CLARK SCHAEFER HACKETT
BUSINESS ADVISORS

CLARK STATE COLLEGE
CLARK COUNTY, OHIO

SINGLE AUDIT

FOR THE FISCAL YEARS ENDED JUNE 30, 2021 AND 2020

OHIO AUDITOR OF STATE
KEITH FABER

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Board of Trustees
Clark State College
570 East Leffel Lane
Springfield, Ohio 45501

We have reviewed the *Independent Auditor's Report* of the Clark State College, Clark County, prepared by Clark, Schaefer, Hackett & Co., for the audit period July 1, 2020 through June 30, 2021. 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 Clark State College is responsible for compliance with these laws and regulations.

Keith Faber
Auditor of State
Columbus, Ohio

October 20, 2021

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CLARK SCHAEFER HACKETT
BUSINESS ADVISORS

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Clark State College
Springfield, Ohio

Report on the Financial Statements
We have audited the accompanying financial statements of the business-type activities and discretely presented component unit of Clark State College (the "College"), a component unit of the State of Ohio, as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

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

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

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

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

Opinions
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and discretely presented component unit of the College, as of June 30, 2021 and 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

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

Other Information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the schedules of the Board of Trustees and Administrative Personnel are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of expenditures of federal awards 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. Such 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.

The schedules of the Board of Trustees and Administrative Personnel have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*
In accordance with *Government Auditing Standards*, we have also issued our report dated October 13, 2021 on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
October 13, 2021

This section of the Clark State College ("College") annual financial report presents an overview of its financial condition and assists readers in focusing on significant financial issues of the College for the fiscal year ended June 30, 2021. Pursuant to a resolution adopted by the Board of Trustees on October 20, 2020, the Clark State Community College officially changed its name to the Clark State College.

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

USING THE ANNUAL FINANCIAL REPORT

This annual financial report includes three financial statements:

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

These financial statements are prepared in accordance with Governmental Accounting Standards Board ("GASB") Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities* and subsequent statements. The Clark State College Foundation (the "Foundation") has been determined to be a component unit of the College. Accordingly, the Foundation is discretely presented in the College's financial statements. The Foundation is excluded from Management's Discussion and Analysis. Complete financial statements for the Foundation can be obtained from the Controller at the College.

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

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

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

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

FINANCIAL AND OTHER COLLEGE HIGHLIGHTS

- Net position invested in capital assets (net of related debt) decreased by $104,000 (0.3%). This has been lower in recent years. Efforts have been focused on community projects such as the Springfield Downtown Parking Garage in 2020 and in 2021 a joint use facility project in Greene County. In 2021, other capital projects on campus have been primarily focused on renovations of Rhodes Hall. The college is currently in Phase III of the building's renovations. The College continues to invest in its buildings with other various projects around campus. This year, due to the HEERF allocations from the Department of Education, the College has also invested in a door replacement project for contact-tracing purposes, due to the onset of the COVID-19 pandemic. But projects like these benefit the College in many ways for years to come.

- Unrestricted net position (exclusive of pension/OPEB adjustments) increased by $6.3 million (51.9%) as a result of a surplus from operations in the Educational and General Fund as well as the federal funded Higher Education Emergency Relief Fund (HEERF) through the Department of Education that also supported College operations through the year. Unrestricted net position (including pension/OPEB adjustments) increased by $5.8 million (25.4%).

- Student tuition and fees revenue (net of scholarship allowances) decreased by $58,000 (0.6%). Gross tuition and fees revenue decreased by $333,000 (2.3%). Scholarship allowances were down by $275,000 (5.0%). The College raised instructional fees by $5 per credit hour in fiscal year 2021. The College experienced a drop in enrollment as a result of the pandemic.

- Net accounts receivable increased by $4.5 million (97.3%). This was mainly due to an increase to federal receivables for HEERF funding for expenses incurred prior to year-end.

- Current liabilities increased $1.2 million (32.2%). The college has entered into a health insurance consortium for fiscal year 2021. The College's portion of the claims liability at year end was $306,750. There was also an increase in activity through the State capital projects at year end due to Rhodes Hall Phase III. In late Spring and early Summer 2020 the college saw a decline in purchasing due to the impact of COVID-19. Purchasing activity at year end in 2021 returned to near normal levels as the College began its return to campus.

- Federal operating grants increased $149,000 (10.1%). Notable new grants include H1B One Workforce Department of Labor grant and a Title III grant to focus on trauma informed services. Additional money, reflected under federal non-operating revenue, was also received from the federal government's response to the COVID-19 pandemic. After the initial CARES Act, two more rounds of support were received, Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) and (American Rescue Plan (ARP), which are collectively referred to as HEERF. A major component of these funds is to aid our students with emergency funding. The college distributed $1.7 million in funds this year to help students in addition to the funds distributed last year. State and local grants increased $236,000 (57%). Grants that ended in fiscal year 2020 include the NSF Precision Tech and NSF Cyber P3. The college continues to participate in the State Fire Marshall Program which expanded this year. Nongovernmental grants and contracts increased by $56,000 (218.9%). The college's major youth program, Project Jericho, continues to be funded through Clark County Department of Job and Family Services and the many generous donations received by our community through the Foundation.

- Auxiliary enterprises revenue, in total, decreased by $9,000 (1.2%). Bookstore revenues (net of scholarship allowances) increased $30,000 (17.2%) with gross revenue down $47,000 (15.2%). The College continues to partner with eCampus to provide books to students, offering a wider range of available options and savings to students. Parking revenues decreased $1,000 (3.8%). Commercial Transportation Training Center revenues decreased $37,000 (7.0%) due to a decline in enrollment as the State discontinued their student loan program for these students and the effects of the pandemic.

STATEMENT OF NET POSITION

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

A summary of the College's assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position as of June 30, 2021, 2020 and 2019 is as follows:

	2021	2020	2019
	(all dollar amounts in thousands)		
Current assets	$ 26,017	$ 18,385	$ 18,693
Noncurrent assets	51,289	52,365	52,424
Total assets	77,306	70,750	71,117
Deferred outflows of resources	6,381	5,446	6,976
Current liabilities	5,083	3,844	4,062
Noncurrent liabilities	47,825	47,263	47,732
Total liabilities	52,908	51,107	51,794
Deferred inflows of resources	5,353	5,143	5,557
Net position			
Net investment in capital assets	39,832	39,935	38,953
Restricted			
Nonexpendable	250	250	250
Expendable	2,224	2,400	3,085
Unrestricted	(16,880)	(22,639)	(21,546)
Total net position	$ 25,426	$ 19,946	$ 20,742

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

A review of the summary indicates a relatively strong financial position as of June 30, 2021. Total net position increased $5.5 million primarily due to a positive operating year and Federal HEERF funding. Net position increased $6.0 million (11.0%) (exclusive of pension and OPEB adjustments).

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

Net investment in capital assets represents the College's capital assets after subtracting accumulated depreciation and the principal amount of outstanding debt attributable to the acquisition, construction, or improvement of those assets. Net investment in capital assets had a $104,000 decrease (0.3%).

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

Restricted expendable net position represents funds that are externally restricted to specific purposes such as student financial aid and grants, donations for the operation and maintenance of the Performing Arts Center, and capital component funds.

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

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSTION

The Statement of Revenues, Expenses and Changes in Net Position presents the results of operations for the College. A summary of the College's revenues, expenses and changes in net position for the years ended June 30, 2021, 2020 and 2019 is as follows:

	2021	2020	2019
	(all dollar amounts in thousands)		
Operating revenues			
Student tuition and fees, net	$ 9,067	$ 9,125	$ 9,117
Grants and contracts	2,362	1,921	2,098
Auxiliary enterprises	732	740	1,005
Other	502	1,108	1,287
Total	12,663	12,894	13,507
Operating expenses	38,987	39,781	35,267
Operating loss	(26,324)	(26,887)	(21,760)
Nonoperating revenues (expenses)			
State appropriations	15,698	14,696	14,952
Federal grants	15,721	9,765	8,535
Investment income	55	225	295
Other	(11)	(258)	264
Interest expense	(368)	(380)	(432)
Nonoperating project expense	(837)	(2,512)	-
Capital appropriations	1,186	4,203	4,568
Capital grants	360	352	327
Total	31,804	26,091	28,509
Increase (decrease) in net position	5,480	(796)	6,749

The College relies primarily on state appropriations and student tuition and fees to fund its ongoing programs and operations. Although classified by GASB 35 as a non-operating revenue source, state appropriations over the years have been the largest single source of revenue for the College up until fiscal year 2004. The amount received each year is no longer a function of student enrollment. Funding is based on student success measures – course completion, success points and completion metrics. FTE Enrollment decreased 5.7% in fiscal year 2021. Student fees were increased for FY 2021. As the table below demonstrates, the State of Ohio has dramatically shifted the burden for funding the cost of higher education to students and their families. Although in recent years, the trend is reversing due to a combination of tuition restraint and the college's success in the appropriation model based on student success and completion.

State Operating Appropriations per Dollar of Gross Tuition

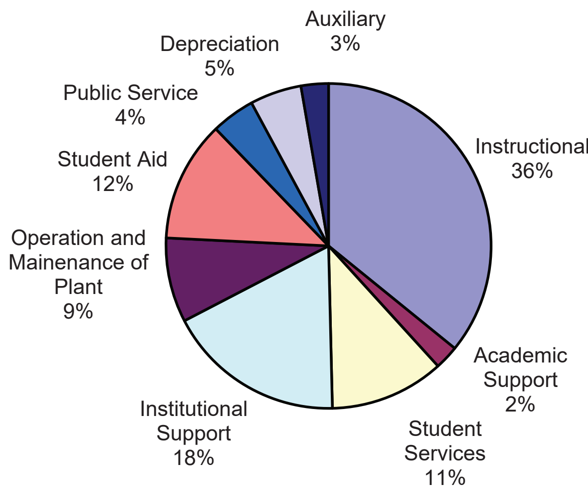
Fiscal Year	Gross Tuition	State Operating Appropriations	Net State Appropriations per Dollar of Gross Tuition
1980	$ 1,144,925	$ 2,160,717	$1.89
1990	2,781,764	4,491,168	1.61
2000	4,964,992	6,069,435	1.22
2010	12,626,366	9,367,573	0.74
2011	14,417,217	9,938,577	0.69
2012	15,137,415	9,404,245	0.62
2013	16,680,297	10,137,875	0.61
2014	15,693,399	10,819,671	0.69
2015	16,636,325	11,164,635	0.67
2016	14,640,107	11,987,351	0.82
2017	15,169,101	13,164,123	0.87
2018	14,124,922	13,804,624	0.98
2019	14,498,916	14,631,745	1.01
2020	14,645,431	14,588,472	1.00
2021	14,312,734	15,559,047	1.09

In FY 1980, the State contributed $1.89 to Clark State for every dollar of gross tuition. As of 2021, that figure has dropped to $1.09 In FY 2021, gross tuition exceeds state appropriations by approximately $1.2 million.

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

Total state appropriations increased 6.8% in FY 2021. Net student tuition and fees decreased 0.6% from $9.12 million in FY 2020 to $9.07 million in FY 2021.

The following is a graphic illustration of expenses by function for the year ended June 30, 2021:



Operating expenses are comparable to the prior year. The decrease in expenses in FY 2021 was primarily the result of pension and OPEB adjustments. Exclusive of the pension and OPEB adjustments are the following expense increases and decreases:

- Increases in functional categories of Instruction 2.2%, student services 3.5%, institutional support 7%, operation of maintenance of plant 5.5%, and student aid 4.9%. Most areas increased spending using the federal HEERF funds. Instruction was able to add more equipment for social distancing in the classroom, operation of maintenance of plant increased their spending for sanitization supplies and equipment, IT embarked on several projects to boost remote learning, system resiliency, and work from home capabilities.

