rate	3.77 percent
Health Care Cost Trend Rate	5.5 percent, initial 3.50 percent, ultimate in 2039 (2038 in prior year)
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables. The most recent experience study was completed for the five year period ended December 31, 2020.

The allocation of investment assets within the Health Care portfolio is approved by the Board as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. The Plan's primary goal is to achieve and maintain a fully funded status for benefits provided through the defined benefit pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return over a 20-year period are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Health Care portfolio's target asset allocation as of December 31, 2024, these best estimates are summarized on the following table. A simple weighted sum of asset class returns will not yield the results shown on the table given the process followed to adjust for inflation, the compounding to a given time period, and the impact of volatility and correlations to the portfolio.

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	37.00%	2.37%
Domestic Equities	26.00%	5.70%
Real Estate Investment Trusts	5.00%	5.00%
International Equities	26.00%	6.10%
Risk Parity	3.00%	4.40%
Other Investments	3.00%	2.50%
Total	100.00%	

During 2024, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Defined Contribution portfolio and the Health Care portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan division and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a gain of 10.0% for 2024.

Discount Rate

A single discount rate of 6.00% was used to measure the total OPEB liability on the measurement date of December 31, 2024; however, the single discount rate used at the beginning of the year was 5.70%. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). The single discount rate was based on the actuarial assumed rate of return of 6.00%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through the year 2124. As a result, the single discount rate was set as the actuarial assumed long-term expected rate of return on health care investments and was applied to projected costs through the year 2124, the duration of the projection period through which projected health care payments are fully funded. The tax-exempt municipal bond rate was not needed in the determination of the single discount rate.

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 following table presents the net OPEB liability or asset calculated using the single discount rate of 6.00%, and the expected net OPEB liability or asset if it were calculated using a discount rate that is 1.0% lower or 1.0% higher than the current rate.

June 30, 2025	1% Decrease 5.00%	Single Discount Rate 6.00%	1% Increase 7.00%
Proportionate share of the net OPEB liability (asset)	($219,833)	($442,732)	($628,715)

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

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

Retiree health care valuations use a health care cost trend assumption with changes over several years built into that assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2025 is 5.50%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health care cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50% in the most recent valuation.

June 30, 2025	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
Proportionate share of the net OPEB (asset)	($449,487)	($442,732)	($435,133)

Changes Between the Measurement Date and the Reporting date

The OPEB information is measured as of December 31, 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	($433,867)	($533,618)	($620,424)

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB asset	($662,288)	($533,618)	($422,172)

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 8 – Compensated Absences

The College recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences – vacation and sick leave. The liability for compensated absences is reported as incurred in the government-wide financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

The liability for the cost of vacation and sick leave benefits was approximately $1,125,346 as of June 30, 2025.

Note 9 – Long-Term Liabilities

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

The following summarizes as of June 30, 2025:

			2025				
	Interest Rate	Due Serially Thorugh	Beginning Balance	Additions	Deletions	Ending Balance	Current Portion
Bonds:							
Series 2011	2.0-4.0%	2031	$5,110,000	$0	($565,000)	$4,545,000	$585,000
Series 2012	2.0-3.6%	2031	2,250,000	0	(250,000)	2,000,000	260,000
Total Bonds			7,360,000	0	(815,000)	6,545,000	845,000
Net Pension Liability:							
OPERS			4,788,397	0	(193,695)	4,594,702	0
STRS			6,140,207	0	(727,073)	5,413,134	0
Total Net Pension Liability			10,928,604	0	(920,768)	10,007,836	0
Total Long-Term Liabilities			$18,288,604	$0	($1,735,768)	$16,552,836	$845,000

Principal and interest amounts due within each of the next five years and thereafter on obligations outstanding at June 30, 2025, are as follows:

Fiscal	Series 2011		Series 2012	
Year End	Principal	Interest	Principal	Interest
2026	$585,000	$159,746	$260,000	$63,143
2027	600,000	139,740	265,000	55,004
2028	625,000	118,303	275,000	46,361
2029	645,000	94,465	285,000	37,119
2030	670,000	68,835	295,000	27,256
2031-2032	1,420,000	57,052	620,000	22,424
Total	$4,545,000	$638,141	$2,000,000	$251,307

In connection with the General Receipts Bonds, the College has pledged future general revenues of the main campus, net of certain specified receipts such as state appropriations and taxes, to repay these bonds. The bonds are payable, through their final maturities, from net revenues applicable to the main campus. Annual principal and interest payments on the bonds are expected to require less than 1.4 percent of net revenues. Total principal and interest remaining to be paid on these bonds is $7,434,448.

