HOCKING COLLEGE

BOARD OF TRUSTEES MEETING
Thursday, February 17, 2022
Regular Meeting – 6:00 pm @ The Lodge
Virtual / Hybrid Meeting
5:00pm at The Lodge – Shaw Ribbon Cutting
Trustee Pictures Before Meeting

- **Call to Order (5 min)** — Chairman Mitchell
- **Roll Call** — Mr. Daubenmire
- **Approve Minutes from December 9, 2021** — Chairman Mitchell
- **Executive Session (15 min)** — Chairman Mitchell
- **President's Report (15 min)** — Dr. Young
  - President's Report
  - Motion to Approve Strategic Plan 2022-2027, "A Place for Everyone"
  - Motion to Approve Demolition of the Former Police Station / Grounds Building
  - Motion to Give Written Consent for the Sale of Property
- **Academic Affairs Report (5 min)** — Trustees Ben Mitchell / Blaine Davidson / Ms. Hagerott
  - Update from Vice President
- **Community Relations and Student Experience Report (5 min)** — Trustees Stuart Brooks / Leon Forte' / Hannah Guada
  - Update from Vice President
- **Finance and Personnel Report (5 min)** — Trustees Mike Brooks/ Jeanie Addington / Mark Fuller
  - Update from Executive Director Finance / Treasurer
  - Motion to Approve 2021 Audited Financials
  - Motion to Approve Meal Plan Rate Adjustments
  - Motion to Approve International Student Scholarship
- **Facilities Committee Report (5 min)** — Trustee Budzik/ Trustee Dean / Mr. Daubenmire
  - Update on Projects
- **Chairman's Report (10 min)** — Chairman Mitchell
- **New Business (5 min)** — Chairman Mitchell
- **Adjournment** — Chairman Mitchell
  - **Event Schedule**
    Next Meeting – April 14, 2022
    5:30 pm Committee Meetings
    6:00 pm Board Meeting

Our Mission

We serve as a pathway to prosperity, teaching and inspiring all who seek to learn; growing careers and changing lives.

MINUTES **HYBRID VIRTUAL MEETING**

Date: December 9, 2021

The hybrid virtual meeting of the Hocking College Board of Trustees was held Thursday, December 9, 2021. Members either signed in on the provided link, or attended in person at the President's Office conference room located in JL 146.

Administrators attending: Dr. Betty Young, President; Mr. Jeff Daubenmire, Chief-of-Staff; Ms. Jacqueline Hagerott, Vice President of Student Affairs and Campus Relations/Ombudsman/Title IX (Virtual); Mark Fuller, Executive Director, Finance / Treasurer, Dr. Shah Hasan, Executive Director, Strategic Initiatives, Susan Askew, Interim CIO, Joe Deer, CIO.

Additional attendees: Staff, Bargaining Units Representatives, and media (All Virtual)

CALL TO ORDER
Ben Mitchell called the meeting to order at 6:05 pm

ROLL CALL
Jeff Daubenmire, Board Secretary, called the roll:

Board members present: Trustees Jeanie Addington, Gerry Bird, Mike Brooks, Stuart Brooks, Mike Budzik, Blaine Davidson, Leon Forte', Ben Mitchell.

Board members absent: Trustees Mark Dean.

Members present constitute quorum.

APPROVAL OF MINUTES
Chairman Ben Mitchell asked if there were any changes to the minutes from the October 21, 2021 regular meeting. A motion was made by Trustee Gerry Bird, and seconded by Trustee Stuart Brooks to approve the October 21, 2021, Board of Trustees minutes. The motion was unanimously approved.

EXECUTIVE SESSION
Chairman requested a motion to adjourn into Executive Session:

In pursuant to Ohio Revised Code 121.22 (G) (3) to discuss disputes involving the public body that are the subject of pending or imminent court action

In pursuant to Ohio Revised Code 121.22 (G) (2) to consider the purchase or sale or lease of real or personal property; and

In pursuant to Ohio Revised Code 121.22 (G) (4) to prepare for and conduct a collective bargaining strategy.

The Executive Session invitation may include:

Dr. Betty Young
Jeff Daubenmire
Jacqueline Hagerott

A motion was made by Trustee Gerry Bird and seconded by Trustee Mike Budzik to go into Executive Session.