- Decreases in academic support 23.9%, public service 31.9%, depreciation 7.5%, and auxiliary 13.4%. These decreases are largely due to the COVID-19 pandemic and the switch to modified operations during the year. Spending on equipment in Academic Support decreased due to the pandemic. The Clark State Performing Arts Center and Hollenbeck Bayley Creative Arts and Conference Center were closed throughout the year. Auxiliary services were largely affected by the pandemic too. Depreciation declined as more items became fully depreciated and not as many additions were added in comparison to prior years.

The following table shows a comparison of total operating expenses per FTE for FY 2021 and FY 2020. Total operating expenses per FTE student increased by $479 during FY 2021.

	2021	2020	Difference	Change
Total operating expenses	$ 38,986,985	$ 39,781,165	$ (794,180)	(2.0%)
FTE Enrollment	3,097	3,285	(188)	(5.7%)
Total operating expenses per FTE	$ 12,589	$ 12,110	$ 479	4.0%

STATEMENT OF CASH FLOWS

The Statement of Cash Flows also provides information about the College's financial health by reporting the cash receipts and cash payments of the College during the year ended June 30, 2021. The following is a summary of the Statement of Cash Flows for the years ended June 30, 2021, 2020 and 2019:

	2021	2020	2019
	(all dollar amounts in thousands)		
Cash provided (used) by:			
Operating activities	$ (23,539)	$ (22,637)	$ (22,052)
Noncapital financing activities	27,075	21,691	23,751
Capital and related financing activities	(768)	777	(2,112)
Investing activities	59	1,286	583
Net change in cash and cash equivalents	2,827	1,117	170
Cash and cash equivalents			
Beginning of year	12,917	11,800	11,630
End of year	$ 15,744	$ 12,917	$ 11,800

Cash and cash equivalents increased by 21.9% primarily due the increase in federal grant revenue from HEERF funding.

GASB STATEMENT NO. 68

In accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, the College is required to recognize its proportionate share of the net pension liability to more comprehensively measure the annual costs of pension benefits. For Clark State, the net pension liability reflected on the FY 2021 Statement of Net Position is $32.8 million.

GASB STATEMENT NO. 75

In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions (OPEB),* the College is required to recognize its OPEB asset/liability to more comprehensively measure the annual costs of its post-employment benefits other than pensions. For Clark State, a net OPEB asset of $1.3 million and a net OPEB liability of $4.9 million is reported on the FY 2021 Statement of Net Position.

CAPITAL ASSETS AND DEBT

Capital Assets

The College had $50.0 million invested in capital assets net of accumulated depreciation of $47.1 million at June 30, 2021. Depreciation expense for the years ended June 30, 2021 was $2.0 million and 2020 was $2.2 million.

A summary of net capital assets for the years ended June 30, 2021, 2020 and 2019 is as follows:

	2021	2020	2019
	(all dollar amounts in thousands)		
Land, leasehold improvements and infrastructure	$ 3,969	$ 4,048	$ 4,107
Building	42,792	44,199	39,155
Furniture and equipment	2,466	2,281	1,918
Library books	73	91	99
Vehicles	170	247	90
Construction in progress	536	-	5,345
Total capital assets, net	$ 50,006	$ 50,866	$ 50,714

Capital projects during FY 2021 included Phase III of renovations to Rhodes Hall and a door replacement project for contact tracing purposes that will also benefit the safety and security of our campuses as well as extend the life of the College doors. See Note 5 of the financial statements for additional details.

Debt

The College had $10.2 million of bonds and notes payable at June 30, 2021. Interest rates range from 1.5% to 6.17% and mature in 2035 and 2032, respectively. See Note 6 of the financial statements for additional details.

STRATEGIC PLAN

The College embarked on a strategic planning process in Spring 2018. Faculty, staff, students, Trustees, Foundation Directors, business leaders and the community at large were invited to participate in the process.

The new goals that will be implemented over 2018-2023 are:

- Develop and strengthen quality, innovative academic programs
- Increase enrollment, student success, retention, and completion
- Facilitate a culture that recognizes, embraces, and reflects the diversity of the communities we serve
- Cultivate effective communication strategies and collaboration within the college
- Promote collaboration with our diverse communities, businesses and industries

The initiatives that will be the focus for fiscal year 2022 are:

- Identify new certificate programs, associate degrees, bachelor's degrees and industry credentials
- Identify special populations with low completion/retention rates and develop targeted retention initiatives
- Explore diverse methods for advertising open positions to ensure employees represent the communities we serve
- Develop opportunities for collaboration and engagement among faculty, staff, students and alumni
- Improve digital presence and communication
- Work with county agencies and family advocacy groups to make students aware of services available to them
- Create, sustain and engage the business, industry and community stakeholders

Assets		2021	2020
Current assets			
Equity in pooled cash and cash equivalents	$	15,198,288	12,916,581
Cash with fiscal agent		545,784	-
Investments		724,144	481,323
Accounts receivable, net		9,194,657	4,660,916
Prepaid expenses		251,910	221,734
Inventory		98,060	95,607
Employee loans receivable		3,827	8,552
Total current assets		26,016,670	18,384,713
Noncurrent assets			
Investments		-	246,708
Capital assets, not being depreciated		2,977,971	2,441,928
Capital assets, net of depreciated		47,028,179	48,423,905
Net OPEB asset		1,252,785	1,219,648
Deferred charges		30,270	32,433
Total noncurrent assets		51,289,205	52,364,622
Total assets		77,305,875	70,749,335
Deferred outflows of resources			
OPEB		1,174,203	736,499
Pension		5,206,387	4,709,758
Total deferred outflows of resources		6,380,590	5,446,257
Liabilities			
Current liabilities			
Accounts payable and other accrued liabilities		1,679,962	740,998
Bonds and notes payable, current portion		790,000	770,000
Interest payable		137,176	143,034
Wages payable		1,917,742	1,538,218
Accrued payroll tax liabilities		265,391	238,672
Unearned revenue		105,641	234,985
Unclaimed funds		186,918	177,680
Total current liabilities		5,082,830	3,843,587
Noncurrent liabilities			
Bonds and notes payable, less current portion		9,414,490	10,225,666
Deposits held in trust for others		52,740	48,372
Accrued compensated absences		702,083	652,987
Net OPEB liability		4,905,175	5,820,809
Net pension liability		32,750,799	30,515,409
Total noncurrent liabilities		47,825,287	47,263,243
Total liabilities		52,908,117	51,106,830
Deferred inflows of resources			
OPEB		4,342,503	3,277,384
Pension		1,010,198	1,865,282
Total deferred inflows of resources		5,352,701	5,142,666
Net position			
Net investment in capital assets		39,831,930	39,935,547
Restricted			
Nonexpendable		250,000	250,000
Expendable		2,223,553	2,399,661
Unrestricted (deficit)		(16,879,836)	(22,639,112)
Total net position	$	25,425,647	19,946,096

See accompanying notes to financial statements.

Assets		2021	2020
Cash and cash equivalents	$	180,897	76,457
Investments		27,115,736	21,912,303
Pledges receivable		201,874	651,262
Student loans receivable, net of allowance for doubtful loans of $93,609 in 2021 and $95,748 in 2020		18,529	64,668
Other receivables		14	-
Prepaid expenses		13,126	10,420
	$	27,530,176	22,715,110
Liabilities and Net assets			
Liabilities			
Accounts payable, Clark State College	$	3,507	13,260
Wages payable		5,590	4,426
		9,097	17,686
Net assets			
Without donor restrictions		833,031	607,825
With donor restrictions		26,688,048	22,089,599
		27,521,079	22,697,424
	$	27,530,176	22,715,110

See accompanying notes to financial statements.

	2021	2020
Operating revenues		
Student tuition and fees, net of scholarship allowance of $5,245,591 and $5,520,778, respectively	$ 9,067,143	9,124,653
Federal grants and contracts	1,630,600	1,481,236
State and local grants and contracts	649,530	413,847
Nongovernmental grants and contracts	81,466	25,545
Auxiliary enterprises		
Bookstore, net of scholarship allowance of of $60,985 and $137,988 respectively	202,810	173,082
Parking	37,084	38,531
Truck driving	491,759	528,994
Other operating revenues	501,940	1,108,210
Total operating revenues	12,662,332	12,894,098
Operating expenses		
Educational and general		
Instructional	13,982,943	14,280,117
Academic support	929,754	1,237,985
Student services	4,434,893	4,403,671
Institutional support	6,917,911	6,617,242
Operation and maintenance of plant	3,280,803	2,898,161
Student aid	4,684,206	4,464,596
Public service	1,689,906	2,542,040
Depreciation expense	2,000,300	2,163,335
Auxiliary enterprises	1,066,269	1,174,018
Total operating expenses	38,986,985	39,781,165
Operating loss	(26,324,653)	(26,887,067)
Nonoperating revenues (expenses)		
State appropriations	15,697,505	14,695,829
Federal grants revenue	15,720,858	9,764,589
Investment income	55,448	225,436
Other nonoperating items	(10,544)	(257,679)
Community project expense	(837,250)	(2,511,750)
Interest expense	(368,030)	(379,573)
Net nonoperating revenues (expenses)	30,257,987	21,536,852
Gain (loss) before other revenues, expenses, gains, or losses	3,933,334	(5,350,215)
Capital appropriations	1,334,703	4,202,507
Capital grants and gifts	211,514	351,873
Total other revenues, expenses, gains, or losses	1,546,217	4,554,380
Change in net position	5,479,551	(795,835)
Net position - beginning of year	19,946,096	20,741,931
Net position - end of year	$ 25,425,647	19,946,096

See accompanying notes to financial statements.

	Without Donor Restrictions	With Donor Restrictions	Total 2021	Total 2020
Revenues and other support				
Campaign contributions	$ 32,601	273,893	306,494	233,426
Foundation contributions	100	-	100	21,300
Investment return, net	171,121	5,032,546	5,203,667	626,217
Miscellaneous	11,462	-	11,462	68,841
Net assets released from restrictions	707,990	(707,990)	-	-
Total revenues and other support	923,274	4,598,449	5,521,723	949,784
Expenses				
Programs	613,703	-	613,703	826,418
Management and general	83,387	-	83,387	59,899
Fundraising	978	-	978	2,515
Total expenses	698,068	-	698,068	888,832
Change in net assets	225,206	4,598,449	4,823,655	60,952
Net assets at beginning of year	607,825	22,089,599	22,697,424	22,636,472
Net assets at end of year	$ 833,031	26,688,048	27,521,079	22,697,424

See accompanying notes to financial statements.

