bhm cpa group, inc.
CERTIFIED PUBLIC ACCOUNTANTS

NORTH CENTRAL STATE COLLEGE
RICHLAND COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2024

OHIO AUDITOR OF STATE
KEITH FABER

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

Board of Trustees
North Central State College
2441 Kenwood Circle
Mansfield, Ohio 44906

We have reviewed the *Independent Auditor's Report* of the North Central State College, Richland County, prepared by BHM CPA Group, Inc., for the audit period July 1, 2023 through June 30, 2024. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Keith Faber
Auditor of State
Columbus, Ohio

January 15, 2025

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NORTH CENTRAL STATE COLLEGE
RICHLAND COUNTY
Fiscal Year Ended June 30, 2024

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INDEPENDENT AUDITOR'S REPORT

North Central State College
Richland County
2441 Kenwood Circle
Mansfield, Ohio 44906

To the Board of Trustees:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and the discretely presented component unit of North Central State College, Richland County, Ohio (the College), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the North Central State College, Richland County, Ohio as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with the 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 (GAAS) 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.

Responsibilities of Management for the Financial Statements

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

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

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit contributions 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.

Supplementary information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2024, 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.

BHM CPA Group

BHM CPA Group, Inc.
Portsmouth, Ohio
December 27, 2024

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The Management's Discussion and Analysis (MD&A) of the financial condition of North Central State College (hereafter referred to as the College) provides an overview of the financial performance for the year ended June 30, 2024. This discussion has been prepared by management and should be read in conjunction with the accompanying financial statements and notes.

Financial Highlights

The Statement of Net Position includes all assets, liabilities, deferred inflows and deferred outflows. It is prepared under the accrual basis of accounting, whereby revenues and assets are recognized when earned and expenses and liabilities are recognized when an obligation has been incurred, regardless of when cash is exchanged.

The Statement of Revenues, Expenses, and Changes in Net Position presents the revenues earned and expenses incurred during the year. Activities are reported as either operating or non-operating. State appropriations are classified as non-operating revenues. The College generated an operating loss. For fiscal year 2024, the College had an increase in net position of $5,933,452 after including net non-operating revenue. The utilization of long-lived assets, referred to as capital assets, is reflected in the financial statements as depreciation, which allocates the cost of an asset over its expected useful life.

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

The financial statements include not only the College itself (known as the primary institution), but also one organization for which the College is financially accountable, which is the North Central State College Foundation. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

The Statement of Net Position

Condensed Financial Information Statement of Net Position	2024	2023
Current Assets	$ 28,070,780	$ 25,437,220
Non-Current Assets	27,604,131	21,387,386
Deferred Outflows	2,229,365	2,423,881
Total Assets and Deferred Outflows	57,904,276	49,248,487
Current Liabilities	7,140,643	5,310,628
Non-Current Liabilities	14,504,176	13,046,708
Deferred Inflows	3,513,198	4,078,346
Total Liabilities and Deferred Inflows	25,158,017	22,435,682
Net Position		
Net Investment in Capital Assets	20,908,565	16,948,340
Unrestricted	11,837,694	9,864,465
Total Net Position	$ 32,746,259	$ 26,812,805

The net pension liability (NPL) is the largest single liability reported by the College at June 30, 2024 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." For fiscal year 2018, 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 OPEB 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 District's proportionate share of each plan's collective:

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

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

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

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

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

Assets and Deferred Outflows

As of June 30, 2024, the College's total assets and deferred outflows amounted to $57,904,276. Cash and cash equivalents including investments totaling $22,436,925 represented the College's largest asset. Capital assets, net of related depreciation totaled $20,908,565 was the College's second largest asset. Other receivable of $6,173,793 represented the next largest asset.

Liabilities and Deferred Inflows

At June 30, 2024, the College's liabilities and deferred inflows totaled $25,158,017, comprised of current liabilities of $7,140,643 and non-current liabilities totaling $14,504,176. Unearned income represented $3,997,368 of liabilities. Total liabilities and deferred inflows increased during the year ended June 30, 2024 by $2,722,335. This increase is mainly attributable to the subscription-based liability.

Net Position

Unrestricted net position at June 30, 2024 totaled $11,837,694. Net investment in capital assets totaled $20,908,565. Total net position increased by $5,933,452 during the year ended June 30, 2024.

The Statement of Revenues, Expenses, and Changes in Net Position

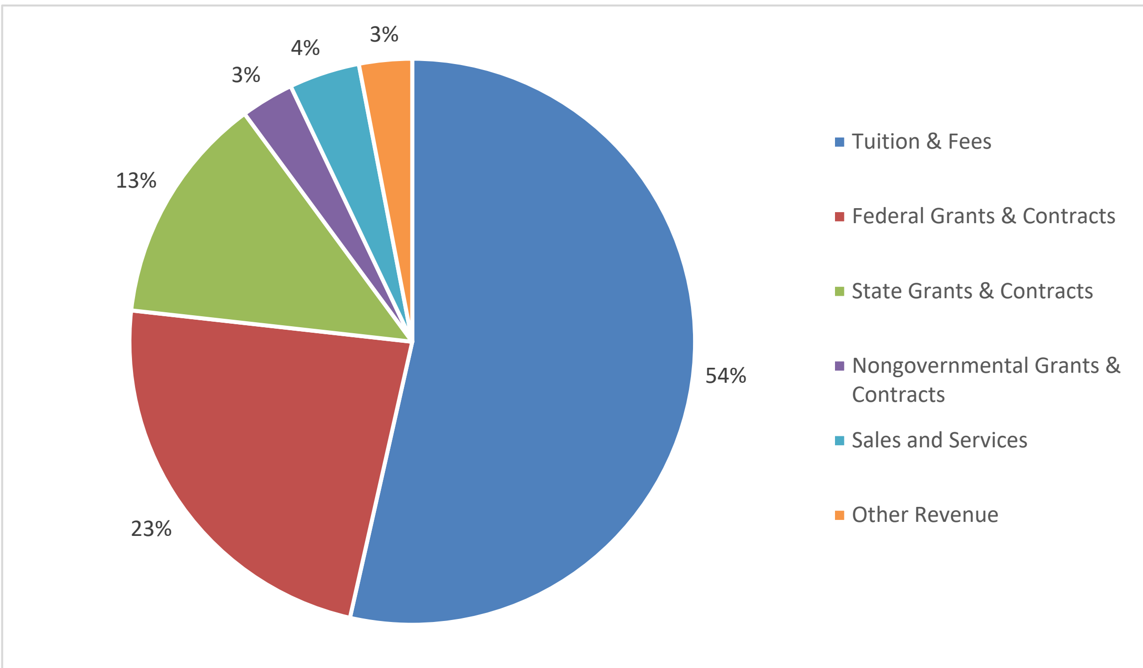
Condensed Financial Information

Statement of Revenues, Expenses, and Changes in Net Position

	2024	2023
Total Operating Revenues	$ 13,871,676	$ 11,353,275
Total Operating Expenses	21,331,399	20,388,751
Operating Loss	(7,459,723)	(9,035,476)
Non-Operating Revenues	12,198,301	11,968,920
Capital Appropriations	1,194,874	-
Increase (Decrease) in Net Position	5,933,452	2,933,444
Net Position, Beginning of Year	26,812,807	23,879,361
Net Position, End of Year	$ 32,746,259	$ 26,812,805

Operating Revenues

Total operating revenues were $13,871,676 for the year ended June 30, 2024. The most significant sources of operating revenue for the College are net student tuition and fees, 54 percent, federal grants and contracts, 23 percent, nongovernmental grants and contracts, 3 percent, and state and local grants and contracts, 13 percent. It is important to note that tuition and fees appear net of scholarship allowances of $3,141,049. Total operating revenues increased by $2,518,401 due mainly to the increase in net student tuition and fees.

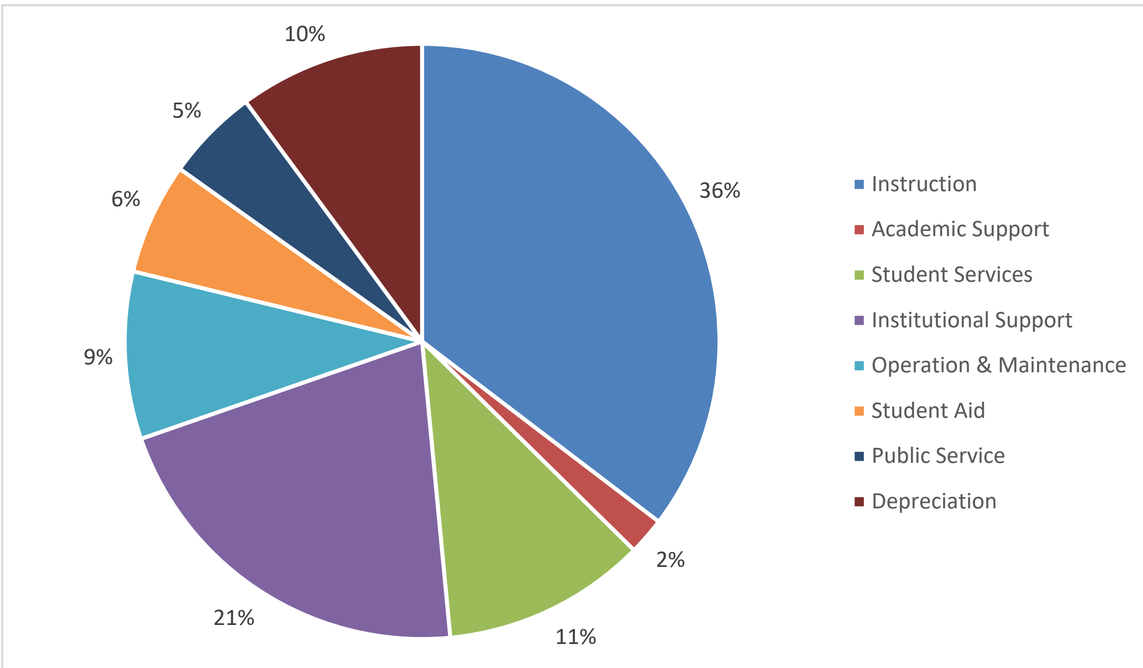


Non-operating Revenues

The other significant recurring sources of revenue essential to the operation of the College are state appropriations and some federal grants and contracts, which are considered non-operating revenue. The College's state appropriation for the fiscal year ended June 30, 2024, amounted to $9,333,830. This represents a decrease of $11,712 from the College's appropriation for the prior year.

Operating Expenses

Operating expenses totaled $21,331,399. The majority of the College's operating funds are expended directly for the primary mission of the College instruction, 36 percent, academic support, 2 percent, and institutional support, 21 percent. For the year ended June 30, 2024, student aid totaled $1,385,835 or 6 percent. Operating expenses increased $942,648 from prior year.



The Statement of Cash Flows

The primary purpose of the statement of cash flows is to provide information about the cash receipts and cash payments made by the College during the period. The statement of cash flows also helps financial statement readers assess:

- the College's ability to generate future net cash flows,
- the College's ability to meet obligations as they become due, and
- the College's need for external financing.

Major sources of cash inflows included in operating activities are grants and contracts $5,775,098 and student tuition and fees $7,411,830. The largest cash outflows for operating activities were to employees, for wages and benefits, $13,026,915, for student aid, $1,429,334, for utilities and maintenance, $339,874, and to suppliers, $1,807,644.

The largest cash receipts in the non-capital financing activities group are the non-operating appropriation from the State of Ohio, $9,333,830.

Capital Assets

Capital assets, net of accumulated depreciation, totaled $20,908,565 at June 30, 2024, a net increase of $3,960,225 from the prior year-end. Depreciation/amortization expense for the year ended June 30, 2024 amounted to $2,149,074. More detailed information about the College's capital assets is presented in Note 5 to the financial statements.

Debt

As of June 30, 2024, the College had $286,458 in notes payable.