On a roll call vote:

Voting Yes: Trustees Jeanie Addington, Gerry Bird, Mike Brooks, Stuart Brooks, Mike Budzik, Blaine Davidson, Leon Forte', Ben Mitchell.

The Board adjourned to Executive Session at 6:10 pm.

RETURN TO REGULAR SESSION
Ben Mitchell announced the return to regular session at 6:30 pm.

PRESIDENT'S REPORT
Dr. Young gave the following report:

Testing Operations- The college lease is up for the Cannabis lab equipment and the college will not be purchasing the equipment. The lab will be closing. The Cannabis Lab Technician Program will continue and will use another lab on campus.

CIO- Joe Deer is the new Chief Information Officer through Ellucian managed services. He and his family are relocating to the Nelsonville region from Iowa.

Fall Graduation- This Year's Fall Graduation will be held on Saturday, December 11 with 229 students graduating and two ceremonies taking place. Trustee Stuart Brooks will be the graduations keynote speaker.

Enrollment- College enrollment is down 5%. Applications are currently up by 23% this year. The national average enrollment for community colleges is down by 20% nationwide.

SUBJECT:
Update Bylaws governing the Hocking College Board of Trustees

BACKGROUND:
The Board regularly reviews its bylaws and proposes changes to improve the operation of the Board.

RECOMMENDATION:
Approve updated Bylaws:

Membership:
Each Trustee shall hold office from the date of appointment until the end of the appointed term; provided, however, that any Trustee shall continue in office subsequent to the expiration of his or her term until a successor takes office, or until a period of sixty (60) days has elapsed, for caucus appointments and until a governors appoint is made for governor appointments.

Meeting Attendance:
Virtual meeting attendance is allowed in accordance with college Policy.

Officers of the Board:
Officers of the Board shall be a Chair, a Vice-Chair, a Secretary, and Treasurer. Each officer shall be elected to a one (1) year term by the Board of Trustees at its annual organizational meeting held at the regular October meeting of the Board or at its next occurring meeting thereafter. The Secretary of the Board may be a person other than a Trustee. The Treasurer is not a member of the Board.

ORGANIZATIONAL/ADMINISTRATIVE IMPACT:
Align Board Bylaws with Board practices including Board Committee structure.

FISCAL IMPACT:
None

COMMENTS:
None

MOTION:
A motion was made by Trustee Leon Forte' and seconded by Trustee Mike Brooks to approve updated Bylaws governing the Hocking College Board of Trustees. The motion was unanimously approved.

SUBJECT:
Board Governance Policies

BACKGROUND:
As a best practice the College reviews Board Governance Policies to assure compliance with State and Federal Laws, and alignment with accreditation requirements and any and all other College requirements.

RECOMMENDATION:
Recommend approval of the reviewed Board Governance Policies:

Add Virtual Board Meeting Attendance to Board Governance Policies.

ORGANIZATIONAL/ADMINISTRATIVE IMPACT:
None

FISCAL IMPACT:
No direct fiscal impact.

COMMENTS:
None.

MOTION:
A motion was made by Trustee Mike Brooks and seconded by Trustee Stuart Brooks to approve the reviewed Board Governance Policies. The motion was unanimously approved.

ACADEMIC AFAIRS REPORT

Ms. Hagerott provided the following update:

The following programs been approved from the Ohio Department of Education for name changes:

1) Associate of Applied Science degree in Medical Records – Health Information Management to:
   - Associate of Applied Science in Healthcare Informatics.
2) Associate of Applied Science degree in Wilderness Horsemanship to:
   - Associate of Applied Science in Equine Teaching and Training.
3) Associate of Technical Study in Natural Resources – Major in Agroecology to:
   - Associate of Technical Study in Agroecology.
4) Associate of Technical Study in Natural Resources – Major in Water and Wastewater Management to:
   Associate of Technical Study in Water & Wastewater Management.

FINANCE AND PERSONNEL REPORT

Trustee Mike Brooks asked Mr. Mark Fuller to give the Finance and Personnel Report.

Mr. Fuller gave the following update:

FY2022 Update:

Overall revenue and expenses remain on track to meet budget for FY2022.