		Without Donor Restrictions	With Donor Restrictions	Total 2020
Revenues and other support				
Campaign contributions	$	19,785	213,641	233,426
Foundation contributions		-	21,300	21,300
Investment return, net		4,352	621,865	626,217
Miscellaneous		68,841	-	68,841
Net assets released from restrictions		869,907	(869,907)	-
Total revenues and other support		962,885	(13,101)	949,784
Expenses				
Programs		826,418	-	826,418
Management and general		59,899	-	59,899
Fundraising		2,515	-	2,515
Total expenses		888,832	-	888,832
Change in net assets		74,053	(13,101)	60,952
Net assets at beginning of year		533,772	22,102,700	22,636,472
Net assets at end of year	$	607,825	22,089,599	22,697,424

		2021	2020
Cash flows from operating activities			
Tuition and fees	$	8,891,382	9,252,711
Grants, gift and contracts		1,854,846	2,004,968
Payments for goods and services		(7,846,566)	(8,803,032)
Payment for utilities		(769,760)	(784,483)
Payments to employees		(17,142,455)	(17,155,810)
Payments for benefits		(5,210,777)	(4,967,221)
Payments for scholarships and fellowships		(4,382,883)	(4,047,731)
Collection (payment) of loans to students and employees		4,725	2,804
Auxiliary enterprise charges			
Bookstore		202,810	173,082
Parking		37,084	38,531
Truck driving		491,759	528,994
Other receipts		331,083	1,120,365
Net cash from operating activities		(23,538,752)	(22,636,822)
Cash flows from noncapital financing activities			
State appropriations		15,697,505	14,695,829
Federal grants revenue		12,216,661	9,764,589
Payments for community project expenses		(837,250)	(2,511,750)
Other nonoperating items		(2,394)	(257,679)
Net cash from noncapital financing activities		27,074,522	21,690,989
Cash flows from capital financing activities			
Purchase of capital assets		(854,648)	(2,614,889)
Principal paid on notes and bonds		(770,000)	(745,000)
Interest paid on notes and bonds		(395,064)	(418,218)
Capital appropriations		1,040,584	4,202,507
Capital grants and gifts proceeds		211,514	351,873
Net cash from capital financing activities		(767,614)	776,273
Cash flow from investing activities			
Net change in investments		3,887	1,060,366
Income on investments		55,448	225,436
Net cash from investing activities		59,335	1,285,802
Net change in cash and cash equivalents		2,827,491	1,116,242
Cash and cash equivalents, beginning of year		12,916,581	11,800,339
Cash and cash equivalents, end of year	$	15,744,072	12,916,581
Reconciliation of cash and cash equivalents to the Statements of Net Position:			
Cash and cash equivalents	$	15,198,288	12,916,581
Cash with fiscal agent		545,784	-
	$	15,744,072	12,916,581

(continued)

See accompanying notes to financial statements.

	2021	2020
Reconciliation of net operating loss to net cash from operating activities		
Operating loss	$ (26,324,653)	(26,887,067)
Adjustments to reconcile operating loss to net cash from operating activities		
Depreciation expense	2,000,300	2,163,335
Provision for bad debts	104,367	4,942
Changes in assets, deferred outflows, liabilities and deferred inflows:		
Accounts receivable	(839,792)	128,058
Prepaid expenses	(30,176)	485,123
Inventory	(2,453)	(16,812)
Employee loans receivable	4,725	2,804
Other assets	2,163	2,613
Net OPEB asset	(33,137)	(32,425)
Deferred outflows of resources	(934,333)	1,529,605
Accounts payable and other accrued liabilities	644,845	(368,507)
Wages payable	379,524	138,980
Accrued payroll tax liabilities	26,719	214,962
Unearned revenue	(129,344)	79,398
Unclaimed funds	9,238	9,542
Deposits held in trust for others	4,368	8,891
Compensated absences	49,096	151,835
Net pension liability	2,235,390	722,669
Net OPEB liability	(915,634)	(560,468)
Deferred inflows of resources	210,035	(414,300)
Net cash from operating activities	$ (23,538,752)	(22,636,822)

Noncash transactions:

Capital assets of $294,157 and $38 for fiscal years 2021 and 2020, respectively, were financed through accounts payable, therefore these amounts were excluded from the change in accounts payable and purchases of capital assets, above.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity: Pursuant to a resolution adopted by the Board of Trustees on October 20, 2020, the Clark State Community College officially changed its name to the Clark State College (the "College"). The College is an institution of higher education and is considered to be a component unit of the State of Ohio ("State") because its Board of Trustees is appointed by the Governor of the State. Accordingly, the College is included in the State's financial statements as a discrete component unit. Transactions with the State relate primarily to appropriations, grants from various state agencies and payments to the State retirement program for certain College employees.

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

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

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

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

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

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

- **Restricted, expendable** – Net position whose use is subject to externally-imposed stipulations that can be fulfilled by actions of the College pursuant to those stipulations or that expire by the passage of time. These represent amounts for capital construction projects, student services, and public service initiatives.

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

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

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

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

Adoption of New Standards: For the fiscal year ended June 30, 2021, the College implemented GASB Statement No. 84, *Fiduciary Activities*, GASB Statement No. 90, *Majority Equity Interests (An Amendment of GASB Statements No. 14 And No. 61*), and GASB Statement No. 93, *Replacement of Interbank Offered Rates*.

GASB Statement No. 84 establishes criteria for identifying fiduciary activities. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. GASB Statement No. 84 did not impact the College's financial statements since the College does not have any material fiduciary relationships that meet the criteria of this statement.

GASB Statement No. 90 defines specific reporting and disclosure requirements related to the presentation of majority equity interests in legally separate organizations. In addition, this Statement sets forth specific reporting requirements for component units if a government acquires a 100 percent equity interest. This statement had no effect on the College's financial statements.

GASB Statement No. 93 provides certain exceptions, clarifications, and changes related to hedge accounting termination provisions and IBORs due to the expected cessation of LIBOR at the end of 2021. This statement had no effect on the College's financial statements.

Upcoming Accounting Pronouncements: GASB Statement No. 87, *Leases*, was issued to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The requirements of GASB Statement No. 87 are effective for fiscal year 2022. The College is currently evaluating the impact GASB Statement No. 87 may have on its financial statements.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period,* was issued to enhance the relevance and comparability of information about capital assets and the costs of borrowing for a period and to simplify accounting for interest cost incurred before the end of a construction period. The requirements of GASB Statement No. 89 are effective for fiscal year 2022. The College is currently evaluating the impact GASB Statement No. 89 may have on its financial statements.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans-an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*, requires that for purposes of determining whether a primary government is financially accountable for a potential component unit, the absence of a governing board should be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform. The requirements of GASB Statement No. 97 are effective for fiscal year 2022. The College is currently evaluating the impact GASB Statement No. 97 may have on its financial statements.

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

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

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

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

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

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

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

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

Deposits Held in Trust for Others: Deposits held in trust for others in the amount of $52,740 and $48,372 at June 30, 2021 and 2020, respectively, represents the balance in the College's various activity funds that are available to be spent.

Compensated Absences: The liability and expense incurred for employee vacation and sick pay are recorded as accrued compensated absences in the statement of net position and as a component of compensation and benefit expense in the statement of revenues, expenses and change in net position.

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

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

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

Operating and Nonoperating Revenues: The College's policy for defining operating activities as reported on the statements of revenues, expenses, and change in net position is to report those activities that generally result from exchange transactions, such as payments received for providing services and payments made for services or goods received. Nearly all of the College's expenses are from exchange transactions. Certain significant revenue streams relied upon for operations are recorded as nonoperating revenues as defined by GASB Statements No. 34 and 35, including state appropriations and investment income. Pell grants are considered nonexchange transactions and are recorded as non-operating revenues in the accompanying financial statements. During 2021 and 2020, the College paid $837,250 and $2,511,750, respectively, towards community project expenses funded through State capital appropriations.

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

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

NOTE 2 – EQUITY IN POOLED CASH AND INVESTMENTS

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

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

Cash with Fiscal Agent: Effective July 1, 2020, the College became self-insured through a fiscal agent for health insurance. The money held by the fiscal agent cannot be identified as an investment or deposit, since it is held in a pool made up of numerous participants. The amount held by the fiscal agent at June 30, 2021 and 2020 was $545,784 and $0, respectively. This amount is not included in the “cash and cash equivalents” or “investments” reported below.

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

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

As of June 30, 2021 and 2020, the carrying amount of the College’s deposits was $1,661,552 and $3,526,504, which does not include $4,170 and $6,769 in petty cash, all respectively. The bank balance was $2,576,169 at June 30, 2021. Of the 2021 bank balance, $1,263,788 was covered by federal depository insurance, $887,902 was collateralized in both the College’s name and the financial institution’s name, and $424,479 was secured with letters of credit for the benefit of the College.

Investments: At June 30, 2021 and 2020, the College had amounts on deposit with STAR Ohio, totaling $13,532,566 and $9,383,308, respectively, which are included in the “Equity in Pooled Cash and Cash Equivalents” amount on the statements of net position. STAR Ohio is an investment pool managed by the State Treasurer’s office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the Securities and Exchange Commission as an investment company but has adopted Governmental Accounting Standards Board (GASB) Statement No. 79, “Certain External Investment Pools and Pool Participants”. The College measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

As of June 30, 2021, the College had the following investments and maturities:

		Investment Maturities (in Years)		
	Measurement Value	Less than 1	1 to 3	3 to 5
Negotiable certificates of deposit	$ 243,108	$ 243,108	$ -	$ -
US treasury notes	481,036	481,036	-	-
Star Ohio	13,532,566	13,532,566	-	-
	$ 14,256,710	$ 14,256,710	$ -	$ -

As of June 30, 2020, the College had the following investments and maturities:

		Investment Maturities (in Years)		
	Measurement Value	Less than 1	1 to 3	3 to 5
Negotiable certificates of deposit	$ 246,708	$ -	$ 246,708	$ -
US treasury notes	481,323	481,323	-	-
Star Ohio	9,383,308	9,383,308	-	-
	$ 10,111,339	$ 9,864,631	$ 246,708	$ -

The College's investments include $481,036 and $481,323 for 2021 and 2020, respectively, invested in obligations of the U.S. Treasury and are therefore not subject to the credit risk disclosures of GASB Statement No. 40 which are stated at their fair value.

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

Interest rate risk: The College does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. In practice the College manages its exposure to declines in fair values by limiting the maximum maturity of its investment portfolio to approximately two years.

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

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

NOTE 3 – FAIR VALUE MEASUREMENT

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

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

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

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

The College has the following recurring fair value measurements as of June 30, 2021:

Description	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Negotiable certificates of deposit	$ 243,108	$ 243,108	$ -	$ -
US treasury notes	481,036	481,036	-	-
Total	$ 724,144	$ 724,144	$ -	$ -

The College has the following recurring fair value measurements as of June 30, 2020:

Description	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Negotiable certificates of deposit	$ 246,708	$ 246,708	$ -	$ -
US treasury notes	481,323	481,323	-	-
Total	$ 728,031	$ 728,031	$ -	$ -

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

NOTE 4 – RECEIVABLES

Receivables at June 30, 2021 and 2020 consisted of billings for student fees, rentals, sponsored billings and intergovernmental receivables arising from grants. All receivables are not considered collectible in full and an allowance for doubtful accounts was established as reflected in the financial statements. Accounts receivable consist of the following at June 30:

	2021	2020
Student charges	$ 5,718,514	$ 5,409,198
Room rental	15,487	9,004
Post secondary	542,546	460,837
Customized training services	92,659	92,880
Sponsored billings	161,510	267,646
Intergovernmental	5,078,228	902,506
Miscellaneous	445,514	269,739
	12,054,458	7,411,810
Less allowance for possible collection losses	(2,859,801)	(2,750,894)
Accounts receivable, net	$ 9,194,657	$ 4,660,916

NOTE 5 – CAPITAL ASSETS

The following is a summary of capital asset activity of the College for the year ended June 30, 2021:

	July 1, 2020 Balance	Additions	Transfers/ Retirements	June 30, 2021 Balance
Nondepreciable capital assets:				
Land	$ 2,441,928	$ -	$ -	$ 2,441,928
Construction in progress	-	536,043	-	536,043
Total nondepreciable capital assets	2,441,928	536,043	-	2,977,971
Depreciable capital assets:				
Infrastructure	4,484,446	-	-	4,484,446
Buildings	77,622,902	-	-	77,622,902
Leasehold improvements	1,051,203	-	-	1,051,203
Furniture and equipment	9,063,040	572,787	-	9,635,827
Library books	498,215	2,053	-	500,268
Vehicles	840,283	37,884	(24,450)	853,717
Total depreciable capital assets	93,560,089	612,724	(24,450)	94,148,363
Accumulated depreciation				
Infrastructure	3,683,335	23,434	-	3,706,769
Buildings	33,424,084	1,406,967	-	34,831,051
Leasehold improvements	245,937	54,905	-	300,842
Furniture and equipment	6,781,581	388,580	-	7,170,161
Library books	407,551	20,050	-	427,601
Vehicles	593,696	106,364	(16,300)	683,760
Total accumulated depreciation	45,136,184	2,000,300	(16,300)	47,120,184
Total depreciable capital assets, net	48,423,905	(1,387,576)	(8,150)	47,028,179
Total capital assets, net	$ 50,865,833	$ (851,533)	$ (8,150)	$ 50,006,150