Factors Impacting Future Periods

As institutions of higher education continue to establish the new normal, post pandemic, the look and feel of campus has drastically changed. Those changes have come in the way that we deliver instruction to our students as well as how we deliver support services. We continue to look at space utilization and making decision that are in the best intertest of our students. Our responsibility to our students, our region, our business partners, our community and our State remain the same, to enhance access and affordability, maintain excellent and reputable academic programs that facilitate student success, and promote a culture of fiscal discipline and accountability has remained our foremost aspiration.

The College continues to remain prudent, conservative, and strategic in managing institutional resources to achieve its goals of providing educational services to the North Central Ohio region. The College's primary focus is on enrollment, strategically looking at what and how we can grow enrollment in this post pandemic environment. With enrollment and state share of instruction representing the most significant drivers of the College's revenue base, this must remain our focus.

To remain successful, the College will continue its efforts to foster partnerships and relationships with a wide variety of constituents and in a variety of manners, positioning itself as the region's preferred provider of talent, knowledge, and innovation.

Furthermore, the College is fully committed to making sound fiscal decisions to withstand future economic uncertainties, while remaining dedicated to its core mission of Access, Success, and Resources.

Contacting the College's Financial Management

This financial report is designed to provide the Ohio Department of Higher Education, our citizens, taxpayers, investors, and creditors with a general overview of the College's finances, and demonstrate the College's accountability for the money it received. If you have questions about this report or need additional financial information, contact **Lori McKee, Vice President for Business and Administrative Services at 419-755-4828.**

North Central State College
Statement of Net Position
As of June 30, 2024

	Primary Institution	Component Unit
ASSETS		
Current Assets		
Cash & Cash Equivalents	$ 16,183,623	$ 702,321
Investments	6,248,302	8,360,630
Student Accounts Receivable, Net	4,654,253	-
Intergovernmental Receivables	745,815	-
Prepaid Expenses & Deferred Charges	238,787	-
Contributions Receivable	-	1,034
Interest in Assets held by Richland Co Foundation	-	350,000
Total Current Assets	28,070,780	9,413,985
Noncurrent Assets		
Restricted Cash & Cash Equivalents	5,000	-
Net OPEB Asset	516,773	-
Other Receivables	6,173,793	-
Capital Assets, net	20,908,565	15,687
Total Noncurrent Assets	27,604,131	15,687
DEFERRED OUTFLOWS		
Other postemployment benefits	529,576	-
Pension	1,699,789	-
Total Defered Outflows	2,229,365	-
Total Assets and Deferred Outflows	57,904,276	9,429,672
LIABILITIES		
Current Liabilities		
Accounts Payable & Accrued Liabilities	1,073,892	363,185
Unearned Income	3,997,368	-
Accrued Wages	1,190,671	-
Subscription Based Liability - Current Portion	784,413	-
Notes Payable - Current Portion	94,299	-
Total Current Liabilities	7,140,643	363,185
Noncurrent Liabilities		
Compensated Absences	464,799	-
Net OPEB Liability	1,145,655	
Net Pension Liability	9,644,299	-
Subscription Based Liability - Long Term Portion	3,057,264	-
Notes Payable - Long Term Portion	192,159	-
Total Noncurrent Liabilities	14,504,176	-
DEFERRED INFLOWS		
Other postemployment benefits	1,707,499	-
Pension	1,805,699	-
Total Deferred Inflows	3,513,198	-
Total Liabilities and Deferred Inflows	25,158,017	363,185
NET POSITION		
Net Investment in Capital Assets	20,908,565	-
Restricted for		
Nonexpendable		
Scholarships	-	4,632,387
Expendable		
Student Grants and Scholarships	-	2,775,654
Unrestricted	11,837,694	1,658,446
Total Net Position	32,746,259	9,066,487
Total Liabilities, Deferred Inflows & Net Position	$ 57,904,276	$ 9,429,672

See accompanying notes to the basic financial statements.

North Central State College
Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year Ended June 30, 2024

	Primary Institution	Component Unit
REVENUES		
Operating Revenues:		
Tuition, Fees and Other Student Charges, Net	$ 7,416,732	$ -
Federal Grants and Contracts	3,186,552	-
State and Local Grants and Contracts	1,777,148	-
Nongovernmental Grants and Contracts	452,633	-
Sales and Services	555,918	-
Contributions	-	662,428
Fundraising	-	66,920
Other Operating Revenue	482,693	143,246
Total Operating Revenues	13,871,676	872,594
EXPENSES		
Operating Expenses		
Educational and General:		
Instruction	7,483,792	-
Academic Support	446,217	139,240
Student Services	2,336,115	-
Institutional Support	4,455,756	-
Operation and Maintenance of Plant	1,968,316	-
Student Aid and Scholarships	1,385,835	512,102
Public Service	1,106,294	-
Depreciation	2,149,074	-
Other Expenditures	-	91,472
Total Operating Expenses	21,331,399	742,814
Operating Income (Loss)	(7,459,723)	129,780
NONOPERATING REVENUES (EXPENSES)		
State Appropriations	9,333,830	-
Federal Grants & Contracts	2,640,940	-
Investment Income, Net	266,473	1,071,259
Interest on Indebtedness	(42,942)	-
Net Nonoperating Revenues (Expenses)	12,198,301	1,071,259
Income (Loss) Before Other Revenues and Expenses	4,738,578	1,201,039
Capital Appropriations	1,194,874	-
Change in Net Position	5,933,452	1,201,039
NET POSITION		
Net Position, Beginning of Year	26,812,807	7,865,448
Net Position, End of Year	$ 32,746,259	$ 9,066,487

See accompany notes to the basic financial statements.

North Central State College
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2024

	Primary Institution	Component Unit
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
Cash Flows from Operating Activities:		
Tuition and Fees	$ 7,411,830	$ -
Gifts, Grants and Contracts	5,775,098	662,428
Payments to Suppliers	(1,807,644)	(106,055)
Payments to Employees and for Benefits	(13,026,915)	-
Payments for Scholarships and Fellowships	-	-
Payments for Utilities and Maintenance	(339,874)	-
Payments for Student Aid	(1,429,334)	(512,102)
Sales and Service of Educational Activities	555,918	-
Other Receipts (Payments)	(4,409,709)	170,665
Net Cash Provided (Used) by Operating Activities	(7,270,630)	214,936
Cash Flows from Non-Capital and Related Financing Activities:		
FFEL Loans Received	2,267,340	-
FFEL Loans Disbursed	(2,267,340)	-
Federal Grants & Contracts	2,640,940	-
State Appropriations	9,333,830	-
Net Cash Provided (Used) by Non-Capital and Related Financing Activities	11,974,770	-
Cash Flows from Capital and Related Financing Activities:		
Purchases of Capital Assets	(2,711,353)	(16,817)
Acquisition of Subscription Software	(3,397,945)	-
Capital Appropriations	1,194,874	-
Payment of Note and Subscription Based Liability	2,692,563	-
Interest on Note Payable and Subscription Based Liability	(42,942)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(2,264,803)	(16,817)
Cash Flows from Investing Activities:		
Sales (Purchases) of Investments	(260,980)	(736,906)
Interest on Investments	266,473	162,124
Net Cash Provided (Used) by Investing Activities	5,493	(574,782)
Net Increase (Decrease) in Cash and Cash Equivalents	2,444,830	(376,663)
Cash and Cash Equivalents, Beginning of Year	13,743,793	1,078,984
Cash and Cash Equivalents, End of Year	$ 16,188,623	$ 702,321

RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	Primary Institution	Component Unit
Operating Income (Loss)	$ (7,459,723)	$ 129,780
Adjustments to Reconcile Operating Loss to Net Cash Provided (Used) by Operating Activities:		
Depreciation	2,149,074	3,137
Change in Assets, Liabilities, Deferred Outflows of Resources, and Deferred Inflows of Resources Which Provided (Used) Cash		
Receivables, Net	(2,416,062)	-
Prepaid Expenses	(18,431)	-
Payables	1,000,334	82,019
Accrued Wages	121,293	-
Unearned Income	263,181	-
Compensated Absences	(2,836)	-
Net OPEB Asset	250,224	-
Net Pension Liability	(922,211)	-
Net OPEB Liability	135,159	-
Deferred Outflows of Resources - Net Pension Expense	458,592	-
Deferred Outflows of Resources - Net OPEB Expense	(264,076)	-
Deferred Inflows of Resources - Net Pension Expense	(167,761)	-
Deferred Inflows of Resources - Net OPEB Expense	(397,387)	-
Net Cash Provided (Used) by Operating Activities	$ (7,270,630)	$ 214,936

See accompanying notes to the basic financial statements.

NOTE 1 - DESCRIPTION OF THE ENTITY

North Central Ohio Technical Institute (the "College") was chartered in 1969 under provisions of Section 3357 of the Ohio Revised Code. This action of the Ohio Board of Regents and the Secretary of State created the Technical College in the contiguous counties of Ashland, Crawford, and Richland. In August of 1999, the Board of Trustees changed the name of the College to North Central State 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.

The College offers associate degree programs and certificate programs that prepare individuals to be technicians and paraprofessionals in business technologies, engineering technologies, health technologies, and public service technologies. The College also offers noncredit continuing education classes and customized contract-training services to companies and employees in the service area. The College is directed by a Board of Trustees, the members of which are public representatives of Ashland, Crawford and Richland Counties.

GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, an amendment of GASB Statement No. 14 which was implemented by the College, further clarifies that certain organizations warrant inclusion as part of the financial reporting entity because of the nature and significance of their relationship with the primary government, including their ongoing financial support of the primary government. The College has determined that the North Central State College Foundation (the "Foundation") meets this definition and is therefore included as a discretely presented component unit in the College's financial statements. The Foundation's financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles as prescribed by the FASB. See Note 15 for additional disclosures regarding the Foundation.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the College have been prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant of the College's accounting policies are described below:

A. <u>Basis of Presentation</u> – The College applies GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*; GASB Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities*; GASB Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus*; and GASB Statement No. 38, *Certain Financial Statement Note Disclosures*. The financial statement presentation required by GASB Statements No. 34/35 is intended to provide a

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

comprehensive, entity-wide perspective of the College's assets, liabilities, net position, revenues, expenses, changes in net position, and cash flows.

B. 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 an obligation has been incurred. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The College reports as a "business type activity" as defined by GASB Statement No. 34. Business type activities are those that are financed in whole or in part by fees charged to external parties for goods or services. The full scope of the College's activities is considered to be a single business type activity and accordingly, is reported within a single column in the basic financial statements.

C. Budgetary Process - The budget is an annual plan for the financial operations of the College that establishes a basis of control and evaluation of activities financed through the current funds of the College. Formal adoption of the budget into the accounting records is not legally mandated and, thus, the College does not integrate the budget into its accounts.

D. Cash and Investments - For purposes of presentation on the Statement of Net Position and the Statement of Cash Flows, investments with maturities of three months or less at the time they are purchased are considered to be cash equivalents. Investments are reported at fair value which is based on quoted market prices.

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 is14 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 measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

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 is appreciated for deposits and withdrawals of $25 million or more. STAR Ohio reserves the right to limit the transaction to $100 million per day, requiring the excess amount to be transacted the following business day(s), but only to the $100 million limit. All accounts of the participant will be combined for these purposes.

E. Accounts Receivable - Receivables at year end, consist primarily of student tuition and fees, and grants due from other agencies. Student tuition and fees are reported net using the direct write-off method.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Capital Assets - Donated land, buildings, improvements, and equipment are recorded at their acquisition value on the date of the gift. The College capitalizes assets other than land and building improvements that have a value or cost in excess of $5,000 and an expected useful life of one or more years. Land and building improvements that significantly increase the value or useful life of the asset of more than $12,500 and $25,000, respectively, are also capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements which extend the useful life or increase the capacity or operating efficiency of the asset are capitalized at cost. Infrastructure assets, consisting of sidewalks, parking lots, lighting systems and signage, are capitalized and reported. Capital assets, with the exception of land, are depreciated using the straight-line method and full-month convention over the following useful lives:

Land Improvements	20-30 years
Buildings	40 years
Building Improvements	7-30 years
Equipment	5-20 years
Vehicles	5-10 years
Infrastructure	25 years

G. Noncurrent Long-Term Liabilities - Noncurrent long-term liabilities include compensated absences that will not be paid within the next fiscal year.