- Total revenues = $18.2 million year to date
- Total expenses = $12.8 million year to date
- Net positive of $5.4 million year to date
- This figure will tighten as revenues will slow after the start of Spring semester.
- The College is on a solid trajectory for the year, however, as total College revenues for this point in the year are $0.9 million or 5% ahead of last year's pace.

Expenses, overall, are on track to meet budget. This is despite inflationary pressure that we've seen, just as many organizations in the area and around the country have seen.

The one area of the college's day to day operations that has probably seen the most inflationary pressure has been in food costs. Food costs has been a challenge. But the College is actively managing it (reviewing and revising menu options, controlling portion sizes, etc).

That said, two important things to note with regards to inflation: 1) In areas where the College has seen inflation, it has been able to offset those increased costs with savings

that it has been able to realize in other areas. 2) Outside of food costs, the College has not seen other areas of significant inflation impact the operating budget.

Liquidity is solid. Currently we are at 82 days of operating cash on hand. Total reserve balances total $5.3 million which is approximately $1.1 million better YoY.

FACILITIES COMMITTEE REPORT –
Mr. Daubenmire gave an update on current projects taking place on campus.

COMMUNITY RELATIONS AND STUDENT EXPERIENCE REPORT
Ms. Hagerott requested the following Policy be approved:

SUBJECT:
Public Records Policy

BACKGROUND:
Ohio Revised Code (ORC) Section 149.43 (E)(2) requires all public offices to adopt a public records policy in compliance for responding to public records requests.

RECOMMENDATION:
Adopt the Public Records Policy pursuant to Ohio Revised Code Section 149.43 (E)(2).

ORGANIZATIONAL/ADMINISTRATIVE IMPACT:
Hocking College is in compliance with the law.

FISCAL IMPACT:
None

MOTION:
A motion was made by Trustee Blaine Davidson and seconded by Trustee Mike Budzik to approve the Public Records Policy. The motion was unanimously approved.

CHAIRMAN'S REPORT
No report.

NEW BUSINESS
None

NEXT MEETING – The next meeting of the Board of Trustees is scheduled for February 17, 2021 at 6:00 pm.

ADJOURNMENT
There being no further business to conduct, a motion was made to adjourn by Trustee Stuart Brooks and seconded by Trustee Mike Brooks. The motion was approved. The Board adjourned at 7:29 pm.

Ben Mitchell, Chair

Jeff Daubenmire, Board Secretary

Hocking College
Board of Trustees Action

Date: February 17, 2022

Submitted by: Dr. Betty Young

SUBJECT:
Approval of the Strategic Plan 2022-2027, "A Place for Everyone."

BACKGROUND:
As part of the effective operation of Hocking College and in compliance with expectations of our community, accreditors, and regulators the College operates under a strategic plan. The last plan was developed in 2016 to serve the period of 2017-2022.

Stakeholders have been surveyed, shared governance committees have dialogued and administration and the Board of Trustees have considered the many multiple priorities of an institution of higher education in the 21st century. The Board has provided input into the development of this plan.

The final document you have before you today was reviewed at the campus communications meetings January 19, 2022 for additional comments and final version presented February 9, 2022 in preparation to the Board.

RECOMMENDATION:
Approval of the attached 2022-2027 Strategic Plan "A Place for Everyone."

ORGANIZATIONAL/ADMINISTRATIVE IMPACT:
The plan will set the strategic direction of the College, including its goals and priorities.

FISCAL IMPACT:
Specific initiatives to meet goals will be included in the fourth coming budgets.

COMMENTS
None.

HOCKING COLLEGE

Motion to approve Strategic Plan 2022-2027, "A Place for Everyone."