The following is a summary of capital asset activity of the College for the year ended June 30, 2020:

	July 1, 2019 Balance	Additions	Transfers/ Retirements	June 30, 2020 Balance
Nondepreciable capital assets:				
Land	$ 2,441,928	$ -	$ -	$ 2,441,928
Construction in progress	5,345,035	1,171,155	(6,516,190)	-
Total nondepreciable capital assets	7,786,963	1,171,155	(6,516,190)	2,441,928
Depreciable capital assets:				
Infrastructure	4,484,446	-	-	4,484,446
Buildings	70,967,623	6,655,279	-	77,622,902
Leasehold improvements	1,034,672	16,531	-	1,051,203
Furniture and equipment	8,347,757	718,680	(3,397)	9,063,040
Library books	492,402	18,885	(13,072)	498,215
Vehicles	674,585	250,198	(84,500)	840,283
Total depreciable capital assets	86,001,485	7,659,573	(100,969)	93,560,089
Accumulated depreciation				
Infrastructure	3,659,900	23,435	-	3,683,335
Buildings	31,813,042	1,611,042	-	33,424,084
Leasehold improvements	194,090	51,847	-	245,937
Furniture and equipment	6,429,520	355,458	(3,397)	6,781,581
Library books	393,125	27,498	(13,072)	407,551
Vehicles	584,141	94,055	(84,500)	593,696
Total accumulated depreciation	43,073,818	2,163,335	(100,969)	45,136,184
Total depreciable capital assets, net	42,927,667	5,496,238	-	48,423,905
Total capital assets, net	$ 50,714,630	$ 6,667,393	$ (6,516,190)	$ 50,865,833

NOTE 6 – LONG-TERM OBLIGATIONS

The College's long-term obligations at June 30, 2021 consisted of the following:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Bonds and notes payable	$ 10,720,000	$ -	$ 770,000	$ 9,950,000	$ 790,000
Bond premium	275,666	-	21,176	254,490	-
Net pension liability:					
SERS	14,230,469	1,272,542	-	15,503,011	-
STRS	16,284,940	962,848	-	17,247,788	-
Total net pension liability	30,515,409	2,235,390	-	32,750,799	-
Net OPEB liability:					
SERS	5,820,809	-	915,634	4,905,175	-
Total net OPEB liability	5,820,809	-	915,634	4,905,175	-
Deposits held in trust for others	48,372	4,368	-	52,740	-
Compensated absences	652,987	80,048	30,952	702,083	-
Total long-term liabilities	$ 48,033,243	$ 2,319,806	$ 1,737,762	$ 48,615,287	$ 790,000

The College's long-term obligations at June 30, 2020 consisted of the following:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Bonds and notes payable	$ 11,465,000	$ -	$ 745,000	$ 10,720,000	$ 770,000
Bond premium	296,840	-	21,174	275,666	-
Net pension liability:					
SERS	13,547,553	682,916	-	14,230,469	-
STRS	16,245,187	39,753	-	16,284,940	-
Total net pension liability	29,792,740	722,669	-	30,515,409	-
Net OPEB liability:					
SERS	6,381,277	-	560,468	5,820,809	-
Total net OPEB liability	6,381,277	-	560,468	5,820,809	-
Deposits held in trust for others	39,481	8,891	-	48,372	-
Compensated absences	501,152	201,424	49,589	652,987	-
Total long-term liabilities	$ 48,476,490	$ 932,984	$ 1,376,231	$ 48,033,243	$ 770,000

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

The College has covenanted it will ensure sufficient general receipts at all times sufficient to, at least, pay debt service charges on the General Receipt Bonds when due. The total principal and interest remaining to be paid at June 30, 2021 was $3,916,172. Principal and interest paid during fiscal year 2021 and total general receipts were $554,388 and $10,300,736, respectively.

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

Year Ending June 30,	Principal	Interest	Total
2022	$ 455,000	$ 95,888	$ 550,888
2023	225,000	84,563	309,563
2024	230,000	75,463	305,463
2025	240,000	66,063	306,063
2026	250,000	56,263	306,263
2027-2031	1,365,000	165,082	1,530,082
2032-2033	590,000	17,850	607,850
	$ 3,355,000	$ 561,172	$ 3,916,172

In October 2010, $9,525,000 State of Ohio (Ohio Building Authority) Clark State Community College Facilities Bonds, 2010 Series A, were issued to finance the purchase of the Greene Center facility at 3775 Pentagon Park Boulevard, Beavercreek, Ohio. The bonds consist of $1,980,000 of 2010 Series A1 Tax-Exempt Bonds and $7,545,000 2010 Series A2 Federally Taxable-Build America Bonds-Direct Payment. These bonds are special obligations of the Ohio Building Authority, the proceeds from which financed the purchase of the facility which the College leases from the OBA. Rentals to be paid to the OBA will be paid by the College from available receipts. The interest is payable semi-annually each March 1 and September 1, beginning March 1, 2011 and ending September 1, 2035. The principal is payable annually each September 1, beginning September 1, 2011 and ending September 1, 2035. The interest rates range from 1.5% to 6.17%. The bonds are payable as follows:

Year Ending June 30,	Principal	Interest	Discount/ Subsidy	Total
2022	$ 335,000	$ 377,175	$ (132,011)	$ 580,164
2023	350,000	359,434	(125,802)	583,632
2024	360,000	341,045	(119,366)	581,679
2025	370,000	322,138	(112,748)	579,390
2026	385,000	302,583	(105,904)	581,679
2027-2031	2,160,000	1,147,911	(401,769)	2,906,142
2032-2036	2,635,000	419,714	(146,900)	2,907,814
	$ 6,595,000	$ 3,270,000	$ (1,144,500)	$ 8,720,500

Compensated Absences

Under the College's compensated absences policy, employees in Grade Levels 7 through 14 earn vacation leave at a rate of 6.15 hours for each pay period, up to a maximum of 160 hours. Employees in Grade Levels 5 and 6 earn vacation at a rate of 4.62 hours per pay period, up to a maximum of 120 hours. Employees in Grade Levels 4 and below earn vacation leave at a rate of 3.08 hours for each pay period, up to a maximum of 80 hours. Upon completion of five years of service, eligible employees in grade levels 1-6 earn eight additional vacation hours for each year of service, up to a maximum of 160 hours. The policy allows a maximum of 200 vacation hours to be carried over to the subsequent year. Upon termination of employment, an employee is entitled to payment for all unused, accrued vacation hours.

College employees earn 10 hours of sick leave for each month of service up to a maximum of 120 hours per year. Annual unused sick leave has unlimited accrual. This sick leave will either be absorbed by time off due to illness or injury, or within certain limitations, be paid to the employee upon retirement. The amount paid to an employee upon retirement is limited to one-quarter of the accumulated sick leave to a maximum payout of 240 hours. The College uses the vesting method to estimate the liability for the next fiscal year. Full-time faculty have the option of deferring compensation for overload assignments for future leave time with pay during a regular academic year.

The President is covered by the above stated Board policy on "sick leave severance upon retirement." The President is entitled to 20 days annual paid vacation. The President may elect to receive the cash equivalent of up to 10 days of unused vacation annually.

The total amount accrued for compensated absences at June 30:

		2021		2020
Vacation	$	631,769	$	590,792
Sick leave		50,435		42,316
Faculty banked leave		19,879		19,879
Total	$	702,083	$	652,987

NOTE 7 – STATE SUPPORT

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

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

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

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

NOTE 8 – DEFINED BENEFIT PENSION PLANS

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

<u>Net Pension Liability</u>

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

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

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

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

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

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, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS' fiduciary net position. That report can be obtained by visiting the SERS website at www.ohsers.org under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

Benefits	Eligible to Retire on or before August 1, 2017*	Eligible to Retire 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 or 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 year of service; 2.2% for the first 30 years of service and 2.5% for years of service credit over 30. Final average salary is the average of the highest three years of salary.

Prior to January 1, 2018, on the anniversary of the initial date of retirement, the allowances of all retirees and survivors are increased 3% of the base benefit. On and after January 1, 2018, the allowance of all retirees and survivors may be increased by the annual rate of increase in the CPI-W, measured as of the June preceding the beginning of the applicable calendar year. The annual rate of increase shall not be less than 0% nor greater than 2.5%. Cost-of-living adjustments (COLA) were suspended for calendar years 2018, 2019 and 2020. On and after April 1, 2018, COLAs for future retirees will be delayed for three years following commencement. One year after an effective benefit date, a benefit recipient is entitled to a three percent COLA. This same COLA is added each year to the base benefit amount on the anniversary date of the benefit.

Funding Policy – Plan members are required to contribute 10% of their annual covered salary and the College is required to contribute 14% 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% for plan members and 14% 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, 2021 and 2020, the 14% was allocated to only three of the funds (Pension Trust Fund, Death Benefit Fund, and Medicare B Fund).

The College's contractually required contribution to SERS was $1,191,958 and $1,151,071 for fiscal years 2021 and 2020, respectively.

Plan Description - State Teachers Retirement System (STRS)

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

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined 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 will be 2.2% of final average salary for the five highest years of earnings multiplied by all years of service. Members are eligible to retire at age 60 with five years of qualifying service credit, or at age 55 with 26 years of service, or 30 years of service regardless of age. Increases in age and service requirements increase effective August 1, 2015 and will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

The DC Plan allows members to place all their member contributions and 9.53% of the 14% employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.47% of the 14% 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% of the 14%-member rate goes to the DC Plan and 2% goes 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 services. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50 or later.

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 Ohio 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 Ohio bearing the risk of investment gain or loss on the account. STRS Ohio therefore has included all three plan options as one defined benefit plan for GASB Statement No. 68 reporting purposes.

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

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For the fiscal years ended June 30, 2021 and 2020, plan members were required to contribute 14% of their annual covered salary. The College was required to contribute 14%; the entire 14% was the portion used to fund pension obligations. The fiscal year 2021 and 2020 contribution rates were equal to the statutory maximum rates.

The College's contractually required contribution to STRS was approximately $1,191,026 and $1,134,550 for fiscal years 2021 and 2020, respectively.

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

The net pension liability reported at June 30, 2021 and 2020 was measured as of June 30, 2020 and 2019, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of those dates. The College's proportion of the net pension liability was based on the College's share of contributions to the pension plan relative to the projected contributions of all participating entities.