H. Unearned Tuition and Fees – Unearned tuition and fees is principally comprised of receipts relating to tuition and fees received in advance of the sessions that are primarily or fully conducted in the next accounting period. The College recognizes this revenue in the fiscal year that the sessions are predominately conducted.

I. Compensated Absences - GASB Statement No. 16, *Accounting for Compensated Absences*, specifies that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both of the following conditions are met:

1. The employees' rights to receive compensation are attributable to services already rendered.

2. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

Other compensated absences with characteristics similar to vacation leave are those which are not contingent on a specific event outside the control of the employer and employee. Further, sick leave and other similar compensated absences are those which are contingent on a specific event that is outside the control of the employer and employee. The College has accrued a liability for these compensated absences using the termination method when the following criteria are met:

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The benefits are earned by the employees and it is probable that the employer will compensate the employees for the benefits through cash payments conditioned on the employees' retirement ("termination payments").

The sick leave liability has been based on the College's past experience of making termination payments for sick leave.

J. Operating and Non-Operating Revenues and Expenses

The College presents its revenues and expenses as operating or non-operating based on recognition definitions per GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trusts Funds and Governmental Entities That Use Proprietary Fund Accounting*. Operating activities are those activities that are necessary and essential to the mission of the College. Operating revenues include all charges to customers, grants received for student financial assistance, and interest earned on loans. Grants received for student financial assistance are considered operating revenues because they provide resources for student charges and such programs are necessary and essential to the mission of the College. Revenues from non-exchange transactions and state appropriations that represent subsidies or gifts to the College, as well as investment income, are considered non-operating since these are investing, capital, or noncapital financial activities. Revenues received for capital financing activities, as well as related expenses, are considered neither operating nor non-operating activities and are presented after non-operating activities on the accompanying Statement of Revenues, Expenses and Changes in Net Position.

K. Deferred Outflows and Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense) until then. For the College, deferred outflows of resources are reported on the statement of net position. (See Note 7 and Note 8)

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the College, deferred inflows of resources relate to pension and/or other postemployment benefits (OPEB). The amount is deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension and/or OPEB are reported in the statement of net position. (See Note 7 and Note 8)

L. Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense,

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position 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 investments at fair value.

M. *Scholarship Allowances*

Student tuition and fees revenue is reported net of scholarship allowances in the accompanying Statement of Revenues, Expenses and Changes in Net Position.

The scholarship allowance represents the difference between actual charges for goods and services provided by the College and the amount that is paid by the student or by third parties on the students' behalf. Student financial assistance grants, such as Pell grants, and other federal, state, or nongovernmental programs, are recorded as operating revenues in the Statement of Revenues, Expenses and Changes in Net Position. To the extent that revenues from these programs are used to satisfy tuition, fees, and other charges, the College has recorded a scholarship allowance discount.

N. *Net Position*

The College's net position is classified as follows:

Net Investment in Capital Assets – This is comprised of capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvements of those assets.

Restricted Net Position - Nonexpendable – Nonexpendable restricted net position include endowments and similar type assets whose use is limited by donors or other outside sources and as a condition of the gift, the principal is to be maintained in perpetuity

Restricted Net Position - Expendable – Expendable restricted net position include resources in which the College is legally or contractually obligated to spend the resources in accordance with restrictions imposed by external parties.

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

P. *Use of Estimates* **-** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and disclosure in the footnotes. Actual results could differ from those estimates.

Q. *Subscription-Based Information Technology Arrangements* - The College obtains the right to use vendors' information technology software through various long-term contracts. The College recognizes a subscription liability and an intangible right-of-use subscription asset in the statement of net position. The College recognizes subscription assets and liabilities with an initial value of $100,000 or more. At the commencement of a subscription, the College initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, plus initial implementation costs. Subsequently, the subscription asset is depreciated on a straight-line basis over its useful life. Key estimates and judgments related to subscriptions include how the College determines the discount rate it uses to discount the expected subscription payments to present value and the subscription term. The College uses its estimated incremental borrowing rate as the discount rate for subscriptions. The subscription term includes the noncancelable period of the subscription. The College monitors changes in circumstances that would require a remeasurement of its subscriptions and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

NOTE 3 - CASH AND CASH EQUIVALENTS AND INVESTMENTS

A. Policies and Practices - It is the responsibility of the Business and Finance Department to deposit and invest the College's idle funds. The College's practice is to limit investments to United States Treasury notes and bills, collateralized certificates of deposit and repurchase agreements, insured and/or collateralized demand deposit accounts or obligations of other United States agencies for which the principal and interest is guaranteed by the United States Government. The College does not enter into reverse repurchase agreements. The investment and deposit of College monies is governed by the Ohio Revised Code. Investment of the College's monies is restricted to certificates of deposit, savings accounts, money market accounts and the State Treasurer's Investment Pool (STAR Ohio), obligations of the United States Government or certain agencies thereof and certain industrial revenue bonds issued by other governmental entities.

The College may also enter into repurchase agreements with any eligible depository for a period not exceeding thirty days. Public depositories must give security for all public funds on deposit. These institutions may specifically collateralize individual accounts in lieu of amounts insured by the Federal Deposit Insurance Corporation (FDIC), or may pledge a pool of government securities. Repurchase agreements must be secured by the specific government securities upon which the repurchase agreements are based. State law does not require security for the public deposits and investments to be maintained in the College's name.

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

B. Cash on Hand - At June 30, 2024, the College had $2,200 in un-deposited cash on hand which is reported as part of cash and cash equivalents on the Statement of Net Position.

C. Deposits - Custodial credit risk for deposits is the risk that in the event of bank failure, the College will not be able to recover deposits or collateral securities that are in the possession of an outside party. 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.

At June 30, 2024, $0 of the College's bank balance of $17,029,965 was exposed to custodial credit risk because it was uninsured and collateralized. The College's financial institution was approved for a reduced collateral rate through the Ohio Pooled Collateral System.

D. Investments – The following investments are permitted under both the Ohio Revised Code and North Central State College investment policy.

As of June 30, 2024, the primary government had the following investment (based on quoted market prices) and maturity (in years):

		Maturity				
	Market / Carrying Value	Less Than One Year	1-2 years	3-5 years	No Maturity	Fair Value Hierarchy
Money Market Investments	$ 5,089,551	$ 1,431,771	$ 1,424,167	$ 2,099,427	$ 134,186	2
US Govt Agy - Exempt State	$ -	$ -	$ -	$ -	$ -	2
US Govt Agy - Exempt State	$ -	$ -	$ -	$ -	$ -	2
Star Ohio*	$ 1,158,751	$ 1,158,751	$ -	$ -	$ -	N/A
Total	$ 6,248,302	$ 2,590,522	$ 1,424,167	$ 2,099,427	$ 134,186	

* Net asset value per share

Interest rate risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The College's policy is to invest in allowable investments per the Ohio Revised Code. The Ohio Revised Code limits the purchase of securities to those with a maturity of no more than five years from the date of purchase unless matched to a specific obligation or debt of the College. The College's investment policy also allows the entering into a repurchase agreement with any eligible depository for a period not exceeding thirty days and commercial paper of the highest quality maturing within 270 days.

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

Credit risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Ohio Revised Code limits investments to US Treasury (bills, notes, bonds), securities issued by federal agencies and instrumentalities, commercial paper with the highest classification established by at least two nationally recognized standard rating service, State of Ohio bonds or obligations and mutual bond funds with acceptable underlying assets. Standard & Poor's has assigned STAR Ohio a rating of AAAm. The remaining assets carry a rating of Aaa and AA+.

Concentration of credit risk: Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The College does not have an investment policy that provides for diversification to avoid concentration in securities of one type or securities of one financial institution. Our portfolio is properly diversified.

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. The College is not exposed to custodial credit risk for its investments.

Statement No. 72 of the Government Accounting Standards Board ("GASB") Fair Value Measurements and Applications, set forth the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of fair value hierarchy under GASB 72 are described as follows:

<u>Level 1</u> – Inputs to the valuation methodology are unadjusted quoted prices for identical assets and liabilities in active markets that the College has the ability to access.

<u>Level 2</u> – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liability in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

<u>Level 3</u> – Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Unobservable inputs reflect the College's own assumptions about the inputs market participants would use in pricing the asset or liability (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances and may include the College's own data.

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

The asset's level within the hierarchy is based on the lowest level of input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The determination of what constitutes observable requires judgment by the College's management. College management considers observable data to be that market data which is readily available, regularly distributed or updated, reliable, and verifiable, not proprietary, and provided by multiple independent sources that are actively involved in the relevant market.

The categorization of an investment with the hierarchy is based upon the relative observability of the inputs to its fair value measurement and does not necessarily correspond to College management's perceived risk of that investment.

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

NOTE 4 - RECEIVABLES

Receivables as of June 30, 2024 are summarized as follows:

	Gross Receivables	Allowance for Doubtful Accounts	Net Receivable	Unearned Tuition and Fees
Student Accounts	$ 5,140,037	$ 485,785	$ 4,654,252	$ 3,997,368
Intergovernmental	745,815		745,815	
Other	6,173,793		6,173,793	
Total Receivables	$ 12,059,645	$ 485,785	$ 11,573,860	$ 3,997,368

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NOTE 5 - CAPITAL ASSETS

Capital assets as of June 30, 2024 are summarized as follows:

	Balance 6/30/2023	Additions	Deletions	Balance 6/30/2024
Non-Depreciable Assets				
Land	225,629	-	-	225,629
CIP	-	1,262,279	-	1,262,279
	225,629	1,262,279	-	1,487,908
Depreciable Assets				
Land Improvements	2,196,543	-	-	2,196,543
Buildings	14,809,029	-	-	14,809,029
Building Improvements	19,556,457	1,134,120	-	20,690,577
Infrastructure	674,536	-	-	674,536
Vehicles	96,728	50,050	-	146,778
Equipment	9,067,511	264,903	(16,881)	9,315,533
	46,400,804	1,449,073	(16,881)	47,832,996
Accumulated Depreciation				
Land Improvements	(1,638,578)	(73,578)	-	(1,712,156)
Buildings	(10,129,643)	(263,603)	-	(10,393,246)
Building Improvements	(10,326,190)	(781,414)	-	(11,107,604)
Infrastructure	(368,291)	(24,757)	-	(393,048)
Vehicles	(87,055)	(8,133)	-	(95,188)
Equipment	(8,184,319)	(356,812)	16,881	(8,524,250)
	(30,734,076)	(1,508,297)	16,881	(32,225,492)
Capital Assets, Net	15,892,357	1,203,055	-	17,095,412
SBITA				
Subscription Software	1,055,983	3,397,945	-	4,453,928
Total SBITA Asset	1,055,983	3,397,945	-	4,453,928
Less: Accumulated Amortization	-	(640,775)	-	(640,775)
Total SBITA Asset, Net	1,055,983	2,757,170	-	3,813,153
Total Capital Assets, Net	16,948,340	3,960,225	-	20,908,565

*The State of Ohio provides a building on the College's campus at no cost. This building is not included as an asset of the College. The College has made approximately $4.4 million ($1.2 million net of accumulated depreciation) in improvements to this building and have included these with building improvements in the table above.

NOTE 6 - STATE SUPPORT

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

In addition to the student subsidies, the State of Ohio provides the funding for and constructs major plant facilities on the College's campus. The funding is obtained from the issuance of special obligation bonds by the Ohio Public Facilities Commission, which in turn causes the construction and subsequent lease of the facility by the Ohio Board of Regents. Upon completion of the facility, the Board of Regents turns over control to the College which capitalizes the cost thereof. Neither the obligation for the special obligation 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 financial statements of the College.