Adopted: 2/17/2022

Approved:

Success Skills Have Been Replaced by Institutional Outcomes

CE – Communicates Effectively

CT – Demonstrates Critical Thinking and Problem Solving Skills

ET – Maintains Code of Ethics

HR – Relations Practices Human Resources Skills

MS – Demonstrates Math Skills

GA – Maintains Community, Cultural and Global Awareness

IT – Implements Career – Appropriate Technology

A Place For Everyone

Strategic Plan 2022 - 2027

HOCKING COLLEGE

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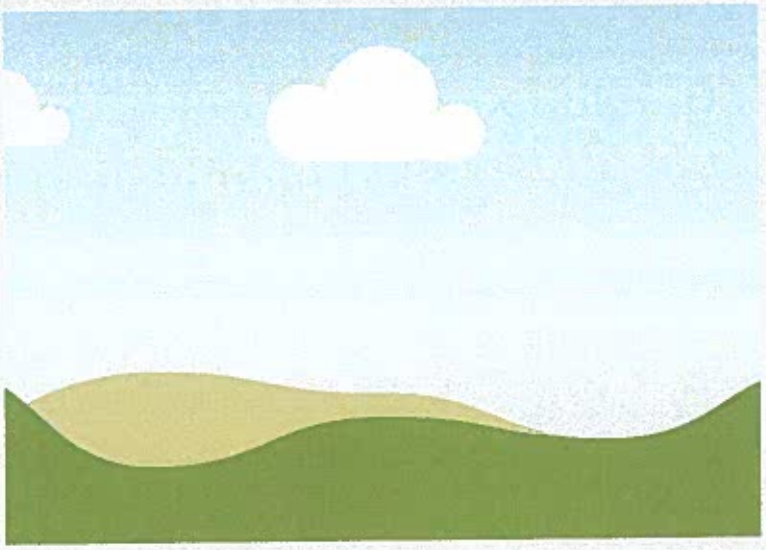
Thank You



Dear Hocking College Community:

As Chairperson of the Hocking College Board of Trustees, I remain deeply grateful to all the members of the Board of Trustees for their service, and their dedication to advancing the mission of Hocking College. The strategic priorities and institutional initiatives in this Strategic Plan are the result of comprehensive conversations drawing on insights from our community, our students, our faculty and staff, and members of the Board of Trustees.

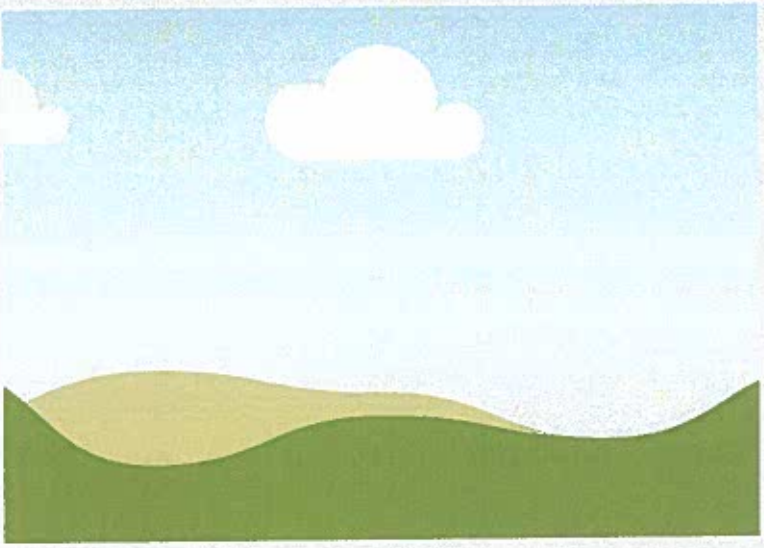
I am proud of how well Hocking College has come through the worst phases of the pandemic. Our students, and our faculty and staff, are to be commended for their resilience these past several months, and I thank them all for their sustained dedication to the education of students and the economic development of the region.

I want to thank President Young and all the members of the Hocking College community for their participation in discussions that have led to this Strategic Plan.

Sincerely,

Ben Mitchell
Chairman of the Board of Trustees
Hocking College

A Good Life



Dear Hocking College Community:

What is it we all have in common? We desire a "good life" as we each define what that means. I am proud of the many programs, co-curricular, work-college opportunities, apprenticeships, short-term certificates and pathways Hocking College has created to prepare students for a good life beyond college. My family and I have benefited from the Ohio system of higher education which fuels my passion to bring those opportunities to others who want their good life.

This strategic plan has been developed with input from our campus and local community to guide our priorities over the next five years. The pandemic, technology, social issues, changing demographics, shifting attitudes about education and job markets are among the factors that are influencing our future. The pace of change has continued to increase challenging us to think about new delivery modes, relevant programming, student needs and what our industry will look like in the near future.