The following is information related to the College’s proportionate share, pension expense, and deferred inflows and outflows for fiscal years 2021 and 2020:

Fiscal Year 2021	SERS	STRS	Total
Proportionate Share of Net Pension Liability	$ 15,503,011	$ 17,247,788	$ 32,750,799
Proportion of Net Pension Liability	0.234389438%	0.071282331%	
Change in Proportion	-0.003451989%	-0.002357200%	
Pension Expense (Negative)	$ 1,583,013	$ 1,683,648	$ 3,266,661
Deferred Outflows of Resources			
Differences between expected and actual experience	$ 30,114	$ 38,700	$ 68,814
Net difference between projected and actual earnings on pension plan investments	984,128	838,762	1,822,890
Change in assumptions	-	925,873	925,873
Change in the College's proportionate share and difference in employer contributions	5,826	-	5,826
College contributions subsequent to the measurement date	1,191,958	1,191,026	2,382,984
	$ 2,212,026	$ 2,994,361	$ 5,206,387
Deferred Inflows of Resources			
Differences between expected and actual experience	$ -	$ (110,287)	$ (110,287)
Change in the College's proportionate share and difference in employer contributions	(124,798)	(775,113)	(899,911)
	$ (124,798)	$ (885,400)	$ (1,010,198)

Fiscal Year 2020	SERS	STRS	Total
Proportionate Share of Net Pension Liability	$ 14,230,469	$ 16,284,940	$ 30,515,409
Proportion of Net Pension Liability	0.237841426%	0.073639532%	
Change in Proportion	0.001293243%	-0.000243348%	
Pension Expense (Negative)	$ 2,007,441	$ 1,929,513	$ 3,936,954
Deferred Outflows of Resources			
Differences between expected and actual experience	$ 360,853	$ 132,586	$ 493,439
Change in assumptions	-	1,912,980	1,912,980
Change in the College's proportionate share and difference in employer contributions	17,718	-	17,718
College contributions subsequent to the measurement date	1,151,071	1,134,550	2,285,621
	$ 1,529,642	$ 3,180,116	$ 4,709,758
Deferred Inflows of Resources			
Differences between expected and actual experience	$ -	$ (70,494)	$ (70,494)
Net difference between projected and actual earnings on pension plan investments	(182,666)	(795,920)	(978,586)
Change in the College's proportionate share and difference in employer contributions	(141,235)	(674,967)	(816,202)
	$ (323,901)	$ (1,541,381)	$ (1,865,282)

$2,382,984 reported as deferred outflows of resources related to pension at June 30, 2021 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, 2022. 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:			
2022	$ (73,715)	$ 219,761	$ 146,046
2023	250,663	76,194	326,857
2024	410,206	351,754	761,960
2025	308,116	270,226	578,342
	$ 895,270	$ 917,935	$ 1,813,205

Actuarial Assumptions – SERS

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

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

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will consider the employee's entire career with the employer and 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 valuations, prepared as of June 30, 2020 and 2019, are presented below:

Inflation	3.00%
Future Salary Increases, including Inflation	3.50% to 18.20%
COLA or Ad Hoc COLA	2.50%
Investment Rate of Return	7.50% net of investment expense, including inflation
Actuarial Cost Method	Entry Age Normal

Mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females for active members. Mortality among service retired members and beneficiaries were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates. Mortality among disabled members were based upon the 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.

The actuarial assumptions used were based on the results of an actuarial experience study for the period ending July 1, 2010 to June 30, 2015 adopted by the Board on April 21, 2016.

The long-term return expectation for the Pension Plan Investments has been determined 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 a weighted averaged 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 for fiscal years 2021 and 2020 are summarized in the following table:

	Fiscal Year 2021		Fiscal Year 2020	
Asset Class	Target Allocation	Long Term Expected Real Rate of Return	Target Allocation	Long Term Expected Real Rate of Return
Cash	2.00 %	1.85 %	1.00 %	0.50 %
U.S. Stocks	22.50	5.75	22.50	4.75
Non-U.S. Stock	22.50	6.50	22.50	7.00
Fixed Income	19.00	2.85	19.00	1.50
Private Equity	12.00	7.60	10.00	8.00
Real Assets	17.00	6.60	15.00	5.00
Multi-Asset Strategies	5.00	6.65	10.00	3.00
Total	100.00 %		100.00 %	

Discount Rate – Total pension liability was calculated using the discount rate of 7.5% as of June 30, 2020 and 2019. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.5%). 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.

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 7.5%, 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 (6.5%), or one percentage point higher (8.5%) than the current rate.

Fiscal Year 2021	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
College's proportionate share of the net pension liability	$ 21,237,232	$ 15,503,011	$ 10,691,891
Fiscal Year 2020			
College's proportionate share of the net pension liability	$ 19,941,975	$ 14,230,469	$ 9,440,657

Actuarial Assumptions – STRS

The total pension liability in the July 1, 2020 and 2019 actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	12.50% at age 20 to 2.50% at age 65
Payroll increases	3.00%
Investment rate of return	7.45%, net of investment expenses, including inflation
Discount rate of return	7.45%
Cost-of-living adjustments (COLA)	0%

Post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disability mortality rates are based on the RP-2014 Disabled Mortality Table with 90% of rates for males and 100% of rates for females, projected forward generationally using mortality improvement scale MP-2016.

The actuarial assumptions were based on the results of an actual experience study for the period July 1, 2011 through June 30, 2016.

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

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

* 10-year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25% and does not include investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Discount Rate – The discount rate used to measure the total pension liability was 7.45% as of June 30, 2020 and 2019. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2020. Therefore, the long-term expected rate of return on pension plan investments of 7.45% was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2020 and 2019.

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 7.45%, 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 (6.45%) or one-percentage-point higher (8.45%) than the current rate:

	1% Decrease (6.45%)	Discount Rate (7.45%)	1% Increase (8.45%)
Fiscal Year 2021			
College's proportionate share of the net pension liability	$ 24,557,847	$ 17,247,788	$ 11,053,121
Fiscal Year 2020			
College's proportionate share of the net pension liability	$ 23,798,625	$ 16,284,940	$ 9,924,220

Alternative Retirement Programs

Ohio Amended Substitute House Bill 586 (Ohio Revised Code 3305.2) became effective March 31, 1998, authorizing an alternative retirement plan (ARP) for academic and administrative College employees of public institutions of higher education who are currently covered by STRS or SERS. The College board of trustees adopted such a plan effective April 1999.

Eligible employees (those who are full-time and salaried) have 120 days from their date of hire to make an irrevocable election to participate in the alternate retirement plan. Under this plan, employees who would have otherwise been required to be in STRS and who elect to participate in the alternate retirement plan must contribute their share of retirement contributions (10 percent STRS) to one of eight private providers approved by the State Department of Insurance. For employees who elect an ARP, employers are required to remit employer contributions to STRS Ohio at a rate of 4.47 percent. The employer contribution is the lower of a rate determined by an independent actuarial study or the portion of the STRS Ohio DC Plan employer contribution rate that is allocated to the defined benefit unfunded liability. The College plan provides these employees with immediate plan vesting.

The ARP is a defined contribution plan under IRS Section 401(a). The College's total employer contributions to the ARP for the years ended June 30, 2021 and 2020, were $126,706 and $127,215, respectively.

NOTE 9 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB)

Net OPEB Liability (Asset)

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

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

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

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

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

Plan Description – School Employees Retirement System

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 Statement No. 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. 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 Comprehensive Annual Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with

Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Active employee members do not contribute to the Health Care Plan. The SERS Retirement Board established the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

Funding Policy – State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14% of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal years 2021 and 2020, there was no portion allocated 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 years 2021 and 2020, the minimum compensation amount was $23,000 and $19,600, respectively. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal years 2021 and 2020, the College's surcharge obligation was $62,376 and $62,097, respectively.

Plan Description – State Teachers Retirement System

Plan Description – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Medicare Part B partial premium reimbursements will be continued indefinitely. 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. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14% of covered payroll. For the fiscal years ended June 30, 2021 and 2020, STRS did not allocate any employer contributions to post-employment health care.

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

The net OPEB liability (asset) was measured as of June 30, 2020 and 2019, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of that date. The College's proportion of the net OPEB liability (asset) was based on the College's share of contributions to the respective retirement systems relative to the contributions of all participating entities. The following is information related to the College's proportionate share, OPEB expense, and deferred inflows and outflows for fiscal years 2021 and 2020:

Fiscal Year 2021	SERS	STRS	Total
Proportionate Share of Net OPEB Liability (Asset)	$ 4,905,175	$ (1,252,785)	$ 3,652,390
Proportion of Net OPEB Liability (Asset)	0.225698902%	0.071282331%	
Change in Proportion	-0.005764147%	-0.002357200%	
OPEB Expense (Negative)	$ (155,090)	$ (103,891)	$ (258,981)
Deferred Outflows of Resources			
Differences between expected and actual experience	$ 64,425	$ 80,273	$ 144,698
Net difference between projected and actual earnings on OPEB plan investments	55,270	43,905	99,175
Change in assumptions	836,162	20,681	856,843
Change in the College's proportionate share and difference in employer contributions	11,111	-	11,111
College contributions subsequent to the measurement date	62,376	-	62,376
	$ 1,029,344	$ 144,859	$ 1,174,203
Deferred Inflows of Resources			
Differences between expected and actual experience	$ (2,494,623)	$ (249,536)	$ (2,744,159)
Change in assumptions	(123,551)	(1,189,936)	(1,313,487)
Change in the College's proportionate share and difference in employer contributions	(184,903)	(99,954)	(284,857)
	$ (2,803,077)	$ (1,539,426)	$ (4,342,503)

Fiscal Year 2020	SERS	STRS	Total
Proportionate Share of Net OPEB Liability (Asset)	$ 5,820,809	$ (1,219,648)	$ 4,601,161
Proportion of Net OPEB Liability (Asset)	0.231463049%	0.073639532%	
Change in Proportion	0.001446651%	-0.000243348%	
OPEB Expense (Negative)	$ 59,822	$ (403,977)	$ (344,155)
Deferred Outflows of Resources			
Differences between expected and actual experience	$ 85,444	$ 110,572	$ 196,016
Net difference between projected and actual earnings on OPEB plan investments	13,971	-	13,971
Change in assumptions	425,144	25,638	450,782
Change in the College's proportionate share and difference in employer contributions	13,633	-	13,633
College contributions subsequent to the measurement date	62,097	-	62,097
	$ 600,289	$ 136,210	$ 736,499
Deferred Inflows of Resources			
Differences between expected and actual experience	$ (1,278,791)	$ (62,051)	$ (1,340,842)
Net difference between projected and actual earnings on OPEB plan investments	-	(76,602)	(76,602)
Change in assumptions	(326,181)	(1,337,202)	(1,663,383)
Change in the College's proportionate share and difference in employer contributions	(70,882)	(125,675)	(196,557)
	$ (1,675,854)	$ (1,601,530)	$ (3,277,384)

$62,376 reported as deferred outflows of resources related to OPEB resulting from College contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2022. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2022	$ (365,771)	$ (352,910)	$ (718,681)
2023	(361,772)	(323,192)	(684,964)
2024	(362,423)	(312,765)	(675,188)
2025	(357,215)	(286,692)	(643,907)
2026	(283,214)	(57,921)	(341,135)
2027	(105,714)	(61,087)	(166,801)
	$ (1,836,109)	$ (1,394,567)	$ (3,230,676)

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 consider the employee's entire career with the employer and take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuations, prepared as of June 30, 2020 and 2019, are presented below:

	June 30, 2020	June 30, 2019
Investment Rate of Return	7.50% net of investment expense, including inflation	7.50% net of investment expense, including inflation
Wage Inflation	3.00%	3.00%
Future Salary Increases, including Inflation	3.50% to 18.20%	3.50% to 18.20%
Municipal Bond Index Rate:		
Prior Measurement Date	3.13%	3.62%
Measurement Date	2.45%	3.13%
Single Equivalent Interest Rate, net of plan investment expense, including price inflation:		
Prior Measurement Date	3.22%	3.70%
Measurement Date	2.63%	3.22%
Medical Trend Assumption:		
Pre-Medicare	7.00% - 4.75%	7.00% - 4.75%
Medicare	5.25% - 4.75%	5.25% - 4.75%

Mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and Scale BB, 120% of male rates and 110% of female rates. PR-2000 Disabled Mortality Table with 90% for males rate and 100% for female rates set back five years.