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

Note 10 – Risk Management

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

Note 11 – Related Party Disclosures

The College has evaluated its financial transactions, arrangements, and relationships in accordance with the requirements of the U.S. Department of Education (34 CFR §668.23(d)(1)) and Auditor of State Technical Bulletin 2025-001, which extend beyond the disclosure requirements of GASB Codification Section 2250, *Related Party Transactions*.

Management has determined that, for the fiscal year ended June 30, 2025, the District had no related party relationships, related entities, related party transactions, or related party outstanding balances that are required to be disclosed. Accordingly, no related party disclosures are presented in these financial statements.

Note 12 – Implementation of New Accounting Principles

For fiscal year 2025, the College implemented Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences, GASB Statement No. 102, Certain Risk Disclosures, and GASB Implementation Guide No. 2025-1.

GASB Statement No. 102 addresses the variety of risks that state and local governments face that could negatively affect the level of service they provide or their ability to meet obligations as they come due.

Although governments are required to disclose information about their exposure to some of those risks, essential information about other risks that are prevalent among state and local governments is not routinely disclosed because it is not explicitly required. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The implementation of GASB Statement No. 102 did not have an effect on the financial statements of the College.

GASB Implementation Guide No. 2025-1 includes providing clarity on a range of accounting issues for state and local governments. These topics under GASB Implementation Guide No. 2025-1 provisions were implemented and did not have an effect on the financial statements of the College.

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, by opinion unit affected:

	College-Wide
Net Position-Beginning of Year, as Previously Presented	$17,803,768
Change in Accounting Principal-Adoption of GASB 101	(848,506)
Net Position-Beginning of Year, as Restated or Adjusted	$16,955,262

REQUIRED SUPPLEMENTARY INFORMATION

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

Year	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of Total Pension Liability
2025	0.02813243%	$5,413,134	$3,904,643	138.63%	82.55%
2024	0.02851277%	6,140,207	3,851,171	159.44%	80.02%
2023	0.03186383%	7,083,370	4,142,450	170.99%	78.88%
2022	0.03236327%	4,137,935	3,993,414	103.62%	87.78%
2021	0.03666464%	8,871,538	4,398,007	201.72%	75.48%
2020	0.04272303%	9,447,941	5,015,843	188.36%	77.40%
2019	0.04471891%	9,832,684	5,057,164	194.43%	77.31%
2018	0.04651932%	11,050,764	5,298,143	208.58%	75.30%
2017	0.04703777%	15,744,959	4,949,279	318.13%	66.80%
2016	0.05499036%	15,197,727	5,671,321	267.98%	72.10%

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

See accompanying notes to the required supplementary information.

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

Year	District's Contractually Required Contribution	District's Contributions in Relation to the Contractually Required Contributions	District's Contribution Deficiency (Excess)	District's Covered Payroll	District's Contributions as a Percentage of Covered Payroll
2025	$550,533	($550,533)	$0	$3,932,379	14.00%
2024	546,650	(546,650)	0	3,904,643	14.00%
2023	539,164	(539,164)	0	3,851,171	14.00%
2022	579,943	(579,943)	0	4,142,450	14.00%
2021	559,078	(559,078)	0	3,993,414	14.00%
2020	615,721	(615,721)	0	4,398,007	14.00%
2019	702,218	(702,218)	0	5,015,843	14.00%
2018	708,003	(708,003)	0	5,057,164	14.00%
2017	741,740	(741,740)	0	5,298,143	14.00%
2016	692,899	(692,899)	0	4,949,279	14.00%

See accompanying notes to the required supplementary information.

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

Year	College's Proportion of the Net Pension Liability	College's Proportionate Share of the Net Pension Liability	College's Covered Payroll	College's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of Total Pension Liability
2025	0.01874200%	$4,594,702	$3,875,043	118.57%	80.99%
2024	0.01829000%	4,788,397	3,241,271	147.73%	79.01%
2023	0.01983800%	5,860,154	3,509,914	166.96%	75.74%
2022	0.02055400%	1,788,281	3,307,786	54.06%	92.62%
2021	0.02083300%	3,084,914	2,942,486	104.84%	86.88%
2020	0.02105000%	4,160,675	3,287,200	126.57%	82.17%
2019	0.02434600%	6,667,876	3,701,799	180.13%	74.70%
2018	0.02664300%	4,179,770	3,622,942	115.37%	84.66%
2017	0.02775100%	6,301,780	4,139,575	152.23%	77.25%
2016	0.03099000%	5,367,859	4,294,814	124.98%	81.08%

(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.