I am grateful to the Hocking College community for engaging in the many strategic planning conversations we have had in 2021 and the continuous improvements we have made under the previous plan, Beyond The Horizon 2017-2022. Our graduates are experiencing multiple job offers and success in their chosen career fields. We are that pathway to prosperity for those who seek to learn as our mission states. With the desire for a successful life and career beyond college and a strong work ethic the future of a Hocking College graduate is filled with great opportunity for a good life.

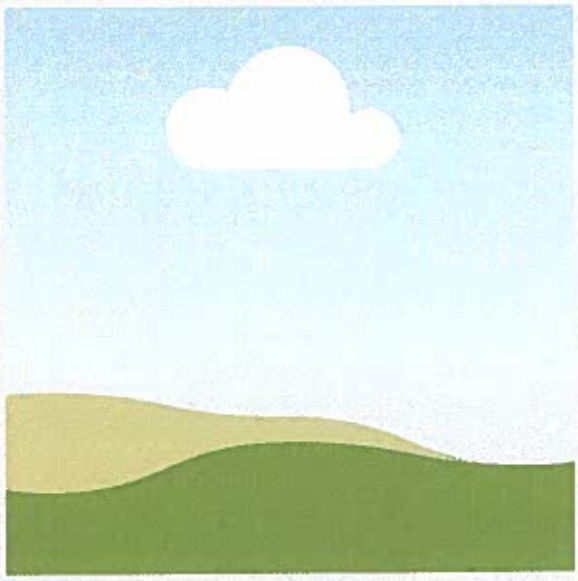
As the job market has evolved so has the programming at Hocking College remaining relevant to our community and our employers. The employer based advisory committees for each of our programs provides the real-time input into curricular changes to assure our students are ready for work when they graduate. Hocking College provides a guarantee for all graduates in their first year of employment beyond college to assure employer satisfaction.Our receiving four-year partners find our transfer students to be well prepared for their next steps and we have the satisfaction of knowing we have saved those students thousands of dollars by choosing Hocking College for their gateway to higher education. Our College Credit Plus students who are currently in high school and taking college classes, likewise, have saved over a million dollars annually by taking duel credit courses and building their pathway to a good life.

Each year, throughout this plan, we will renew this plan with initiative development and assessment to assure we stay on track with our priorities and are meeting student needs. Thank you to the Trustees of Hocking College, our faculty, staff and students and our community for your input. Together we will be stronger and together we will live a good life.

Sincerely,

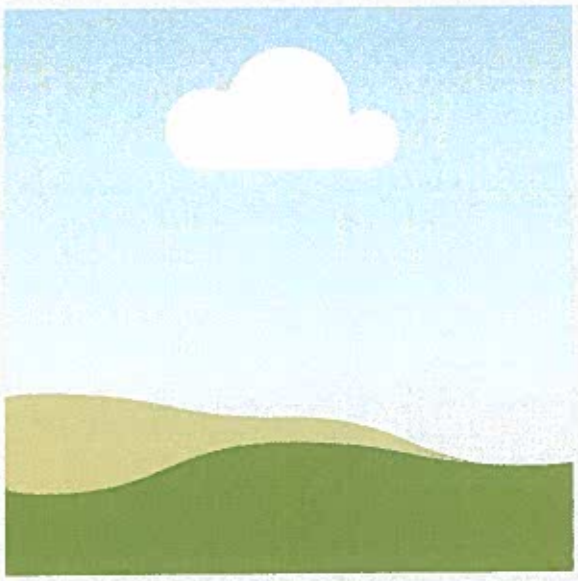
Betty Young, PH.D, JD., LLM
President
Hocking College