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 2010 through 2015, and was adopted by the Board on April 21, 2016. 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 log-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.50%, 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 allocation and best estimates of arithmetic real rates of return for each major asset class, as used in the June 30, 2015 five-year experience study, are summarized in the following table:

	Valuation 2020		Valuation 2019	
Asset Class	Target Allocation	Long Term Expected Real Rate of Return	Target Allocation	Long Term Expected Real Rate of Return
Cash	2.00 %	1.85 %	1.00 %	0.50 %
U.S. Stocks	22.50	5.75	22.50	4.75
Non-U.S. Stock	22.50	6.50	22.50	7.00
Fixed Income	19.00	2.85	19.00	1.50
Private Equity	12.00	7.60	10.00	8.00
Real Assets	17.00	6.60	15.00	5.00
Multi-Asset Strategies	5.00	6.65	10.00	3.00
Total	100.00 %		100.00 %	

Discount Rate – The discount rate used to measure the total OPEB liability at June 30, 2020 was 2.63%. The discount rate used to measure total OPEB liability at June 30, 2019 was 3.22%. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and SERS at the state statute contribution rate of 2.00% of projected covered employee payroll each year, which includes a 1.50% payroll surcharge and 0.50% of contributions from basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2035. Therefore, the long-term expected rate of return on OPEB plan assets was used to present value the projected benefit payments through the fiscal year ending June 30, 2034 and the Fidelity General Obligation 20-year Municipal Bond Index rate of 2.45% as of June 30, 2020 (i.e., municipal bond rate) was used to present value the projected benefit payments for the remaining years in the projection. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The projection of future benefit payments for all current plan members was until the benefit payments ran out.

Sensitivity of the College's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and 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 for fiscal years 2021 and 2020, calculated using the discount rate of 2.63% and 3.22%, as well as what the College's net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.63% and 2.22%) and one percentage point higher (3.63% and 4.22%) than the current rate, all respectively.

Fiscal Year 2021	1% Decrease (1.63%)	Current Discount Rate (2.63%)	1% Increase (3.63%)
College's proportionate share of the net OPEB liability	$ 6,003,813	$ 4,905,175	$ 4,031,761

Fiscal Year 2020	1% Decrease (2.22%)	Current Discount Rate (3.22%)	1% Increase (4.22%)
College's proportionate share of the net OPEB liability	$ 7,065,358	$ 5,820,809	$ 4,831,247

The following table presents the net OPEB liability calculated using current health care cost trend rates, as well as what the College's net OPEB liability would be if it were calculated using health care cost trend rates that are one percentage point lower than the current rates.

Fiscal Year 2021	1% Decrease (6.00% decreasing to 3.75%)	Trend Rate (7.00% decreasing (to 4.75%)	1% Increase (8.00% decreasing to 5.75%)
College's proportionate share of the net OPEB liability	$ 3,862,453	$ 4,905,175	$ 6,299,563

Fiscal Year 2020	1% Decrease (6.00% decreasing to 3.75%)	Current Trend Rate (7.00% decreasing (to 4.75%)	1% Increase (8.00% decreasing to 5.75%)
College's proportionate share of the net OPEB liability	$ 4,663,647	$ 5,820,809	$ 7,356,082

Actuarial Assumptions – STRS

The total OPEB asset in the June 30, 2020 actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement:

Salary increases	12.50% at age 20 to 2.50% at age 65	
Payroll increases	3.00%	
Investment rate of return	7.45%, net of investment expenses, including inflation	
Discount rate of return	7.45%	
Health care cost trends	Initial	Ultimate
Medical		
Pre-Medicare	5.00%	4.00%
Medicare	-6.69%	4.00%
Prescription Drug		
Pre-Medicare	6.50%	4.00%
Medicare	11.87%	4.00%

The total OPEB asset in the June 30, 2019 actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement:

Salary increases	12.50% at age 20 to 2.50% at age 65	
Payroll increases	3.00%	
Investment rate of return	7.45%, net of investment expenses, including inflation	
Discount rate of return	7.45%	
Health care cost trends	Initial	Ultimate
Medical		
Pre-Medicare	5.87%	4.00%
Medicare	4.98%	4.00%
Prescription Drug		
Pre-Medicare	7.73%	4.00%
Medicare	9.62%	4.00%

For healthy retirees the mortality rates are based on the RP-2014 Annuitant Mortality Table with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. For disabled retirees, mortality rates are based on the RP-2014 Disabled Mortality Table with 90% of rates for males and 100% of rates for females, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the June 30, 2020 and 2019 valuations are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

Since the prior measurement date, claim curves were trended to the fiscal year ending June 30, 2021 to reflect the current price renewals. The non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984% to 2.055% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

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 for the last two valuations are summarized as follows:

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

* 10-year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25%, but does not include investment expenses. Over a 30-year period, STRS Ohio's investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Discount Rate – The discount rate used to measure the total OPEB liability was 7.45% as of June 30, 2020 and 2019. The projection of cash flows used to determine the discount rate assumes STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members as of June 30, 2020. Therefore, the long-term expected rate of return on OPEB plan assets of 7.45% was used to measure the total OPEB liability as of June 30, 2020 and 2019.

Sensitivity of the College's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate and the Health Care Cost Trend Rates – The following table presents the College's proportionate share of the net OPEB asset for fiscal years 2021 and 2020, calculated using the current period discount rate assumption of 7.45%, as well as what the College's proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.45%) and one percentage point higher (8.45%) than the current rate. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower and one percentage point higher than the current health care cost trend rates:

Fiscal Year 2021	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
College's proportionate share of the net OPEB asset	$ (1,090,005)	$ (1,252,785)	$ (1,390,899)
Fiscal Year 2020			
College's proportionate share of the net OPEB asset	$ (1,040,726)	$ (1,219,648)	$ (1,370,078)

Fiscal Year 2021	1% Decrease In Trend Rates	Current Trend Rate	1% Increase In Trend Rates
College's proportionate share of the net OPEB asset	$ (1,382,326)	$ (1,252,785)	$ (1,094,986)
Fiscal Year 2020			
College's proportionate share of the net OPEB asset	$ (1,383,024)	$ (1,219,648)	$ (1,019,550)

NOTE 10 – GRANTS, CONTRACTS AND OTHER ASSISTANCE

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

NOTE 11 – LEASES

During 2019, the College entered into a lease agreement for real property at 336 Progress Drive in Xenia, Ohio that expires January 2039. Future minimum lease payments under this Lease Agreement at June 30, 2021 are as follows:

Year Ending June 30,	
2022	$ 104,940
2023	104,940
2024	104,940
2025	104,940
2026	104,940
2027-2031	524,700
2032-2036	524,700
2037-2039	262,350
	$ 1,836,450

During 2020, the College entered into a lease agreement for real property in Bowlusville, Ohio that expires September 2022. Future minimum lease payments under this Lease Agreement at June 30, 2021 are as follows:

Year Ending June 30,	
2022	$ 44,000
2023	11,000
	$ 55,000

NOTE 12 – CONTINGENT LIABILITIES

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The State of Ohio's declared state of emergency ended June 2021, while the national state of emergency continues. The financial impact of COVID-19 and the ensuing emergency measures impacted the fiscal year 2021 and will impact subsequent periods of the College. The impact on the College's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

NOTE 13 – RISK MANAGEMENT

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

Coverage	Amount	Deductible
Buildings, Contents, Computer Equipment, including Equipment Breakdown (Boiler and Machinery) Per Occurrence	$ 100,000,000	$ 25,000
Crime – Employee Dishonesty and Forgery/Alteration	500,000	2,500
Crime – Theft, Disappearance and Destruction of Money and Securities (on premises or away)	100,000	2,500
Automobile Liability	1,000,000	None
Automobile – Physical Damage – Collision	Actual Cash Value	500
Automobile – Physical Damage – Comprehensive (other than collision)	Actual Cash Value	500
General Liability (per occurrence)	1,000,000	None
General Aggregate Liability (per policy year)	3,000,000	None
Excess Liability (per occurrence and per policy year)	15,000,000	None
Excess Educators – Legal Liability (per occurrence and per policy year)	15,000,000	None
Liquor Liability (per occurrence)	3,000,000	None
Educators Legal (per occurrence)	1,000,000	10,000
Nurse Professional (Student Professional Liability)	1,000,000	None
Employers Liability	1,000,000	None
Employee Benefits Liability	1,000,000	1,000
Sexual Misconduct (per claim)	1,000,000	None
Specialty Risk Protector (Cyber Risk)	1,000,000	25,000

Settled claims have not exceeded this commercial coverage in any of the past three years. There have been no significant reductions in insurance coverage from the previous year.

Employee Group Medical/Surgical, Dental, and Vision Insurance

Medical/surgical, dental, and vision insurance is offered to employees through a self-insurance program. Beginning July 1, 2020, the College changed from traditional insurance coverage to being a member of the Jefferson Health Plan Health Benefits Program, a claims servicing pool, in which monthly premiums are paid to the fiscal agent who in turn pays the claims on the College's behalf. The claims liability of $306,750 reported in Accounts Payable and accrued liabilities at June 30, 2021 is based on an estimate provided by the third party administrator and the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues," as amended by GASB Statement No. 30, "Risk Financing Omnibus," which requires that a liability for unpaid claim costs, including estimates of costs related to incurred, but not reported claims, be accrued at the estimated ultimate cost of settling the claims.

Changes in claims activity for fiscal year 2021 is as follows:

Fiscal Year	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2021	$ -	$ 2,635,087	$ (2,328,337)	$ 306,750

NOTE 14 – CLARK STATE COLLEGE FOUNDATION

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

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

Certain amounts reported in 2020 have been reclassified to conform to 2021 presentation. These reclassifications did not affect the change in net assets.

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

Unconditional promises are included in the financial statements as pledges receivable and revenue of the appropriate net asset category. Pledges are recorded after discounting at 0.06% and 0.18% to the present value of future cash flows, for the years ended June 30, 2021 and 2020.

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

	2021	2020
One year or less	$ 201,819	403,856
Between one and five years	16,550	264,860
	218,369	668,716
Discounts and allowances	(16,495)	(17,454)
Net pledges	$ 201,874	651,262

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

	2021		2020	
	Fair Value	Cost Basis	Fair Value	Cost Basis
Bond funds	$ 5,750,693	5,269,400	5,594,659	5,075,264
Equity funds	14,719,187	2,774,099	10,685,899	2,741,364
High quality bond fund	2,230,030	1,914,638	2,195,823	1,862,086
Money market accounts	178,541	178,541	116,532	116,534
Mutual fund - fixed	1,132,407	1,115,267	752,455	756,085
Mutual fund - sector	226,987	164,671	100,128	94,233
Corporate bonds	158,151	154,941	231,059	226,189
Common stock	306,271	177,029	287,033	176,248
ADR / foreign - bonds	-	-	72,825	70,408
Mutual fund - equity	2,413,469	1,545,794	1,875,890	1,636,939
Total investments	$ 27,115,736	13,294,380	21,912,303	12,755,350

During the years ended June 30, 2021 and 2020, the Foundation distributed $211,514 and $348,991, respectively, to the College for both restricted and unrestricted purposes. At June 30, 2021 and 2020, the Foundation owed the College $3,507 and $13,260, respectively.