These are currently being funded through appropriations to the Ohio Board of Regents by the Ohio General Assembly. Construction in progress for any portion of the facilities being financed by the state agencies for use by the College is recorded on the College's books of account as costs are incurred.

The facilities are not pledged as collateral for the special obligation 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.

Outstanding debt issued by the Ohio Public Facilities Commission is not included on the College's Statement of Net Position. In addition, the appropriations by the Ohio General Assembly to the Board of Regents for payment of debt services are not shown as appropriation revenue received by the College and the related debt service payments are not recorded in the accounts of the College.

NOTE 7 – DEFINED BENEFIT PENSION PLANS

The Statewide retirement systems provide both pension 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 and OPEB are provided to an employee on a deferred-payment basis as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions and OPEB are a present obligation because it was created as a result of employment exchanges that already have occurred.

NOTE 7 – DEFINED BENEFIT PENSION PLANS (Continued)

The net pension/OPEB liability (asset) represents the College's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension and OPEB plan's fiduciary net position. The net pension/OPEN 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 this estimate annually.

The 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 are financed; however, the College does receive the benefit of employees' services in exchange for compensation including pension and OPEB.

GASB Statements No. 68/75 assume the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for the 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 pension plans to amortize unfunded 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 8 for the required OPEB disclosures.

Plan Description - School Employees Retirement System (SERS)

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

NOTE 7 – DEFINED BENEFIT PENSION PLANS (Continued)

Plan Description - School Employees Retirement System (SERS) (Continued)

Age and service requirements for retirement are as follows:

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

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

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

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

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the College is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2024, the allocation to pension, death benefits, and Medicare B was 14.0 percent. For fiscal year 2024, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The College's contractually required contribution to SERS was $389,204 for fiscal year 2024.

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

NOTE 7 – DEFINED BENEFIT PENSION PLANS (Continued)

supplementary information, and detailed information about STRS' fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Web site at www.strsoh.org.

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

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent 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, a one-time 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 one-time ad-hoc COLA of 1 percent 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. Pursuant to Ohio Revised Code 3307.67(E) the STRS Ohio Retirement Board may adjust the COLA upon a determination by the board's actuary that a change will not materially impair the fiscal integrity of the system or is necessary to preserve the fiscal integrity of the system. Eligibility changes will be phased in until August 1, 2023, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 34 years of service credit at any age.

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

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 2024 employer and employee contribution rate of 14 percent was equal to the statutory maximum rates. For 2024, the full employer contribution was allocated to pension.

The College's contractually required contribution to STRS Ohio was $434,355 for fiscal year 2024.

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

The net pension liability disclosed as current year below was measured as of June 30, 2023, 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 projected contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	SERS	STRS	Total
Proportionate Share of the Net Pension Liability - Current Year	0.0709836%	0.02657119%	
Proportionate Share of the Net Pension Liability - Prior Year	0.0736142%	0.02962143%	
Change in Proportionate Share	-0.0026306%	-0.00305024%	
Proportion of the Net Pension Liability	$3,922,210	$5,722,089	$9,644,299
Pension Expense (Gain)	$236,091	($43,912)	$192,179

NOTE 7 – DEFINED BENEFIT PENSION PLANS (Continued)

At June 30, 2024, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Outflows of Resources	**SERS**	**STRS**	**Total**
Differences between expected and actual economic experience	$168,585	$208,617	$377,202
Changes of assumptions	27,783	471,245	499,028
College contributions subsequent to the measurement date	389,204	434,355	823,559
Total	$585,572	$1,114,217	$1,699,789

Deferred Inflows of Resources	**SERS**	**STRS**	**Total**
Differences between expected and actual economic experience	$0	$12,697	$12,697
Differences between projected and actual investment earnings	55,130	17,150	72,280
Changes of assumptions	0	354,712	354,712
Difference from a change in proportion and differences between College contributions and proportionate share of contributions	195,905	1,170,105	1,366,010
Total	$251,035	$1,554,664	$1,805,699

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

$823,559 reported as deferred outflows of resources related to pension resulting from College contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2025	($99,932)	($509,583)	($609,515)
2026	(185,382)	(651,566)	(836,948)
2027	227,726	442,696	670,422
2028	2,921	(156,350)	(153,429)
Total	($54,667)	($874,803)	($929,470)

Actuarial Assumptions - SERS

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

NOTE 7 – DEFINED BENEFIT PENSION PLANS (Continued)

determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2023, and compared to June 20, 2022, are presented below:

	June 30, 2023	June 30, 2022
Inflation	2.4 percent	2.4 percent
Future Salary Increases, including inflation	3.25 percent to 13.58 percent	3.25 percent to 13.58 percent
COLA or Ad Hoc COLA	2.0 percent, on or after April 1, 2018, COLAs for future retirees will be delayed for three years following commencement	2.0 percent, on or after April 1, 2018, COLAs for future retirees will be delayed for three years following commencement
Investment Rate of Return	7.00 percent net of System expenses	7.00 percent net of System expenses
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)	Entry Age Normal (Level Percent of Payroll)

Mortality rates for both 2023 and 2022 were based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

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

The long-term return expectation for the Pension Plan Investments has been determined by using a building-block approach and assumes a time horizon, as defined in SERS' *Statement of Investment Policy*. A forecasted rate of inflation serves as the baseline for the return expectation.

Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating an arithmetic weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	3.00 %	0.76 %
US Equity	22.00	6.20
Non-US Equity Developed	12.00	6.91
Non-US Equity Emerging	6.00	8.92
Fixed Income/Global Bonds	18.00	2.46
Private Equity	14.00	10.30
Real Estate/Real Assets	20.00	5.01
Private Debt/Private Credit	5.00	6.42
Total	100.00 %	

Discount Rate The total pension liability for 2023 was calculated using the discount rate of 7.00 percent. The discount rate determination did not use a municipal bond rate. The projection of cash flows used to determine the discount rate assumed that employers would contribute the actuarially determined contribution rate of projected compensation over the remaining 21-year amortization period of the unfunded actuarial accrued liability. The actuarially determined contribution rate for fiscal year 2023 was 14 percent. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.00 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability. The annual money weighted rate of return, calculated as the internal rate of return on pension plan investments, for fiscal year 2023 was 6.90 percent.

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
College's proportionate share of the net pension liability	$5,788,981	$3,922,210	$2,349,810

NOTE 7 – DEFINED BENEFIT PENSION PLANS (Continued)

Changes in Benefit Terms and Assumptions since the prior measurement date There were no changes in benefit terms. The cost-of-living adjustment was increased from 2.00% to 2.50% for calendar year 2024.

Actuarial Assumptions - STRS

Key methods and assumptions used in the June 30, 2023 actuarial valuation compared to those used in the June 30, 2022, actuarial valuation are presented below:

	June 30, 2023	June 30, 2022
Inflation	2.50 percent	2.50 percent
Salary increases	From 2.5 percent to 8.5 percent based on age	From 2.5 percent to 12.5 percent based on age
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation	7.00 percent, net of investment expenses, including inflation
Discount Rate of Return	7.00 percent	7.00 percent
Payroll Increases	3.00 percent	3.00 percent
Cost-of-Living Adjustments (COLA)	0.0 percent, effective July 1, 2017	0.0 percent, effective July 1, 2017

For 2023 and 2022, 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, 2023, 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 Ohio's investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

NOTE 7 – DEFINED BENEFIT PENSION PLANS (Continued)

Asset Class	Target Allocation *	Long-Term Expected Rate of Return **
Domestic Equity	26.00%	6.60%
International Equity	22.00	6.80
Alternatives	19.00	7.38
Fixed Income	22.00	1.75
Real Estate	10.00	5.75
Liquidity Reserves	1.00	1.00
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 2.25 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, 2023. 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, 2023. 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, 2023.

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
College's proportionate share of the net pension liability	$8,799,307	$5,722,089	$3,119,605

Assumptions and Benefit Changes Since the Prior Measurement Date The discount rate remained at 7.00% for the June 30, 2023 valuation. Demographic assumptions were changed based on the actuarial experience study for the period July 1, 2015 through June 30, 2021.

NOTE 8 – DEFINED BENEFIT OPEB PLANS

See Note 7 for a description of the net OPEB liability (asset).

School Employees Retirement System (SERS)

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

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

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

Funding Policy - State statute permits SERS to fund health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2024, no allocation was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2024, this

NOTE 8 – DEFINED BENEFIT OPEB PLANS (Continued)

amount was $30,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2024, the College's surcharge obligation was $36,653. The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund.

The College's contractually required contribution to SERS was $36,653 for fiscal year 2024.

State Teachers Retirement System of Ohio (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.

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, 2024, STRS did not allocate any employer contributions to post-employment health care.

Net Other Post Employment Benefit (OPEB) Liability (Asset), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB Liability (Asset)

The net OPEB liability (asset) was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of that date. The College's proportion of the net OPEB liability (asset) was based on the College's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share:

NOTE 8 – DEFINED BENEFIT OPEB PLANS (Continued)

	SERS	STRS	Total
Proportionate Share of the Net OPEB Liability (Asset) - Current Year	0.06954130%	0.02657119%	
Proportionate Share of the Net OPEB Liability (Asset) - Prior Year	0.07197210%	0.02962143%	
Change in Proportionate Share	0.00243080%	0.00305024%	
Proportion Share of the Net OPEB Liability	$1,145,655	$0	$1,145,655
Proportion Share of the Net OPEB (Asset)	$0	($516,773)	($516,773)
OPEB Expense (Gain)	($209,341)	($30,086)	($239,427)

Net Other Post Employment Benefit (OPEB) Liability (Asset), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB Liability (Asset) (Continued)

At June 30, 2024, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Deferred Outflows of Resources	**SERS**	**STRS**	**Total**
Differences between expected and actual economic experience	$2,387	$806	$3,193
Difference from a change in proportion and differences between College contributions and proportionate share of contributions	0	16,419	16,419
Changes of assumptions	387,380	76,128	463,508
Differences between projected and actual investment earnings	8,880	923	9,803
College contributions subsequent to the measurement date	36,653	0	36,653
Total	$435,300	$94,276	$529,576

Deferred Inflows of Resources	**SERS**	**STRS**	**Total**
Differences between expected and actual economic experience	$590,858	$78,820	$669,678
Changes of assumptions	325,377	340,960	666,337
Difference from a change in proportion and differences between College contributions and proportionate share of contributions	336,552	34,932	371,484
Total	$1,252,787	$454,712	$1,707,499

NOTE 8 – DEFINED BENEFIT OPEB PLANS (Continued)

$36,653 reported as deferred outflows of resources related to OPEB resulting from College contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (adjustment to net OPEB asset) in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2025	($247,720)	($154,801)	($402,521)
2026	(224,522)	(72,935)	(297,457)
2027	(164,214)	(29,849)	(194,063)
2028	(106,959)	(39,333)	(146,292)
2029	(64,928)	(36,687)	(101,615)
Thereafter	(45,796)	(26,831)	(72,627)
Total	($854,139)	($360,436)	($1,214,575)

Actuarial Assumptions - SERS

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

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

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

NOTE 8 – DEFINED BENEFIT OPEB PLANS (Continued)

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2023 compared with June 30, 2022 are presented below:

	June 30, 2023	June 30, 2022
Inflation	2.40 percent	2.40 percent
Future Salary Increases, including inflation		
Wage Increases	3.25 percent to 13.58 percent	3.25 percent to 13.58 percent
Investment Rate of Return	7.00 percent net of investment expense, including inflation	7.00 percent net of investment expense, including inflation
Fiduciary Net Position is Projected to be Depleted	2048	2044
Municipal Bond Index Rate:		
Measurement Date	3.86 percent	3.69 percent
Prior Measurement Date	3.69 percent	1.92 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation		
Measurement Date	4.27 percent	4.08 percent
Prior Measurement Date	4.08 percent	2.27 percent
Health Care Cost Trend Rate		
Medicare	5.125 to 4.40 percent	5.125 to 4.40 percent
Pre-Medicare	6.75 to 4.40 percent	6.75 to 4.40 percent
Medical Trend Assumption	7.00 to 4.40 percent	7.00 to 4.40 percent

The following information in this paragraph is applicable to both 2023 and 2022. Mortality rates among healthy retirees were based on the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3 percent
for males and set forward 3 years and adjusted 106.8 percent for females. Mortality rates for contingent survivors were based on PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5 percent for males and adjusted 122.5 percent for females. Mortality rates for actives are based on PUB-2010 General Amount Weighted Below Median Employee mortality table. Mortality rates are projected using a fully generational projection with Scale MP-2020.