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

Year	College's Contractually Required Contribution	College's Contributions in Relation to the Contractually Required Contributions	College's Contribution Deficiency (Excess)	College's Covered Payroll	College's Contributions as a Percentage of Covered Payroll
2025	$529,302	($529,302)	$0	$3,780,729	14.00%
2024	542,506	(542,506)	0	3,875,043	14.00%
2023	453,778	(453,778)	0	3,241,271	14.00%
2022	491,388	(491,388)	0	3,509,914	14.00%
2021	463,090	(463,090)	0	3,307,786	14.00%
2020	411,948	(411,948)	0	2,942,486	14.00%
2019	460,208	(460,208)	0	3,287,200	14.00%
2018	499,743	(499,743)	0	3,701,799	13.50%
2017	434,753	(434,753)	0	3,622,942	12.00%
2016	496,749	(496,749)	0	4,139,575	12.00%

See accompanying notes to the required supplementary information.

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

Year	College's Proportion of the Net OPEB Asset/Liability	College's Proportionate Share of the Net OPEB (Asset)/Liability	College's Covered Payroll	College's Proportionate Share of the Net OPEB (Asset)/Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position Percentage as a of the Total OPEB (Asset)/Liability
2025	0.02813243%	($533,618)	$3,904,643	(13.67%)	158.01%
2024	0.02851277%	(554,534)	3,851,171	(14.40%)	168.52%
2023	0.03186383%	(825,060)	4,142,450	(19.92%)	230.73%
2022	0.03236327%	(682,353)	3,993,414	(17.09%)	174.73%
2021	0.03666464%	(644,381)	4,398,007	(14.65%)	182.13%
2020	0.04272303%	(707,595)	5,015,843	(14.11%)	174.74%
2019	0.04471891%	(718,587)	5,057,164	(14.21%)	176.00%
2018	0.04651932%	1,815,012	5,298,143	34.26%)	47.10%
2017	0.04703777%	2,515,592	4,949,279	50.83%)	37.30%

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

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

See accompanying notes to the required supplementary information.

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

Year	College's Contractually Required Contribution	College's Contributions in Relation to the Contractually Required Contributions	College's Contribution Deficiency (Excess)	College's Covered Payroll	College's Contributions as a Percentage of Covered Payroll
2025	$0	$0	$0	$3,932,379	0.00%
2024	0	0	0	3,904,643	0.00%
2023	0	0	0	3,851,171	0.00%
2022	0	0	0	4,142,450	0.00%
2021	0	0	0	3,993,414	0.00%
2020	0	0	0	4,398,007	0.00%
2019	0	0	0	5,015,843	0.00%
2018	0	0	0	5,057,164	0.00%
2017	0	0	0	5,298,143	0.00%
2016	0	0	0	4,949,279	0.00%
2015	0	0	0	5,671,321	0.00%

See accompanying notes to the required supplementary information.

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

Year	College's Proportion of the Net OPEB Asset/Liability	College's Proportionate Share of the Net OPEB (Asset)/Liability	College's Covered Payroll	College's Proportionate Share of the Net OPEB (Asset)/Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position Percentage as a Percentage of Total OPEB (Asset)/Liability
2025	0.01888600%	($442,732)	$3,875,043	(11.43%)	121.51%
2024	0.02025600%	(182,815)	3,241,271	(5.64%)	107.76%
2023	0.02144700%	135,227	3,509,914	3.85%	94.79%
2022	0.02188800%	(685,566)	3,307,786	(20.73%)	128.23%
2021	0.02211100%	(393,925)	2,942,486	(13.39%)	115.57%
2020	0.02292100%	3,165,986	3,287,200	96.31%	47.80%
2019	0.02631200%	3,430,464	3,701,799	92.67%	46.33%
2018	0.02855000%	3,100,320	3,622,942	85.57%	54.14%
2017	0.03001170%	2,883,647	4,139,575	69.66%	54.05%

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

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

See accompanying notes to the required supplementary information.