Board of Trustees



Ben Mitchell

Chairman



Mike Budzik

Vice-Chairman

Jeanette Addington
Trustee

Gerry Bird
Trustee

Mike Brooks
Trustee

Stuart Brooks
Trustee

Mark Dean
Trustee

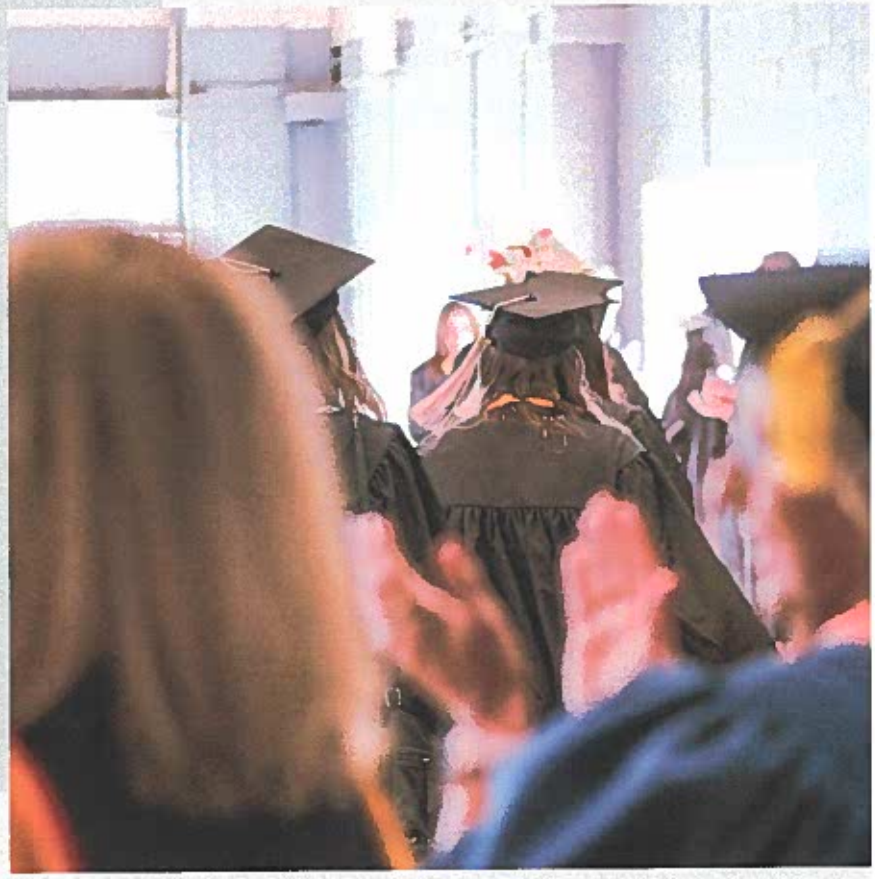
Blaine Davidson
Trustee

Leon Forte
Trustee

HOCKING COLLEGE

College Mission

We serve as a pathway to prosperity, teaching and inspiring all who seek to learn, growing careers and changing lives.



Vision

The Hocking College Board of Trustees, administration, faculty and staff share a vision that honors the Hocking College legacy of innovation and creativity: delivering relevant programs in high-demand career pathways including transfer programs. Hocking College will be a partner and a leader in regional economic development to address social and economic disparity and provide upward mobility to those we serve. We aspire to provide an affordable comprehensive college experience with opportunity for development of the mind, body and spirit in an inclusive atmosphere for those who seek a relevant world-class and hands-on experiential learning experience in a caring, supportive and nurturing environment.


HOUSING
DENT LIFE
HOCKING
HAWKS

College Values

EXCELLENCE IN EDUCATION

We value experience-based learning, student success and development both inside and outside the classroom. We are committed to student leadership, academic completion, career readiness, job placement and maximizing transfer credit.

CONTINUOUS IMPROVEMENT AND INNOVATION

As we teach, so shall we learn. We value a quality learning and working environment through the development of data-informed processes and a climate that fosters creativity. We seek to discover best practices to serve our students in excellence.

RESPONSIVE AND RELEVANT PROGRAMMING

As a dynamic and evolving institution, we value innovating with partners in economic development and higher education to provide experience-based, entrepreneurial, responsive and relevant opportunities for our students to learn and grow, and to cultivate expertise toward their future careers, and to develop their transfer opportunities.

HOCKING COLLEGE

COMMITMENT TO COMMUNITY

We value an environment that encourages input from our students, our community and each other. We foster a culture of collegial community, both within Hocking College and in the society we inhabit. We value local, state, national and international, new, continued and renewed partnerships that unite the campus and community. Service learning and entrepreneurship are integral aspects of student success and encourages the pursuit of the greater good for our world.