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

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

Fair Value Measurements at June 30, 2021

	Balance as of June 30, 2021	Active Markets for Identical Assets (Level 1)	Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Foundation Investments:				
Privately held funds:				
Equities:				
U.S. Equity	$ 10,589,006	-	10,589,006	-
International equity	822,567	-	822,567	-
Global equity	3,307,614	-	3,307,614	-
Fixed income:				
Intermediate term	647,352		647,352	-
Core bonds	4,181,730	-	4,181,730	-
Credit	131,339	-	131,339	-
Opportunistic	733,159	-	733,159	-
Distressed debt	57,113	-	57,113	-
Diversifying strategies	2,230,030	-	2,230,030	-
Total privately held funds	22,699,910	-	22,699,910	-
Corporate and ADR bonds	158,151	-	158,151	-
Common stock	306,271	306,271	-	-
Mutual funds:				
Equity	2,413,469	2,413,469	-	-
Fixed income	1,132,407	1,132,407	-	-
Sector	226,987	226,987	-	-
Total mutual funds	3,772,863	3,772,863	-	-
Money market accounts	178,541			
Total investments	$ 27,115,736			

Fair Value Measurements at June 30, 2020

	Balance as of June 30, 2020	Active Markets for Identical Assets (Level 1)	Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Foundation Investments:				
Privately held funds:				
Equities:				
U.S. Equity	$ 9,024,476	-	9,024,476	-
International equity	1,661,423	-	1,661,423	-
Fixed income:				
Intermediate term	642,380	-	642,380	-
Core bonds	4,117,115	-	4,117,115	-
Credit	153,663	-	153,663	-
Opportunistic	623,334	-	623,334	-
Distressed debt	58,167	-	58,167	-
Diversifying strategies	2,195,823	-	2,195,823	-
Total privately held funds	18,476,381	-	18,476,381	-
Corporate and ADR bonds	303,884	-	303,884	-
Common stock	287,033	287,033	-	-
Mutual funds:				
Equity	1,875,890	1,875,890	-	-
Fixed income	752,455	752,455	-	-
REIT	100,128	100,128	-	-
Total mutual funds	2,728,473	2,728,473	-	-
Money market accounts	116,532			
Total investments	$ 21,912,303			

REQUIRED SUPPLEMENTARY INFORMATION

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

	College's Proportion of the Net Pension Liability	College's Proportionate Share of the Net Pension Liability	College's Covered Payroll	College's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.248575%	$ 14,781,957	$ 7,112,938	207.82%	65.52%
2015	0.248575%	12,580,239	7,223,082	174.17%	71.70%
2016	0.252810%	14,425,567	7,613,979	189.46%	69.16%
2017	0.247848%	18,140,166	8,117,207	223.48%	62.98%
2018	0.237936%	14,216,170	7,911,800	179.68%	69.50%
2019	0.236548%	13,547,553	7,866,326	172.22%	71.36%
2020	0.237841%	14,230,469	8,159,474	174.40%	70.85%
2021	0.234389%	15,503,011	8,221,936	188.56%	68.55%

(1) Information prior to 2014 is not available. The College will continue to present information for years available until a full ten-year trend is compiled.

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

Notes to Schedule:

Change in assumptions. In measurement year 2017, changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended June 30, 2015. Significant changes included a reduction of the discount rate from 7.75% to 7.50%, a reduction in the wage inflation rate from 3.25% to 3.00%, a reduction in the payroll growth assumption used from 4.00% to 3.50%, reduction in the assumed real wage growth rate from 0.75% to 0.50%, update of the rates of withdrawal, retirement and disability to reflect recent experience, and transition from the RP-2000 mortality tables to the RP-2014 mortality tables for active members and service retired members and beneficiaries.

Changes of benefit and funding terms. In measurement year 2018, post-retirement increases in benefits included the following changes:

1. Members, or their survivors, retiring prior to January 1, 2018, receive a COLA increase of 3% of their base benefit on the anniversary of their initial date of retirement.
2. Members, or their survivors, retiring on and after January 1, 2018, receive a COLA increase on each anniversary of their initial date of retirement equal to the annual rate of increase in the CPI-W measured as of the June preceding the beginning of the applicable calendar year. The annual rate of increase shall not be less than 0%, nor greater than 2.5%. COLAs are suspended for calendar years 2018, 2019, and 2020.
3. Members, or their survivors, retiring on and after April 1, 2018, will have their COLA delayed for three years following their initial date of retirement.

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

	College's Proportion of the Net Pension Liability	College's Proportionate Share of the Net Pension Liability	College's Covered Payroll	College's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.079736%	$ 23,102,739	$ 7,995,124	288.96%	69.30%
2015	0.079736%	19,394,615	8,080,065	240.03%	74.70%
2016	0.079560%	21,988,021	8,208,655	267.86%	72.09%
2017	0.077993%	26,106,585	8,985,871	290.53%	66.78%
2018	0.075423%	17,916,971	8,239,779	217.44%	75.30%
2019	0.073883%	16,245,187	7,868,129	206.47%	77.30%
2020	0.073640%	16,284,940	8,551,671	190.43%	77.40%
2021	0.071282%	17,247,788	8,103,929	212.83%	75.50%

(1) Information prior to 2014 is not available. The College will continue to present information for years available until a full ten-year trend is compiled.

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

Notes to Schedule:

Change in assumptions. In measurement year 2017, changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended June 30, 2016. Significant changes included a reduction of the discount discount rate from 7.75% to 7.45%, the inflation assumption was lowered from 2.75% to 2.50%, the payroll growth assumption was lowered to 3.00%, and total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0/25% due to lower inflation. The healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016. Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

Change in benefit terms. Effective July 1, 2017, the COLA was reduced to zero.

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

	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	College's Covered Payroll	Contributions as a Percentage of Covered Payroll
2012	$ 1,085,613	$ (1,085,613)	$ -	$ 6,871,371	15.80%
2013	1,095,878	(1,095,878)	-	7,112,938	15.41%
2014	1,035,838	(1,035,838)	-	7,223,082	14.34%
2015	1,127,765	(1,127,765)	-	7,613,979	14.81%
2016	1,136,409	(1,136,409)	-	8,117,207	14.00%
2017	1,107,652	(1,107,652)	-	7,911,800	14.00%
2018	1,061,954	(1,061,954)	-	7,866,326	13.50%
2019	1,101,529	(1,101,529)	-	8,159,474	13.50%
2020	1,151,071	(1,151,071)	-	8,221,936	14.00%
2021	1,191,958	(1,191,958)	-	8,513,986	14.00%

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

	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	College's Covered Payroll	Contributions as a Percentage of Covered Payroll
2012	$ 1,053,938	$ (1,053,938)	$ -	$ 7,247,376	14.54%
2013	1,177,487	(1,177,487)	-	7,995,124	14.73%
2014	1,072,749	(1,072,749)	-	8,080,065	13.28%
2015	1,152,759	(1,152,759)	-	8,208,655	14.04%
2016	1,258,022	(1,258,022)	-	8,985,871	14.00%
2017	1,153,569	(1,153,569)	-	8,239,779	14.00%
2018	1,101,538	(1,101,538)	-	7,868,129	14.00%
2019	1,197,234	(1,197,234)	-	8,551,671	14.00%
2020	1,134,550	(1,134,550)	-	8,103,929	14.00%
2021	1,191,026	(1,191,026)	-	8,507,329	14.00%

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

	College's Proportion of the Net OPEB Liability	College's Proportionate Share of the Net OPEB Liability	College's Covered Payroll	College's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2017	0.241441%	$ 6,881,973	$ 8,117,207	84.78%	11.49%
2018	0.229139%	6,149,480	7,911,800	77.73%	12.46%
2019	0.230016%	6,381,277	7,866,326	81.12%	13.57%
2020	0.231463%	5,820,809	8,159,474	71.34%	15.57%
2021	0.225699%	4,905,175	8,221,936	59.66%	18.17%

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

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

Notes to Schedule:

Change in assumptions. In measurement year 2017, changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended June 30, 2015. Significant changes included a reduction in the rate of inflation from 3.25% to 3.00%, a reduction in the payroll growth assumption from 4.00% to 3.50%, a reduction in assumed real wage growth from 0.75% to 0.50%, an update in rates of withdrawal, retirement and disability, and transitioning to the following mortality tables: RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set back for both active male and female members; RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB (120% of male rates, and 110% of female rates) for service retired members and beneficiaries; and 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 among disabled members.

In measurement year 2018, medical trend rates have been adjusted to reflect premium decreases.

Change in benefit and funding terms. In measurement year 2018, SERS' funding policy allowed a 2.0% health care contribution rate to be allocated to the Health Care fund. The 2.0% is a combination of 0.5% employer contributions and 1.5% surcharge.

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

	College's Proportion of the Net OPEB Liability (Asset)	College's Proportionate Share of the Net OPEB Liability (Asset)	College's Covered Payroll	College's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
2017	0.077993%	$ 4,171,082	$ 8,985,871	46.42%	37.30%
2018	0.075423%	2,942,740	8,239,779	35.71%	47.11%
2019	0.073883%	(1,187,223)	7,868,129	(15.09%)	(176.00%)
2020	0.073640%	(1,219,648)	8,551,671	(14.26%)	(174.70%)
2021	0.071282%	(1,252,785)	8,103,929	(15.46%)	(182.10%)

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

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

Notes to Schedule:

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

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

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

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

For measurement year 2019, there was no change to the claims 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 eliminationdate was postponed to January 1, 2021.

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

Clark State College
Required Supplementary Information
Schedule of College's OPEB Contributions
School Employees Retirement System of Ohio
Last Six Fiscal Years (1)

	Contractually Required Contributions (2)	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	College's Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	$ 80,442	$ (80,442)	$ -	$ 8,117,207	0.99%
2017	67,938	(67,938)	-	7,911,800	0.86%
2018	121,355	(121,355)	-	7,866,326	1.54%
2019	124,536	(124,536)	-	8,159,474	1.53%
2020	62,097	(62,097)	-	8,221,936	0.76%
2021	62,376	(62,376)	-	8,513,986	0.73%

(1) The College elected not to present information prior to 2016. The College will continue to present information for years available until a full ten-year trend is compiled.

(2) Includes Surcharge

Clark State College
Required Supplementary Information
Schedule of College OPEB Contributions
State Teachers Retirement System of Ohio
Last Six Fiscal Years (1)

	Contractually Required Contributions (2)	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	College's Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	$ -	$ -	$ -	$ 8,985,871	0.00%
2017	-	-	-	8,239,779	0.00%
2018	-	-	-	7,868,129	0.00%
2019	-	-	-	8,551,671	0.00%
2020	-	-	-	8,103,929	0.00%
2021	-	-	-	8,507,329	0.00%

(1) The College elected not to present information prior to 2016. The College will continue to present information for years available until a full ten-year trend is compiled.

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

SUPPLEMENTAL INFORMATION

Legal Counsel
Mia Yaniko

Attorney General's Office

30 E. Broad Street, 15th Floor

Columbus, OH 43215

Name	Title
Jo Alice Blondin, Ph.D.	President
Doug Schantz	Vice President for Business Affairs
Kathleen Nelson	Controller

Employees are bonded by the Cincinnati Insurance Company under blanket bond coverage of $500,000.

14 East Main Street, Suite 500, Springfield, Ohio 45502
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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Trustees
Clark State College
Springfield, Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and discretely presented component unit of Clark State College (the "College"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated October 13, 2021.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

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

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
October 13, 2021

CLARK SCHAEFER HACKETT
BUSINESS ADVISORS

14 East Main Street, Suite 500, Springfield, Ohio 45502
P. 937.399.2000 | F. 937.399.5433

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

Board of Trustees
Clark State College
Springfield, Ohio

Report on Compliance for Each Major Federal Program
We have audited Clark State College's (the "College") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the College's major federal programs for the year ended June 30, 2021. The College's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility
Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

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

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

Opinion on Each Major Federal Program
In our opinion, the College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Other Matters
The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2021-001 and 2021-002. Our opinion on each major federal program is not modified with respect to these matters.

The College's responses to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The College's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as items 2021-001 and 2021-002 that we consider to be significant deficiencies.