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

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2016 through 2020 and was adopted by the Board in 2021. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a long-normal distribution analysis in which best-estimate ranges of expected future real rates of

NOTE 8 – DEFINED BENEFIT OPEB PLANS (Continued)

return (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.00 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class, as used in the June 30, 2020 five-year experience study, are summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	3.00 %	0.76 %
US Equity	22.00	6.20
Non-US Equity Developed	12.00	6.91
Non-US Equity Emerging	6.00	8.92
Fixed Income/Global Bonds	18.00	2.46
Private Equity	14.00	10.30
Real Estate/Real Assets	20.00	5.01
Private Debt/Private Credit	5.00	6.42
Total	100.00 %	

Discount Rate The discount rate used to measure the total OPEB liability at June 30, 2023 was 4.27 percent. The discount rate used to measure total OPEB liability at June 30, 2022 was 4.08 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the contribution rate of 1.50 percent of projected covered payroll each year, which includes a 1.50 percent payroll surcharge and no contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be depleted in 2048 by SERS' actuaries. The Fidelity General Obligation 20-year Municipal Bond Index Rate was used in the determination of the single equivalent interest rate for both the June 30, 2022, and the June 30, 2023, total OPEB liability. The Municipal Bond Index Rate is the single rate that will generate a present value of benefit payments equal to the sum of the present value determined by the long-term expected rate of return, and the present value determined by discounting those benefits after the date of depletion. The Municipal Bond Index Rate was 3.86 percent at June 30, 2023, and 3.69 percent at June 30, 2022.

Sensitivity of the College's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.27%) and higher (5.27%) than the current discount rate (4.27%). Also shown is what SERS' net OPEB liability would be based

NOTE 8 – DEFINED BENEFIT OPEB PLANS (Continued)

on health care cost trend rates that are 1 percentage point lower (5.75% decreasing to 3.40%) and higher (7.75% decreasing to 5.40%) than the current rate.

	1% Decrease (3.27%)	Current Discount Rate (4.27%)	1% Increase (5.27%)
College's proportionate share of the net OPEB liability	$1,464,475	$1,145,655	$894,252

	1% Decrease (5.75% decreasing to 3.40%)	Current Trend Rate (6.75% decreasing to 4.40%)	1% Increase (7.75% decreasing to 5.40%)
College's proportionate share of the net OPEB liability	$841,673	$1,145,655	$1,548,472

Assumption and Benefit Term Changes Since the Prior Measurement Date The discount rate was changed from 4.08% to 4.27%. Healthcare trends were updated to reflect emerging claims and recoveries experience. Effective January 1, 2024, the non-Medicare disability health care subsidy amounts will change to reflect amounts equal to that of service retirees by years of service.

Actuarial Assumptions - STRS

Key methods and assumptions used in the June 30, 2023, actuarial valuation, compared to June 30, 2022 are presented below:

	June 30, 2023	June 30, 2022
Projected salary increases	Varies by service from 2.5 percent to 8.5 percent	Varies by service from 2.5 percent to 8.5 percent
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation	7.00 percent, net of investment expenses, including inflation
Payroll Increases	3 percent	3 percent
Discount Rate of Return	7.00 percent	7.00 percent
Health Care Cost Trends		
Medical		
Pre-Medicare	7.50 percent initial 4.14 percent ultimate	7.50 percent initial 3.94 percent ultimate
Medicare	-10.94 percent initial 4.14 percent ultimate	-68.78 percent initial 3.94 percent ultimate
Prescription Drug		
Pre-Medicare	-11.95 percent initial 4.14 percent ultimate	9.00 percent initial 3.94 percent ultimate
Medicare	1.33 percent initial 4.14 percent ultimate	-5.47 percent initial 3.94 percent ultimate

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

NOTE 8 – DEFINED BENEFIT OPEB PLANS (Continued)

For 2023 and 2022, 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, 2023, 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%	6.60%
International Equity	22.00	6.80
Alternatives	19.00	7.38
Fixed Income	22.00	1.75
Real Estate	10.00	5.75
Liquidity Reserves	1.00	1.00
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 2.25 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 OPEB liability was 7.00 percent as of June 30, 2023. 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, 2023. 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, 2023.

Sensitivity of the College's 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, 2023, 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

NOTE 8 – DEFINED BENEFIT OPEB PLANS (Continued)

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 in Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
College's proportionate share of the net OPEB (asset) liability	($437,381)	($516,773)	($585,915)

	1% Decrease in Trend Rates	Current Trend Rate	1% Increase in Trend Rates
College's proportionate share of the net OPEB (asset) liability	($589,124)	($516,773)	($429,628)

Assumption and Benefit Term Changes Since the Prior Measurement Date The discount rate remained unchanged at 7.00% for the June 30, 2023 valuation. Healthcare trends were updated to reflect emerging claims and recoveries experience as well as benefit changes effective January 1, 2024.

NOTE 9 - LONG-TERM LIABILITIES

Changes in long-term liabilities are as follows:

	Balance 7/1/2023	Additions	Subtractions	Balance 6/30/2024		Current Portion
Compensated Absences	$ 467,635	$ 464,799	$ 467,635	$ 464,799		$ -
Net OPEB Liability						
SERS	$ 1,010,496	$ 135,159	$ -	$ 1,145,655		$ -
STRS	$ -	$ -	$ -	$ -	(a)	$ -
Total Long-Term Liabilities	$ 1,010,496	$ 135,159	$ -	$ 1,145,655		
Net Pension Liability						
SERS	$ 3,981,629	$ -	$ 59,419	$ 3,922,210		
STRS	$ 6,584,881	$ -	$ 862,792	$ 5,722,089		
Total Net Pension Liability	$ 10,566,510	$ -	$ 922,211	$ 9,644,299		$ -
Note Payable - From Direct Borrowings	$ 379,589		$ 93,131	$ 286,458		$ 94,299
SBITA	$ 1,055,983	$ 3,397,945	$ 612,251	$ 3,841,677		$ 784,413
Total Long-Term Liabilities	$ 13,480,213	$ 3,997,903	$ 2,095,228	$ 15,382,888		$ 878,712

(a) OPEB for STRS has a Net OPEB asset in the amount of $516,773 as of June 30, 2024.

NOTE 9 - LONG-TERM LIABILITIES (Continued)

Note Payable

During fiscal year 2015, the College entered into an Energy Loan agreement with the Ohio Development Services Agency to upgrade certain building components to provide energy efficiencies and other improvements. The total borrowing amount authorized under this agreement is $1 million. Principal, interest and service fee payments are scheduled to be made semi-annually of $48,791.81. This note bears interest of 1% and the final payment is scheduled for January 1, 2027.

The College's outstanding notes from direct borrowing related to capital and related financing activities of $289,458 is secured with collateral pledging student-based subsidy-income ("SSI") from the State of Ohio. This subsidy is determined annually based on a formula devised by the Ohio Department of Higher Education (ODHE). The College and ODHE have entered into an agreement to collaterally assign the SSI to the Ohio Development Services Agency in the case of default. In an event of default, outstanding amounts may either become due immediately or the Director may increase the interest rate on the outstanding balance of the loan up to 10% per annum.

Maturity of outstanding debt is a follows:

Fiscal Year Ending June 30,	Principal	Interest	Principal Balance
2025	94,298.65	2,602.18	192,159.47
2026	95,481.07	1,262.73	96,678.40
2027	96,678.40	544.38	-
	286,458.12	4,409.29	

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NOTE 10 - OPERATING EXPENSES BY FUNCTION AND NATURAL CLASS

	Payroll and Benefits	Supplies and Other Services	Utilities and Maintenance	Student Aid and Scholarships	Depreciation Expense	Other Expense	Total
Instruction	5,899,445	733,760	-	-	-	850,587	7,483,792
Academic support	245,326	40,909	109,404	-	-	50,578	446,217
Student services	1,903,617	117,212	44,938	43,500	-	226,848	2,336,115
Institutional suppor	2,576,094	560,765	197,853	-	-	1,121,044	4,455,756
Operation & maintenance of	665,567	314,232	966,749	-	-	21,768	1,968,316
Student aid	-	-	-	1,385,835	-	-	1,385,835
Public service	947,863	40,766	2,833	-	-	114,832	1,106,294
Depreciation	-	-	-	-	2,149,074	-	2,149,074
Total operating expenses	12,237,912	1,807,644	1,321,777	1,429,335	2,149,074	2,385,657	21,331,399

NOTE 11 - CONTINGENCIES

A. Federal and State Grants

The College participates in certain state and federally-assisted grant programs. These programs are subject to financial and compliance audits by the grantors or their representatives. In the opinion of the College, no material grant disbursements will be disallowed.

B. Litigation

The College is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the College's counsel that resolutions of these matters will not have a material adverse effect on the financial condition of the College.

NOTE 12 - RISK MANAGEMENT

The College is exposed to various risks of loss related to torts; theft; damage to or destruction of assets; errors and omissions; employee injuries; and natural disasters. By maintaining comprehensive insurance coverage with private carriers, the College has addressed these various types of risk. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years. There has not been a significant reduction of coverage from the prior fiscal year.

NOTE 13 – SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENT (SBITA) LIABILITY

The College has entered into several contracts that convey the control of the right to use their nonfinancial assets (the underlying assets) for subscription software as specified in the contracts for a period of time. The basis and terms of two of the contracts were through the fiscal year ending June 30, 2026. During the period, there were no outflows of resources recognized for variable payments not previously included in the measurement of the SBITA liability. Also, there were no outflows of resources recognized for other payments, such as residual value guarantees or termination penalties, not previously included in the measurement of the SBITA liability during the period. The basis and terms of the other contract ran through the fiscal year ending June 30, 2029. Principal and interest requirements to retire subscription-based information technology obligations outstanding at June 30, 2024, are as follows:

Fiscal Year Ending	Technology Obligations	
June 30	Principal	Interest
2025	$784,413	$104,428
2026	1,199,549	86,217
2027	597,917	55,731
2028	648,537	37,794
2029	611,261	18,338
	$3,841,677	$ 302,508

NOTE 14 – IMPLEMENTATION OF NEW ACCOUNTING PRINCIPLES

No new principles implemented in fiscal year 2024.

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NOTE 15 - COMPONENT UNIT DISCLOSURES- NORTH CENTRAL STATE COLLEGE FOUNDATION

DESCRIPTION OF THE FOUNDATION

North Central State College Foundation, Inc. (the Foundation) financial statements have been prepared on an accrual basis of accounting, under the provisions of FASB Accounting Standards Codification (ASC) No. 958 "Not-for-Profit Entities". The Foundation is a not-for-profit organization established in accordance with Section 501(c) (3) of the Internal Revenue Code. The Foundation operates under a Board of Trustees who is appointed, not to be less than twelve, but not to exceed forty members. The Foundation is organized primarily to engage in activities and programs to provide support and services to the North Central State College (the College).

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Contributions and Promises to Give
Gifts received without donor stipulations are reported as revenue and net assets without donor restrictions. Gifts received with a donor stipulation that limits their use are reported as revenue and net assets with donor restrictions. When a donor-stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions that are originally restricted by the donor and for which the restriction is met in the same time period are recorded as revenue and net assets without donor restriction. Conditional promises are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met. The Foundation requires an initial minimum balance of $10,000 to establish a scholarship fund.