ACCESS AND COMPLETION

As an open-access institution, we value our entire student population: the career-focused student, the transfer student, the early access grade 6-12 student and the lifelong learner. We are committed to providing opportunities for all those seeking an education and providing supportive services to enhance the learning experience leading to skill development, certificate and degree completion.

WELL-BEING

We value optimizing the benefits of learning by appreciating the whole person, and advancing the authentic learning of all aspects of balanced well-being, including physical, psychological, spiritual, financial, social, cultural and personal well-being.

DIVERSITY AND INCLUSION

We commit Hocking College as a place of belonging where all people are welcome and engaged. We celebrate and learn from the cultures and identities of the world. We advance a more equitable, inclusive and just world where everyone can flourish and learn.

Purposes

Hocking College serves seven specific purposes, which as an institution of higher education is dedicated to fulfilling in furtherance of the mission.

TECHNICAL CAREER PREPARATION AND ENHANCEMENT

We provide hands-on technical education that prepares learners to be successful in the workplace. Learning opportunities prepare individuals with specific knowledge, skills and attitudes for entry-level technical positions and for career advancement. Academic, professional and government standards are utilized to measure success.

GENERAL EDUCATION

Our General Education Program is built on the belief that general education is essential to all work and participation in local and global societies. General knowledge, skills and attitudes, known as Institutional Outcomes, have been adopted. These represent minimum expectations for a college-educated adult. Institutional Outcomes are woven into and assessed throughout the curriculum.

STUDENT DEVELOPMENT

We will support intentional co-curricular high-impact experiences where students can integrate their academic, personal and career development through meaningful campus/community partnerships. Holistic growth and development of learners will be promoted in college residence halls, athletic programs, college work programs, in policies & procedures, and the Academic Success Center to help develop students for a life of success beyond college.

TRANSFER

We collaborate with other institutions of higher education and with high schools to facilitate students' smooth passage between institutions. The transfer module, associate of individualized studies, applied associate degrees and transfer agreements with other institutions of higher education provide pathways for transfer of programs and courses.

COLLEGE READINESS

We are committed to providing dual credit within high schools, accelerating the students' time to degree and reducing financial stress for students and their families. We are committed to creating an environment of learning and academic support that helps students to persist, and develop the confidence and skills to succeed.

ECONOMIC DEVELOPMENT

We will help enhance the economic vitality of the community by providing customized education and training for local employers and organizations, and by collaborating with other institutions of higher education and community partners to recruit new employers to the area. We will work actively with advisory groups, local, regional, national and international organizations to assist with business development and economic expansion.

LIFELONG LEARNING

We are a learning community committed to enhancing and enriching each of our community members through diverse educational opportunities offered throughout their lives. We foster learning as a continuous journey toward increased empowerment for students, staff, graduates and all other members of our extended community.

Institutional Outcomes

These Institutional Outcomes have been adopted as expectations for success beyond College.

1. Demonstrate sound critical thinking, information literacy and technological competency in the production of academic writing and presentations

2. Apply the methods of mathematical, statistical or analytical resaoning to critically evaluate data, solve problems and effectively communicate findings.

3. Demonstrate an awareness of the social, political and economic forces which shape individuals, institutions and communities in the modern world.

4. Understand social justice and the diversities and complexities of the cultural and social world past and present, and come to an informed sense of self and others.

5. Demonstrate a foundation of knowledge in the natural sciences based on theory and laboratory skills.

6. Cultivate ethical values, personal wellness and personal learning strategies in the developement of the whole person, mind, body and spirit.

7. Integrate content material to application in the workforce and apply discipline-specific knowledge and skills to successfully transfer or effectively meet the expectations of internships, workplace, volunteerism and/or entrpreneurship endeavors.


JUKI

Strategic Planning Process

2022 - 2027

BACKGROUND & PLAN DEVELOPMENT

1 The Strategic plan for Hocking College is grounded in our values, purposes and traditions of the College, which help define the mission specific to the community we serve. Hocking College developed its Strategic Priorities through a collaborative process, which will be translated into action, resource allocation, and result in Institutional Initiatives for each academic year from 2022 through 2027.