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

Year	College's Contractually Required Contribution	College's Contributions in Relation to the Contractually Required Contributions	College's Contribution Deficiency (Excess)	College's Covered Payroll	College's Contributions as a Percentage of Covered Payroll
2025	$0	$0	$0	$3,780,729	0.00%
2024	0	0	0	3,875,043	0.00%
2023	0	0	0	3,241,271	0.00%
2022	0	0	0	3,509,914	0.00%
2021	0	0	0	3,307,786	0.00%
2020	0	0	0	2,942,486	0.00%
2019	0	0	0	3,287,200	0.00%
2018	20,414	(20,414)	0	3,701,799	0.55%
2017	72,459	(72,459)	0	3,622,942	2.00%
2016	82,792	(82,792)	0	4,139,575	2.00%

Note 1 - Net Pension Liability

State Teachers Retirement System (STRS)

Changes 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.

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

Changes 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.

Ohio Public Employees Retirement System (OPERS)

Changes in Benefit Terms:
2025: Effective January 1, 2024, the Combined Plan was consolidated into the Traditional Pension Plan and is tracked as a separate division within the Traditional Pension Plan. No changes were made to the benefit design features of the Combined Plan as part of this consolidation so that members in this plan will experience no changes.

2014-2024: There were no changes in benefit terms for this period.

Changes in Assumptions:
2025: Post-January 7, 2013 retirees cost of living adjustment (COLA) or Ad Hoc COLA changed from 3.0% simple to 2.9% simple.

2023-2024: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for this period.

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

(1) Reduced the investment rate of return assumption from 7.20% to 6.90%,
(2) Reduced the Wage Inflation from 3.25% to 2.75%, and
(3) Changing the future salary increases from a range of 3.25%-10.05% to 2.75%-10.75%.

2020-2021: There were no changes in assumptions from the amounts reported for this period.

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

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

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

(1) Reduction in the actuarially assumed rate of return from 8.00% down to 7.50%,
(2) For defined benefit investments, decreasing the wage inflation from 3.75% to 3.25%, and
(3) Changing the future salary increases from a range of 4.25%-10.05% to 3.25%-10.75%.

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

Note 2 - Net OPEB (Asset)/Liability

State Teachers Retirement System (STRS)

Changes 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.

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

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.

Ohio Public Employees Retirement System (OPERS)

Changes in Benefit Terms:
2025: Effective January 1, 2024, the Combined Plan was consolidated into the Traditional Pension Plan and is tracked as a separate division within the Traditional Pension Plan. No changes were made to the benefit design features of the Combined Plan as part of this consolidation so that members in this plan will experience no changes.

2023-2024: There were no changes in benefit terms for the period.

2022: Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

2021: There were no changes in benefit terms for the period.

2020: On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and pre-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022, and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for pre-Medicare retirees with monthly allowances, similar to the program for Medicare retirees.

2018-2019: There were no changes in benefit terms for the period.

Changes in Assumptions:
2025: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate increased from 5.70 percent to 6.00 percent, and
- The municipal bond rate increased from 3.77 percent to 4.08 percent.

2024: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate increased from 5.22 percent to 5.70 percent, and
- The municipal bond rate decreased from 4.05 percent to 3.77 percent.

2023: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate decreased from 6.00 percent to 5.22 percent, and
- The municipal bond rate increased from 1.84 percent to 4.05 percent.

2022: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- Wage inflation changed from 3.25 percent to 2.75 percent,
- Projected salary changed from 3.25 percent-10.75 percent to 2.75 percent-10.75 percent,
- The municipal bond rate decreased from 2.00 percent to 1.84 percent, and
- The initial health care cost trend rate decreased from 8.5 percent to 5.5 percent.

2021: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate increased from 3.16 percent to 6.00 percent,
- The municipal bond rate decreased from 2.75 percent to 2.00 percent, and
- The initial health care cost trend rate decreased from 10.5 percent to 8.5 percent.

2020: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate decreased from 3.96 percent to 3.16 percent,
- The municipal bond rate decreased from 3.71 percent to 2.75 percent, and
- The initial health care cost trend rate increased from 10.0 percent to 10.5 percent.

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

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

2018: The single discount rate changed from 4.23 percent to 3.85 percent.

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OHIO AUDITOR OF STATE
KEITH FABER

SOUTHERN STATE COMMUNITY COLLEGE

HIGHLAND COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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

Certified for Release 2/10/2026

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