Financial Statement Presentation
The Foundation has adopted the provisions of FASB Accounting Standards Codification (ASC) No. 958 *Not-for-Profit Entities*. Under ASC No. 958 the Foundation is required to report information regarding its financial position and activities according to two classes of net assets as follows:

Without Donor Restrictions
Net assets that are not subject to donor-imposed restrictions (donors include other types of contributors, including makers of certain grants).

With Donor Restrictions
Net assets that are subject to donor-imposed restrictions (donors include other types of contributors, including makers of certain grants).

When a donor restriction expires, that is, when a stipulated time restriction expires or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents
The Foundation considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

Investments
The Foundation reports investments in marketable securities with readily determined fair values and all investments in debt securities are reported at their fair values in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets. Investments are pooled for making investment transactions and are carried at market value. Interest and dividend income, as well as realized and unrealized gains and losses, are allocated to net assets without or with donor restrictions.

Nonfinancial Contributions
The Foundation has no employees or property (other than cash and investments). Substantially all clerical, accounting and management duties are presently performed by business office personnel who are employees of North Central State College, utilizing equipment and facilities of North Central State College.

For accounting purposes, the value of facilities is considered immaterial and it has not been recognized in the financial statements. The value of the services provided by two College personnel have been recognized in the Statement of Revenues, Expenses, and Changes in Net Assets as personnel reimbursement expenses since the Foundation reimburses the College for employees time spent working for the Foundation.

Prepaid Expenses
Certain payments to vendors for fundraising activities reflect costs applicable to future accounting periods and are recorded as prepaid items.

Capital Assets
Capital assets acquired by the Foundation consist of office equipment. All expenditures for capital assets in excess of $1,000 are capitalized. Depreciation expense is computed using the straight-line method over the estimated useful lives of the assets not to exceed ten years.

Deferred Income
Deferred income results from various fundraising activities. It represents amounts received from sponsors, vendors, and sales of admission tickets in advance. Deferred income is recognized as revenue in the period that the fundraising activity actually occurs.

Estimates
The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and related notes. Actual results may differ from those estimates.

INVESTMENTS

The various investments in fixed income securities, mutual funds and other investment securities are exposed to various risks, such as interest rate, market fluctuations, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in values of investment securities could occur in the near term and those changes could materially affect the amounts reported in the financial statements.

At June 30, 2024, investments consisted of the following:

	Market / Carrying Value	Maturity					
		Less Than One Year	1-2 years	3-5 years	6-7 Years	Various within Fund	No Maturity
Money Market Investments - US Government Obligations	$ 518,103	$ 398,439	$ -	$ -	$ -	$ -	$ 119,664
Coporate Bonds	$ 34,801	$ -	$ 9,991	$ 24,810	$ -	$ -	$ -
Mututal Funds - Fixed Income	$ 1,223,575	$ -	$ -	$ -	$ -	$ 907,144	$ 316,431
Mututal Funds - Equity Securities	$ 3,331,851	$ -	$ -	$ -	$ -	$ -	$ 3,331,851
Common Stock	$ 755,738	$ -	$ -	$ -	$ -	$ -	$ 755,738
ADR / Foreign Equities	$ 2,133,973	$ -	$ -	$ -	$ -	$ -	$ 2,133,973
Perferred Stock	$ 175,379	$ -	$ -	$ -	$ -	$ -	$ 175,379
ADR / Foreign Preferred	$ 136,276	$ -	$ -	$ -	$ -	$ 136,276	$ -
REIT	$ 23,872	$ -	$ -	$ -	$ -	$ -	$ 23,872
Rights and Warrants	$ 27,062	$ -	$ -	$ -	$ -	$ -	$ 27,062
Marketable LLC	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Partnerships	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total	$ 8,360,630	$ 398,439	$ 9,991	$ 24,810	$ -	$ 1,043,420	$ 6,883,970

The Foundation determines the fair market values of its financial instruments based on the fair value hierarchy established in ASC No. 820, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the Foundation's own assumptions based on market data and on assumptions that market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The Standard describes three levels within its hierarchy that may be used to measure fair value:

Level 1 Inputs: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2 Inputs: Significant other observable inputs other than Level 1 quoted prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or

INVESTMENTS (Continued)

other inputs that are observable or can be corroborated by observable market data.

Level 3 Inputs: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would rise in pricing an asset or liability.

The fair value of investments held by the Foundation at June 30, 2024 is summarized as follows:

Investment Type	Quoted Prices In Active Markets For Identical Assets (Level 1)	Significant Other Oberservable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money Market Investments - US Government Obligations	$ 518,103	$ -	$ -
Coporate Bonds	$ 34,801	$ -	$ -
Mututal Funds - Fixed Income	$ 1,223,575	$ -	$ -
Mututal Funds - Equity Securities	$ 3,331,851	$ -	$ -
Common Stock	$ 755,738	$ -	$ -
ADR / Foreign Equities	$ 2,133,973	$ -	$ -
Perferred Stock	$ 175,379	$ -	$ -
ADR / Foreign Preferred	$ 136,276	$ -	$ -
REIT	$ 23,872	$ -	$ -
Rights and Warrants	$ 27,062	$ -	$ -
Total	$ 8,360,630	$ -	$ -

CONTRIBUTIONS RECEIVABLE

Unconditional promises to give are included in the financial statements as contributions receivable and contributions of the appropriate net asset category. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discount rate on those amounts is computed using a risk free interest rate applicable to the years in which the promises are to be received. The discount rate used for the year ended June 30, 2024 was 3.25%. The amortization of the discount is included in contribution revenue. Conditional promises to give are not included as support until conditions of those promises have been met.

CONTRIBUTIONS RECEIVABLE (Continued)

Contributions receivable consisted of the following at June 30, 2024:

Unconditional promises to give before unamortized discount and allowance for uncollectible contributions:

Without Donor Restrictions	1,205
With Donor Restrictions	0
Gross Unconditional promises to give	1,205
Less: Unamortized Discount	(51)
Less: Allowance for uncollectible contributions	(120)
Amounts due: Less than one year	1,034

NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes or periods:

Restricted Time/Purpose	$ 2,425,654
Richland County Foundation	350,000
Donor restricted endowment -	
Scholarships For Students	4,632,387
Total	$ 7,408,041

Net assets were released from donor restrictions by incurring expenses satisfying the purpose restriction specified by donors.

Scholarships for Students	$163,951
Grants	0
Other	348,151
Total Released Net Assets	$512,102

Net assets with donor restrictions are those whose use by the Foundation has been limited by donors to a specific time period or purpose. They are available for the use of providing scholarships to the College's students, providing professional development funds to the College staff and for purchasing equipment for the benefit of the College.

NET ASSETS WITH DONOR RESTRICTIONS (Continued)

The detail of non-endowment donor restrictions are as follows:

Donor Restrictions:		
Avita Health	$	401
ADA Ford Educ Aid		14,917
Alumni Association		8,130
Bennett		6,016
Brown Respiratory Care		1,395
Advancing Diversity		4,309
Crawford County Scholarships		18,835
Cardwell Neer		1,698
Copper		1,206
Advancing Women in Leadership		2,163
Carter Memorial		10,573
Chambers		1,406
Bush Memorial		3,455
Cobey		3,291
Coleman		6,148
Cress		6,279
Emerson		26,176
Diab		2,874
Dewald		26,134
Faculty		3,154
Forty Et Eight		7,908
Galion FOP		3,038
Garber		7,579
Gimble - Health Chair		347,608
Gold Memorial		1,335
G-R Civic		6,399
Legacy		1,135
G-R Rupp		15,841
Invocato		298
Grove		6,451
Gubkin		1,729
Green Women in Leadership		1,453
Hahn		5,673
Haring		8,265
Jenko		257,564
Hamilton Insurance Group		2,133
Husted Women Leadership		1,935
Smith Women Leadership		1,896
McCullum TFS - Health		32,924
Kroger		10,729
MIMA - Urban Center		4,718
Martin Speech		3,789
Necessities		75,563
Necessities - Crawford		35,083
Necessities - Shelby		39,172
Necessities - Wayne		17,920
Nursing		56,328
Sigenthaler Women Leadership		1,621
Title III		51,655
Orange and Blue		99,243

NET ASSETS WITH DONOR RESTRICTIONS (Continued)

PTA Fund	9,413
Phillips Fund	20,143
President Emeritus	6,073
Phillips E Troop	8,608
Plotts	1,274
Preston	7,459
Scheaffer	2,907
RMC	5,913
Respiratory Care	1,911
Searle - PTA	28,966
Searle - RN	23,259
Welsh	15,845
Tech Prep	3,009
Solt	4,555
Vetter	2,799
Wappner Funeral	3,612
YES Entrepreneur	8,266
Charles River	4,200
Scholarships (General)	6,949
Gimbel Scholarship	16,252
Gorman Fund	55,816
Henthorn	9,390
LPN Cohort	212,849
Mansfield University	12,527
Mohican Nurses	2,363
Peoples Savings & Loan	500
Tuition Freedom	144,998
Radiology Merit Scholarship	1,771
Certificate Program	10,500
CDC Small Steps	13,761
NCSC Student Need Fund	28,411
Student Need Fund	760
Crawford Student Need Fund	4,009
Innovation Fund	302
OJA Conference/Scholarships	9,912
Response Fund	9,535
Double Dollars Campaign	18,810
Equipment	258,357
Drone Project	5,880
CC Project Fund	14,308
College Project Fund	17,793
Crawford Cty Project Fund	18,975
Special Events	38,006
Women's Leadership	808
Restricted Projects	28,229
Workforce	1,090
Urban Center Fund	52,918
Temporarily Restricted Other	16,120
	$ 2,425,654

NET ASSETS WITH DONOR RESTRICTIONS (Continued)

Donor-Restricted Endowment Fund

The Foundation's endowment fund was established to support scholarships for students. The original contributions to the endowment fund are donor restrictions that stipulate the original principal is to be held and invested by the Foundation indefinitely, and income from the fund is to be expended for scholarships for students. As required by generally accepted accounting principles, net assets associated with the endowment fund are classified and reported based on the existence of donor imposed restrictions.

At June 30, 2024, the endowment fund is composed of the following:

Endowment fund balance	$4,632,387
Amount required to be invested in perpetuity	4,632,387
Amount available for appropriation	$0

Endowment Scholarships for Students:		
Avita Health	$	10,000
ADA Ford Educ Aid	$	20,000
Alumni Association	$	27,683
Bennett	$	23,420
Brown Respiratory Care	$	12,116
Advancing Diversity	$	23,106
Crawford Cty Project Fund	$	10,675
Cardwell Neer	$	10,795
Copper	$	8,149
Advancing Women In Leadership	$	10,520
Carter Memorial	$	31,267
Chambers	$	5,000
Bush Memorial	$	15,200
Cobey	$	19,201
Coleman	$	26,520
Cress	$	26,800
Emerson	$	117,566
Diab	$	20,478
Dewald	$	133,179
Faculty	$	13,206
Forty Et Eight	$	25,000
Galion FOP	$	13,426
Garber	$	30,525
Gimble - Health Chair	$	1,050,000
Gold Memorial	$	10,000
G-R Civic	$	22,463
Legacy	$	14,490
G-R Rupp	$	56,661
Invocato	$	5,000
Grove	$	32,463
Gubkin	$	11,263
Green Women in Leadership	$	9,500
Hahn	$	15,754

NET ASSETS WITH DONOR RESTRICTIONS (Continued)

Haring	$	24,334
Jenko	$	699,933
Hamilton Insurance Group	$	10,000
Husted	$	15,617
Smith Women in Leadership	$	13,318
McCullum TFS - Health	$	200,000
Kroger	$	36,129
MIMA - Urban Center	$	17,906
Martin Speech	$	13,259
Necessities	$	175,816
Necessities - Crawford	$	54,950
Necessities - Shelby	$	62,166
Necessities - Wayne	$	26,275
Nursing	$	238,158
Siegenthaler Women Leadership	$	11,000
Title III	$	150,000
Orange and Blue	$	403,798
PTA Fund	$	54,414
Phillips	$	48,000
President Emeritus	$	20,620
Phillips E Troop	$	28,973
Plotts Endowment	$	11,000
Preston	$	38,235
Sheaffer	$	11,708
RMC	$	31,922
Searle - PTA	$	100,000
Searle - RN	$	100,824
Welsh	$	53,678
Tech Prep	$	20,969
Solt	$	25,000
Vetter	$	12,125
Wappner Funeral	$	20,000
YES Entrepreneur	$	40,835
Restricted Contributions	$	-
	$	4,632,387

Interpretation of UPMIFA: The Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary

As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

NET ASSETS WITH DONOR RESTRICTIONS (Continued)

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

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

Funds with Deficiencies: From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. Deficiencies of this nature that are in excess of related temporarily restricted amounts are reported in unrestricted net assets. The Foundation had no such amounts totaled as of June 30, 2024.