The College's responses to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The College's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
October 13, 2021

Federal Grantor/Pass Through Grantor/Program Title	Grant or Pass Through Number	Assistance Listing Number	Expenditures
U.S. Department of Agriculture			
Passed through Regents of the University of Minnesota/Northcentral Technical College:			
Sustainable Agriculture Research and Education	2018-38640-28416	10.215	$ 7,382
Passed through the Ohio Department of Job and Family Services:			
SNAP Cluster			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	202OH102S2519	10.561	11,620
Total SNAP Cluster			11,620
Passed through Northeast Community College:			
Soil and Water Conservation	NR203A750007C001-01-02	10.902	4,371
Total U.S. Department of Agriculture			23,373
U.S. Department of Defense			
Passed through Southwestern Ohio Council for Higher Education:			
Community Economic Adjustment Assistance For Advance Planning And Economic Diversification	DD1452-19-02	12.614	251,547
Total U.S. Department of Defense			251,547
U.S. Department of Labor			
H-1B Job Training Grants	HG-35913-21-60-A-39	17.268	40,279
Passed through the American Association of Community Colleges:			
Workforce Investment Act (Wia) National Emergency Grants	AP-33025-19-75-A-11	17.277	12,315
Passed through the Ohio Department of Job and Family Services:			
Workforce Investment Act (Wia) National Emergency Grants	C-2021-15-0007	17.277	5,000
Total Workforce Investment Act (Wia) National Emergency Grants			17,315
Total U.S. Department of Labor			57,594
U.S. Department of the Treasury			
Passed through the Ohio Department of Higher Education:			
COVID-19 - Coronavirus Relief Fund	N/A	21.019	818,141
Total U.S. Department of the Treasury			818,141
National Endowment for the Humanities			
Passed through the Ohio Humanities:			
Promotion of the Humanities Challenge Grants	SO-276940-21	45.130	2,000
Total National Endowment for the Humanities			2,000
Institute of Museum and Library Services			
Passed through the State Library of Ohio:			
COVID-19 - Grants to States – Libraries	VII-71-21	45.310	43
Total Institute of Museum and Library Services			43
National Science Foundation			
Education and Human Resources (Cybersecurity)	1700566	47.076	45,133
Passed through Whatcom Community College:			
Education and Human Resources (Cybersecurity)	DGE-1842096	47.076	119,675
Total Education and Human Resources			164,808
Total National Science Foundation			164,808
U.S. Small Business Administration			
COVID-19 - Shuttered Venue Operators Grant Program	SBAHQ21SV001442	59.075	224,172
Total U.S. Small Business Administration			224,172

(Continued)

See accompanying notes to the schedule of expenditures of federal awards.

Federal Grantor/Pass Through Grantor/Program Title	Grant or Pass Through Number	Assistance Listing Number	Expenditures
U.S. Department of Education			
Title IV Program			
Student Financial Assistance Cluster:			
Supplemental Educational Opportunity Grant	P007A203254	84.007	186,600
Federal College Work Study	P033A203254	84.033	91,954
Pell Grant	P063P202557	84.063	7,741,988
Federal Direct Student Loans	P268K212557	84.268	8,928,550
Total Student Financial Assistance Cluster			16,949,092
TRIO Cluster			
TRIO Student Support Services	P042A150877	84.042	81,224
	P042A201587	84.042	228,786
Total TRIO Cluster			310,010
Total Title IV Program			17,259,102
Title I Program			
Passed through the Ohio Department of Education:			
Career and Technical Education - Basic Grants to States (Vocational Education)	V048A200035	84.048	197,197
Career and Technical Education - Basic Grants to States (Secondary Career-Technical Alignment Initiative)	BOR01-000007269	84.048	1,000
Total Title I Program			198,197
Title III Program			
Passed through the Ohio Department of Education:			
Strengthening Institutions	P031A200242	84.031A	93,317
Total Title III Program			93,317
Adult Basic and Literacy Education Program			
Passed through the Ohio Department of Education:			
Adult Education - Basic Grants to States	V002A200036	84.002	150,494
Education Stabilization Fund:			
Passed through the Ohio Department of Education:			
COVID-19 - Governor's Emergency Education Relief Fund	(1)	84.425C	33,424
COVID-19 - Higher Education Emergency Relief Fund (HEERF) Student Aid Portion	(1)	84.425E	1,684,605
COVID-19 - HEERF Institutional Portion	(1)	84.425F	5,160,409
COVID-19 - HEERF Strengthening Institutions Program	(1)	84.425M	58,119
Total Education Stabilization Fund			6,936,557
Total U.S. Department of Education			24,637,667
U.S. Department of Health and Human Services			
Passed through the Clark County Department of Job and Family Services:			
Foster Care_Title IV-E	2020-0407	93.658	234,870
Mental and Behavioral Health Education and Training Grants	T97HP33386	93.732	79,516
Total U.S. Department of Health and Human Services			314,386
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 26,493,731

(1) - Direct Award

See accompanying notes to the schedule of expenditures of federal awards.

NOTE 1 - GENERAL

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal grant activity of Clark State College under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Clark State College, it is not intended to and does not present the financial position, changes in net position, or cash flows of Clark State College.

NOTE 2 – BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 to the College’s financial statements. Expenditures are recognized following, as applicable, to the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available. In addition, the College did not pass-through any federal awards to subrecipients during the year ended June 30, 2021.

The College has elected not to use the 10 percent de minimus indirect cost rate to recover indirect costs as allowed under the Uniform Guidance

NOTE 3 – FEDERAL WORK-STUDY AND FEDERAL SEOG WAIVER

For the year ended June 30, 2021, the College received a waiver from the Department of Education for the Institutional Share Requirement under the Federal Work-study and Federal Supplemental Educational Opportunity Grant programs.

NOTE 4 – LOAN PROGRAMS

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

Section I – Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	None noted
• Significant deficiency(ies) identified not considered to be material weakness(es)?	None noted
Noncompliance material to financial statements noted?	None noted

Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	None noted
• Significant deficiency(ies) identified not considered to be material weakness(es)?	Yes
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings that are required to be reported in accordance with 2 CFR 200.516(a)?	Yes

Identification of major programs:

ALN 21.019 – Coronavirus Relief Fund

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

Education Stabilization Fund
ALN 84.425C – Governor's Emergency Education Relief (GEER) Fund
ALN 84.425E – Higher Education Emergency Relief Fund (HEERF) Student Aid Portion
ALN 84.425F – HEERF Institutional Portion
ALN 84.425M – HEERF Strengthening Institutions Program

Dollar threshold to distinguish between Type A and Type B programs:	$794,812
Auditee qualified as low-risk auditee?	Yes

Section II – Financial Statement Findings

None noted

Section III – Federal Awards Findings and Questioned Costs

Finding 2021-001

Federal Program Information:	Federal Direct Student Loans, ALN 84.268
Criteria:	34 CFR 685.203(d), (e) – The aggregate unpaid principal amount of all Direct Subsidized Loans made to a student but excluding the amount of capitalized interest may not exceed $23,000 in the case of any student who has not successfully completed a program of study at the undergraduate level. The total amount of Direct Unsubsidized Loans, excluding the amount of capitalized interest, may not exceed $31,000 minus any Direct Subsidized Loan for a dependent undergraduate student.
Condition:	One student in a sample of twenty-five was awarded a Direct Unsubsidized Loans in excess of the aggregate limit.
Questioned Costs:	Questioned costs for the Direct Unsubsidized Loan over-award was $1,500.
Context:	In a sample of twenty-five students receiving Title IV funds, one student was over-awarded and over-disbursed a Direct Unsubsidized Loan during the year that resulted in the student exceeding the aggregate Direct Unsubsidized Loan borrowing limit for dependent, undergraduate students.
Cause/Effect:	The College uses the student financial aid packaging software to incorporate borrowing history to calculate Direct Subsidized and Unsubsidized Loans when the student is awarded federal aid. The student is awarded through the packaging software one time. Additional requests for loan funds or adjustments to awards are processed manually. Direct Subsidized and Unsubsidized Loans are not added to the student's borrowing history until a loan has been originated with the US Department of Education. The selected student was initially awarded Direct Unsubsidized Loans by the packaging software in accordance with the aggregate loan limits. However, there was a manual adjustment to the student's award package by a College staff member that subsequently increased the Direct Unsubsidized Loans in excess of the aggregate loan limits.
Recommendation:	We recommend review of current practices and implement policies establishing monitoring procedures governing the awarding process (automatic and manual) to ensure that Direct Loans are awarded in accordance with federal guidelines.
Management Response:	The College agrees with the finding and is implementing appropriate procedures. Please refer to the College's corrective action plan presented on page 75.

Finding 2021-002

Federal Program Information:	Federal Pell Grant Program, ALN 84.063
Criteria:	34 CFR 690.62 – For the Federal Pell Grant Program, institutions use the payment and disbursement schedules provided each year by the U.S. Department of Education for determining award amounts. Those schedules provide the annual amount a student would receive for a full academic year for a given enrollment status, EFC, and COA. There are separate schedules for full-time, three-quarter-time, half-time, and less-than-half-time students.
Condition:	For one student in a sample of twenty-five, the College incorrectly calculated and awarded a Federal Pell Grant.
Questioned Costs:	Questioned costs for the Federal Pell Grant under-award was $794.
Context:	In a sample of twenty-five students receiving Title IV funds, one student was under-awarded and under-disbursed a Federal Pell Grant.
Cause/Effect:	Federal Pell Grant are awarded through an automated process. The College's student financial aid packaging software automatically adjusts Federal Pell Grants to coincide with the schedules provided by the Department of Education and the student enrollment status and COA. Based on an incorrect enrollment status manually adjusted in the software, the system incorrectly calculated the Federal Pell Grants for the selected student, which resulted in an under-award of $794.
Recommendation:	We recommend implementing policies and establishing monitoring procedures governing the awarding process to ensure manual adjustments are properly documented and reviewed and Federal Pell Grants calculated by the financial aid software are awarded in accordance with federal guidelines.
Management Response:	The College agrees with the finding and is implementing appropriate procedures. Please refer to the College's corrective action plan presented on page 75.

CLARK STATE COLLEGE

Springfield | Beavercreek | Bellefontaine | Xenia

Clark State College
Summary Schedule of Prior Audit Findings
June 30, 2021

Finding 2020-001: Federal Direct Student Loans, ALN 84.268

Condition: One student in a sample of twenty-five was awarded a Federal Subsidized Direct Loan in excess of the aggregate limit.

Recommendation: We recommend review of current practices and implement policies establishing monitoring procedures governing the awarding process (automatic and manual) to ensure that Direct Loans are awarded in accordance with federal guidelines.

Current Status: Not corrected. See similar finding with variation as Finding 2021-001.

The Financial Aid Office has reviewed the Audit Findings as presented and provides the following responses:

Finding 2021-001: Federal Direct Student Loans, ALN 84.268

Corrective Action:

The Colleague processing system accurately awarded the student in accordance with data stored in the aggregate tables within the software. The student's ineligible amount was added manually by a staff member.

This instance was discussed with the staff member and has been corrected as of September 2021. The Financial Aid office, under the guidance of the new Financial Aid Director, is implementing a review process in which any manual adjustment to automatically packaged awards must be approved by the Director. Additionally, review of security and permissions is being conducted to restrict ability to manually alter awards. Training and development opportunities for specific positions will be in place for the Financial Aid staff over the next 12 months. The College is also exploring training options with third-party software vendors to review the current practices and procedures within the Colleague Financial Aid Module and ensure staff is knowledgeable of its functions.

Contact person: Victoria Owens, Financial Aid Director
Phone number: (937) 328-6034
Email: nelsonv@clarkstate.edu

Timeline: Immediately

Finding 2021-002: Federal Program Information, ALN 84.063

Corrective Action:

The student was reviewed in November 2020 resulting in the remaining Pell from the annual award moved to the Summer term. Student's actual final Summer enrollment was not reviewed to determine if student was eligible for additional Pell. The re-assessment process corrected this instance as of September 2021. Clark State is implementing a schedule for review and re-assessment of all Summer enrolled students after the last date to add a class for the latest term/session within the semester. This review period process will also be extended to the regular Fall and Spring semesters. The Financial Aid Office will develop an annual Processing Calendar to ensure the re-assessment process occurs every semester (Target Date: November 15, 2021).

Contact person: Victoria Owens, Financial Aid Director
Phone number: (937) 328-6034
Email: nelsonv@clarkstate.edu

Timeline: Immediately

OHIO AUDITOR OF STATE
KEITH FABER

CLARK STATE COMMUNITY COLLEGE

CLARK COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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

Certified for Release 11/4/2021

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