The changes in endowment net assets for the year ending June 30, 2024 are as follows:

Endowment net assets, July 1, 2023	$4,567,862
Contributions	64,525
Investment return net	
Amounts appropriated for expenditure	0
Endowment net assets, June 30, 2024	$4,632,387

RICHLAND COUNTY FOUNDATION

During 1991, the Foundation established a “Direct Fund” in which an irrevocable gift was made to the Richland County Foundation. This fund is identified by the Richland County Foundation as the North Central State College Foundation “Endowment Fund” and is subject to the provisions contained within the fund agreement dated December 31, 1991. This fund is the property of the Richland County Foundation, whereby, those funds will be held in perpetuity, and the investment income will be distributed to the Foundation annually to benefit the North Central State College. One of the provisions in this fund agreement, the variance power, concerns the power to vary some of the terms of the agreement. As defined by United States Treasury Regulations, the Richland County Foundation has the right to modify the terms of the fund agreement if in the judgment of the Richland County Foundation’s Board of Trustees, the restrictions and conditions in the agreement become unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community.

The portion of this fund contributed by the Foundation is considered a reciprocal transfer because the Foundation is also the beneficiary of this fund. This balance is shown on the Richland County Foundation’s Statement of Financial Position as a liability called “Funds Held as Agency Endowments”. This amounted to $350,000 at June 30, 2024.

RICHLAND COUNTY FOUNDATION (Continued)

In addition, the portion of this fund contributed by unrelated third party donors is considered a contribution to the Richland County Foundation and is included in the net assets of Richland County Foundation. The amount recognized in the Statement of Financial Position of the Richland County Foundation at June 30, 2024 totaled $375,408.

INCOME TAXES

The Foundation is a not-for-profit corporation as described in Section 501 (c) (3) of the Internal Revenue Code, and the organization is exempt from federal and state income taxes.

RELATED PARTY

The Foundation is affiliated with the College. During the year ended June 30, 2024, the College provided the Foundation with professional services valued at $139,240. The value of those services is included as personnel reimbursement expenses in the financial statements since they are reimbursed by the Foundation.

During the year ended June 30, 2024, the Foundation provided scholarships and support to the College of $512,102.

EXPENSE DISCLOSURES

	Program Activities				Supporting Activities			
	Scholarships	Professional Development	Personnel Reimbursement	Program Total	Management and General	Fund-Raising	Supporting Total	Total Expenses
Wages and Benefits	0	0	139,240	139,240	0	0	0	139,240
Services and Professional Fees	163,951	0	0	163,951	6,052	0	6,052	170,003
Supplies, Printing, and Postage	0	0	0	0	3,908	0	3,908	3,908
Staff Development	0	2,190	0	2,190	0	0	0	2,190
Software Licenses and Support	0	0	0	0	3,444	0	3,444	3,444
Misc Expense	348,151	0	0	348,151	42,146	33,735	75,881	424,032
Total Expenses	$512,102	$2,190	$139,240	$653,532	$55,550	$33,735	$89,285	$742,817

Some categories of expense are attributable to more than one activity and require allocation, applied on a consistent basis.

Wages and benefits are allocated on the basis of employee duties.
Services and Professional Fees are allocated when services are rendered by an outside person or entity outside of the skill set of Foundation employees.
Advertising fees are allocated when print / voice / or social media messaging takes place.
Supplies, printing and postage are allocated as such items are acquired.
Insurance is allocated when premiums are paid
Software licenses and support fees are allocated as annual fees or updates are required.
Depreciation is allocated when capital assets are acquired until the item is fully depreciated.
Miscellaneous expenses are assigned directly to specific activities as expenditures are made.

LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflect the Foundation's financial assets as of the date of the Statement of Financial Position, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the financial statement date.

	2024
Cash and Cash Equivalents	$702,321
Investments	8,360,630
Assets Held by Richland County Foundation	350,000
Contributions Receivable	1,034
	9,413,985
Less amounts unavailable for general expenditures within one year, due to:	
Donor-restricted purpose	2,775,654
Donor-restricted to maintain as an endowment	4,632,387
Financial assets available to meet cash needs for general expenditures within one year	$2,005,944

As part of the Foundation's liquidity management, the Foundation invests cash in excess of requirements in various types of investments.

SUBSEQUENT EVENTS

The Foundation has evaluated events occurring between the end of its most recent fiscal year and December 27, 2024, the date of the auditor's report. No material subsequent events were identified for recognition or disclosure.

NEW ACCOUNTING PRINCIPLE

No new principles implemented in fiscal year 2024.

North Central State College
Required Supplementary Information
Schedule of the College's Proportionate Share of the Net Pension Liability
School Employees Retirement System of Ohio
Last Ten Fiscal Years (1)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
College's proportion of the net pension liability	0.0709836%	0.0736142%	0.0767813%	0.0818289%	0.0900382%	0.0909395%	0.0984496%	0.1012388%	0.1086186%	0.1144850%
College's proportionate share of the net pension liability	$ 3,922,210	$ 3,981,629	$ 2,833,007	$ 5,412,336	$ 5,387,143	$ 5,208,274	$ 5,882,146	$ 7,409,746	$ 6,197,883	$ 5,794,021
College's covered payroll	$ 2,816,107	$ 2,749,907	$ 2,650,293	$ 2,868,743	$ 3,088,822	$ 3,034,659	$ 3,915,886	$ 3,144,079	$ 3,096,077	$ 3,365,354
College's proportionate share of the net pension liability as a percentage of its covered payroll	139.28%	144.79%	106.89%	188.67%	174.41%	171.63%	150.21%	235.67%	200.19%	172.17%
Plan fiduciary net position as a percentage of the total pension liability	76.06%	75.82%	82.86%	68.55%	70.85%	71.36%	69.50%	62.98%	69.16%	71.70%

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

See accompanying notes to required supplementary information.

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 389,204	$ 394,255	$ 384,987	$ 371,041	$ 401,624	$ 416,991	$ 409,679	$ 548,224	$ 440,171	$ 408,063
Contributions in relation to the contractually required contribution	(389,204)	(394,255)	(384,987)	(371,041)	(401,624)	(416,991)	(409,679)	(548,224)	(440,171)	(408,063)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
College's covered payroll	$ 3,041,836	$ 2,816,107	$ 2,749,907	$ 2,650,293	$ 2,868,743	$ 3,088,822	$ 3,034,659	$ 3,915,886	$ 3,144,079	$ 3,096,077
Contributions as a percentage of covered payroll	12.80%	14.00%	14.00%	14.00%	14.00%	13.50%	13.50%	14.00%	14.00%	13.18%

See accompanying notes to required supplementary information.

North Central State College
Required Supplementary Information
Schedule of the College's Proportionate Share of the Net Pension Liability
State Teachers Retirement System of Ohio
Last Ten Fiscal Years (1)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
College's proportion of the net pension liability	0.0265712%	0.02962143%	0.03208386%	0.03490146%	0.03773247%	0.03856299%	0.04085127%	0.04181508%	0.04722145%	0.05130503%
College's proportionate share of the net pension liability	$ 5,722,089	$ 6,584,881	$ 4,101,210	$ 8,444,911	$ 8,344,309	$ 8,479,136	$ 9,704,307	$ 13,996,768	$ 13,050,628	$ 12,479,159
College's covered payroll	$ 3,300,950	$ 3,446,529	$ 3,529,921	$ 3,864,021	$ 4,146,593	$ 4,121,836	$ 4,434,771	$ 4,293,236	$ 4,331,450	$ 5,394,746
College's proportionate share of the net pension liability as a percentage of its covered payroll	173.35%	191.06%	116.18%	218.55%	201.23%	205.71%	218.82%	326.02%	301.30%	231.32%
Plan fiduciary net position as a percentage of the total pension liability	80.02%	78.88%	87.78%	77.50%	77.40%	77.31%	75.30%	66.80%	72.10%	74.70%

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

See accompanying notes to required supplementary information.

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 434,355	$ 462,133	$ 482,514	$ 494,189	$ 540,963	$ 580,523	$ 577,057	$ 620,868	$ 601,053	$ 606,403
Contributions in relation to the contractually required contribution	(434,355)	(462,133)	(482,514)	(494,189)	(540,963)	(580,523)	(577,057)	(620,868)	(601,053)	(606,403)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
College covered payroll	$ 3,102,536	$ 3,300,950	$ 3,446,529	$ 3,529,921	$ 3,864,021	$ 4,146,593	$ 4,121,836	$ 4,434,771	$ 4,293,236	$ 4,331,450
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

See accompanying notes to required supplementary information.

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

	2024	2023	2022	2021	2020	2019	2018	2017
College's proportion of the net OPEB liability	0.06954130%	0.07197210%	0.07359680%	0.07895040%	0.08689010%	0.08806940%	0.09650590%	0.10230332%
College's proportionate share of the net OPEB liability	$ 1,145,655	$ 1,010,496	$ 1,392,880	$ 1,715,851	$ 2,185,103	$ 2,443,283	$ 2,589,965	$ 2,916,023
College's covered payroll	$ 2,816,107	$ 2,749,907	$ 2,650,293	$ 2,868,743	$ 3,088,822	$ 3,034,659	$ 3,915,886	$ 3,144,079
College's proportionate share of the net OPEB liability as a percentage of its covered payroll	40.68%	36.75%	52.56%	59.81%	70.74%	80.51%	66.14%	92.75%
Plan fiduciary net position as a percentage of the total OPEB liability	30.02%	30.34%	24.08%	18.17%	15.57%	13.57%	12.46%	11.49%

(1) The schedule is intended to show information for the past 10 years and 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.

North Central State College
Required Supplementary Information
Schedule of College Contributions for OPEB
School Employees Retirement System of Ohio
Last Nine Fiscal Years (1) (2)

	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 36,653	$ 31,948	$ 30,128	$ 21,540	$ 22,514	$ 43,259	$ 44,149	$ 36,882	$ 50,515
Contributions in relation to the contractually required contribution	(36,653)	(31,948)	(30,128)	(21,540)	(22,514)	(43,259)	(44,149)	(36,882)	(50,515)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
College's covered payroll	$ 3,041,836	$ 2,816,107	$ 2,749,907	$ 2,650,293	$ 2,868,743	$ 3,088,822	$ 3,034,659	$ 3,915,886	$ 3,144,079
Contributions as a percentage of covered payroll	1.20%	1.13%	1.10%	0.81%	0.78%	1.40%	1.45%	0.94%	1.61%

(1) The schedule is intended to show information for the past 10 years and additional years' information will be displayed as it becomes available. Information prior to 2016 is not available.
(2) Includes surcharge.

See accompanying notes to the required supplementary information.

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

	2024	2023	2022	2021	2020	2019	2018	2017
College's proportion of the net OPEB liability (asset)	0.02657119%	0.02962143%	0.03208386%	0.03490146%	0.03773247%	0.03856299%	0.04085127%	0.04181508%
College's proportionate share of the net OPEB liability (asset)	$ (516,773)	$ (766,997)	$ (676,462)	$ (613,393)	$ (624,940)	$ (619,668)	$ 1,593,866	$ 2,236,281
College's covered payroll	$ 3,300,950	$ 3,446,529	$ 3,529,921	$ 3,864,021	$ 4,146,593	$ 4,121,836	$ 4,434,771	$ 4,293,236
College's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	-15.66%	-22.25%	-19.16%	-15.87%	-15.07%	-15.03%	35.94%	52.09%
Plan fiduciary net position as a percentage of the total OPEB liability	168.52%	230.73%	174.73%	182.13%	174.74%	176.00%	47.11%	37.33%

(1) The schedule is intended to show information for the past 10 years and 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 required supplementary information.

North Central State College
Required Supplementary Information
Schedule of College Contributions for OPEB
State Teachers Retirement System of Ohio
Last Nine Fiscal Years (1)

	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-	-	-	-	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
College covered payroll	$ 3,102,536	$ 3,300,950	$ 3,446,529	$ 3,529,921	$ 3,864,021	$ 4,146,593	$ 4,121,836	$ 4,434,771	$ 4,293,236
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

(1) The schedule is intended to show information for the past 10 years and additional years' information will be displayed as it becomes available. Information prior to 2016 is not available.

See accompanying notes to required supplementary information.

Pension

School Employees Retirement System (SERS)

Changes in benefit terms

2023-2024: There were no changes in benefit terms from the amounts reported for these fiscal years.

2022: For fiscal year 2022, SERS changed from a Cost of Living Adjustment (COLA) of 2.5% to 2.0%.

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

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

2018: SERS changed from a fixed 3% annual increase to a Cost of Living Adjustment (COLA) based on the changed in the Consumer Price Index (CPI-W), with a cap of 2.5% and a floor of 0%.

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

Changes in assumptions

2024: Cost-of-Living-Adjustments was increased from 2.00% to 2.50% for calendar year 2024.

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

2022: The assumed rate of inflation was reduced from 3.00% to 2.40%, the assumed real wage growth was increased from 0.50% to 0.85%, the cost-of-living adjustments were reduced from 2.50% to 2.00%, the discount rate was reduced from 7.50% to 7.00%, the rates of withdrawal, compensation, participation, spouse coverage assumption, retirement, and disability were updated to reflect recent experience, and mortality among active members, service retirees and beneficiaries and disabled members were updated.

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

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

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

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

Pension (continued)

State Teachers Retirement System (STRS)

Changes in benefit terms

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.

Changes in assumptions

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

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

(1) The projected salary increases went from 12.50% at age 20 to 2.50% at age 65 to varies by service from 2.50% to 8.50%.

2022: 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 7.45% to 7.00%,
(2) The discount rate of return was reduced from 7.45% to 7.00%,

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.

OPEB

School Employees Retirement System (SERS)

Changes in benefit terms

2017-2024: There were no changes in benefit terms from the amounts reported for these fiscal years.

OPEB (continued)

School Employees Retirement System (SERS) (continued)

Changes in assumptions

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

(1) The municipal bond index rate went from 3.69% to 3.86%
(2) The single equivalent interest rate went from 4.08% to 4.27%

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

(3) The municipal bond index rate went from 1.92% to 3.69%
(4) The single equivalent interest rate when from 2.27% to 4.08% medical trend assumptions went from 5.125% to 4.40% Medicare and 6.75% to 4.40% Pre-Medicare to 7.00% to 4.40%

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

(1) Wage inflation decreased from 3.00% to 2.40%
(2) Future salary increases changed from 3.50%-18.20% to 3.25%-13.58%
(3) Investment rate of return decreased from 7.50% to 7.00%
(4) The discount rate decreased from 7.50% to 7.00%
(5) Municipal Bond Index Rate:
Prior Measurement Date 2.45%
Measurement Date 1.92%
(6) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:
Prior Measurement Date 2.63%
Measurement Date 2.27%
(7) Mortality tables changes from the RP=2014 Blue Collar mortality table to the PUB-2010 General Employee Amount Weighted Below median Health Retiree mortality table.

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

(1) The discount rate was changed from 3.22% to 2.63%
(2) Municipal Bond Index Rate:
Prior Measurement Date 3.13%
Measurement Date 2.45%

2020: The discount rate was changed from 3.70% to 3.22%

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

(1) The discount rate was changed from 3.63% to 3.70%
(2) Municipal Bond Index Rate:
Prior Measurement Date 3.56%
Measurement Date 3.62%
(3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:
Prior Measurement Date 3.63%
Measurement Date 3.70%

OPEB (continued)

School Employees Retirement System (SERS) (continued)

Changes in assumptions (continued)

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

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

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

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

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

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

State Teachers Retirement System (STRS)

Changes in benefit terms

2023 - 2024: There were no changes in benefit terms from the amounts reported for these fiscal years.

2022: There was no change to the claims costs process. The non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055 percent to 2.1 percent per year of service. 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 CY 2022. 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 FYE 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.

OPEB (continued)

State Teachers Retirement System (STRS) (Continued)

Changes in benefit terms (continued)

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

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

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

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

Changes in assumptions

2024: The health care cost trend rates were changed to the following: Pre-Medicare from 7.50% initial – 3.94% ultimate to 7.50% initial – 4.14% ultimate; medical Medicare from -68.78% initial – 3.94% ultimate to -10.94% initial – 4.14% ultimate; prescription drug Pre-Medicare from 9.00% initial – 3.94% ultimate to -11.95% initial – 4.14% ultimate; Medicare from -5.47% initial – 3.94% ultimate to 1.33% initial – 4.14% ultimate.

2023: The projected salary increase went from 12.50% at age 20 to 2.50% at age 65 to varies by services from 2.50% to 8.50%. The health care cost trend rates were changed to the following: Pre-Medicare from 5.00% initial - 4.00% ultimate to 7.50% initial - 3.94% ultimate; medical Medicare from -16.18% initial - 4.00% ultimate to -68.78% initial - 3.94% ultimate; prescription drug Pre-Medicare from 6.50% initial - 4.00% ultimate to 9.00% initial - 3.94% ultimate; Medicare from 29.98% initial - 4.00% ultimate to -5.47% initial - 3.94% ultimate.

2022: The long-term expected rate of return was reduced from 7.45% to 7.00%. The discount rate was reduced from 7.45% in the prior year to 7.00% in the current year. The health care cost trend rates were changed to the following: medical Medicare from -6.69% initial - 4.00% ultimate down to -16.18% initial - 4.00% ultimate; prescription drug Medicare from 11.87% initial - 4.00% ultimate up to 29.98% initial - 4.00% ultimate.

2021: The health care cost trend rates were changed to the following: medical pre-Medicare from 5.87% initial - 4.00% ultimate down to 5.00% initial - 4.00% ultimate; medical Medicare from 4.93% initial - 4.00% ultimate down to -6.69% initial - 4.00% ultimate; prescription drug pre-Medicare from 7.73% initial - 4.00% ultimate down to 6.50% initial - 4.00% ultimate; prescription drug Medicare from 9.62% initial - 4.00% ultimate up to 11.87% initial - 4.00% ultimate.

OPEB (continued)

State Teachers Retirement System (STRS) (Continued)

Changes in assumptions (continued)

2020: The health care cost trend rates were changed to the following: medical pre-Medicare from 6.00% initial - 4.00% ultimate down to 5.87% initial - 4.00% ultimate; medical Medicare from 5.00% initial - 4.00% ultimate down to 4.93% initial - 4.00% ultimate; prescription drug pre-Medicare from 8.00% initial - 4.00% ultimate down to 7.73% initial - 4.00% ultimate and (5.23%) initial - 4.00% ultimate up to 9.62% initial - 4.00% ultimate.

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

2018: The discount rate was increased from 3.26 percent to 4.13 percent based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB) and the long term expected rate of return was reduced from 7.75 percent to7.45 percent. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

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

North Central State College
Richland County
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2024

Federal Grantor ***Pass Through Grantor*** **Program / Cluster Title**	Federal AL Number	Pass Through Entity Number	Total Federal Expenditures
United States Department of Education			
Direct Award			
Student Financial Assistance Cluster:			
Federal Supplemental Educational Opportunity Grants	84.007	N/A	$111,692
Federal Direct Student Loans	84.268	N/A	2,267,340
Federal Work-Study Program	84.033	N/A	11,184
Federal Pell Grant Program	84.063	N/A	2,640,940
Total Federal Student Financial Assistance Cluster			5,031,156
Higher Education Institutional Aid	84.031A	N/A	301,728
TRIO - Student Support Services	84.042A	N/A	319,559
COVID-19 Higher Education Emergency Relief Fund Student Aid Portion	84.425E	N/A	(5,642)
COVID-19 Higher Education Emergency Relief Fund Student Aid Portion	84.425F	N/A	753,560
Total Higher Education Emergency Relief Fund			747,918
Passed Through the Ohio Department of Education and Workforce			
Career and Technical Education - Basic Grants to States	84.048A	N/A	104,827
Total United States Department of Education			6,505,188
United States Department of Health and Human Services			
Direct Award			
Head Start	93.600	N/A	547,903
Child Care and Development Block Grant	93.575	N/A	47,289
Total United States Department of Health and Human Services			595,192
United States Department of Agriculture			
Passed Through the Ohio Department of Education			
Child and Adult Care Food Program	10.558	CCCN/CCMN/LUCN	35,166
Total United States Department of Agriculture			35,166
United States Department of Labor			
Passed Through the Ohio Department of Job and Family Services			
H-1B Job Training Grants	17.268	N/A	311
Total United States Department of Labor			311
National Science Foundation			
Direct Award			
STEM Education	47.076	N/A	3,880
Total National Science Foundation			3,880
Total Expenditures of Federal Awards			$7,139,737

The accompanying notes are an integral part of this schedule.

North Central State College
Richland County
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED June 30, 2024

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of North Central State College (the College) under programs of the federal government for the year ended June 30, 2024. The information on this Schedule is prepared 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 B – SUMMARY OF SIGNIFICANT ACCOUNTNG POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE C – INDIRECT COST RATE

The College has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D – FEDERAL DIRECT STUDENT LOANS

The College participates in the Federal Direct Student Loan Program. The dollar amounts in the schedule of federal awards expenditures represents new loans advanced during the current fiscal year. The College is a direct lender of these loans funds; however the College is not responsible for collecting these loans in future periods.

ALN Number	Program Name	Amount
84.268	**Federal Subsidized Loans**	**$ 858,892**
84.268	**Federal Unsubsidized Loans**	**$1,408,448**
	Total Federal Direct Student Loans	**$2,267,340**

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

North Central State College
Richland County
2441 Kenwood Circle
Mansfield, Ohio 44906

To the Board of Trustees:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States *(Government Auditing Standards)*, the financial statements of the business-type activities, and the discretely presented component unit of North Central State College, Richland County, Ohio (the College) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the College's basic financial statements and have issued our report thereon dated December 27, 2024.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the College'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.

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Report on Compliance and Other Matters

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

Purpose of This Report

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

BHM CPA Group

BHM CPA Group Inc.
Portsmouth, Ohio
December 27, 2024

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

North Central State College
Richland County
2441 Kenwood Circle
Mansfield, Ohio 44906

To the Board of Trustees:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited North Central State College's, Richland County, (College) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on North Central State College's major federal program for the year ended June 30, 2024. North Central State College's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, North Central State College complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2024.

Basis for Opinion on the Major Federal Program

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

The College’s 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 GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the College's compliance with the requirements of the major federal program as a whole.

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

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

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

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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 this testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

BHM CPA Group

BHM CPA Group Inc.
Portsmouth, Ohio
December 27, 2024

North Central State College
Richland County, Ohio

Schedule of Findings
2 CFR § 200.515
June 30, 2024

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Program's Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs (list):	Student Financial Assistance Cluster: AL #84.063, #84.033, #84.268, & #84.007
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > $750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	Yes

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

None noted

3. FINDINGS FOR FEDERAL AWARDS

None noted

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OHIO AUDITOR OF STATE
KEITH FABER

NORTH CENTRAL STATE COLLEGE

RICHLAND COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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

Certified for Release 1/28/2025