2 The plan was developed over several months with the intentional inclusion of all constituent groups - students, faculty, staff, administrators, community and the Board of Trustees. The first step was to review the previous plans, mission, values and current status of programs and projects that affect the future of the College. Next, a survey was developed to solicit specific information about the strategic issues relevant to the various constituent groups. Over 200 students participated in this survey. In addition, all faculty and staff and a wide range of community members were surveyed.

3 In addition to the surveys, a series of strategic conversations were scheduled for the Board of Trustees and for faculty and staff, beginning with questions about challenges on the horizon for higher education in general and Hocking College in particular, specific opportunities available to the College, and finally how the College can adapt to succeed in the next five years.

4 The planning process resulted in a set of annual Institutional Initiatives for the coming academic year. These initiatives will be reviewed and revised each year of the Strategic Plan period of 2022-2027.

5 On February 17th, 2022 the Board of Trustees approved the Hocking College Strategic Plan for 2022-2027.

Strategic Priorities

The following priorities are a result of the strategic planning process:

PRIORITY 1: Teaching and Learning; Graduating Citizens of the World

Building on the Hocking College legacy of world-class innovative hands-on experiential teaching and learning to develop relevant workplace, academic and life skills providing a pathway to prosperity in an interconnected society on a journey that is a fulfilling life.

PRIORITY 2: Regional Development for Prosperity

Building on the legacy of innovation, relevance and resilience fostering new market economies in collaboration with community partners. Hocking College will emerge as a regional leader strengthening ties to communities we serve, joined together by a shared vision, passion and purpose to improve the number of individuals earning post-secondary credentials, provide pathways fostering regional economic development, entrepreneurship, upward mobility and reducing generational poverty.

PRIORITY 3: Foster a Culture of Shared Responsibility and Accountability

In a performance-based funding model and market driven economy, Hocking College will hold itself accountable continually improving institutional and individual performance. We will provide the Hocking Advantage in customer service to students and each other. We will use performance indicators and benchmark to relevant standards leading to improved performance, efficiency and stewardship of resources.

PRIORITY 4: Engagement and Enrollment Optimization

Enrolling diverse student populations in certificate, degree, life-long learning, dual credit, workforce development and special interest programming to meet educational and regional development needs. Supporting veteran and current military personnel and their families' success as a veteran friendly institution. Engage all stakeholders in delivery of the Hocking College mission and strategic priorities. A key performance indicator will be our ability to deliver educational value retaining students to completion with exemplary student and employer or transfer institution satisfaction.

PRIORITY 5: Sharing our Story

Demonstrating to the region and the world the advantages of a Hocking College education. Enhance our reputation as a world-class college of first choice, an affordable college experience with excellence in academic and career programs in a kind, caring and nurturing environment that places our student's success first. We will advocate for students, resources and policies to improve our ability to deliver on the mission.

PRIORITY 6: Diversity, Equity and Inclusion

Sharing a commitment to a more diverse, equitable and inclusive world for everyone, we will actively advance a campus environment that celebrates our differences and invites contributions that reflect the diversity of our community. We will expect fairness and respect for each person, and we will teach and learn from each other how to live together in our multicultural world.


HOCKING
COLLEGE

Institutional Initiatives

2022 - 2023

INITIATIVE ONE

To strengthen our organizational culture of caring for students and their success, we will expand institutional practices and the support infrastructure to predict and respond to instances that jeopardize student academic and behavioral success. We will clarify responsibilities and procedures for real-time intervention and continued support to promote student success.

INITIATIVE TWO

To prepare students for success beyond college, we will develop a comprehensive program of intentional offerings with opportunities to learn and practice professional skills for the workplace, with the goal of graduating on time, with multiple job offers and/or transfer plan, and a plan for financial independence.

INITIATIVE THREE

To continue to refine our institutional capacity for teaching, we will develop and implement a comprehensive faculty evaluation model for continuous improvement and continuing professional development for faculty.

HOCKING COLLEGE

Strategic Plan 2022-2027

HOCKING COLLEGE

Hocking College

3301 Hocking Parkway
Nelsonville, OH 45764

WWW.HOCKING.EDU

Hocking College
Board of Trustees Action

Date: February 17, 2022

Submitted by: Dr. Betty Young

SUBJECT:
Authorize the President to demolish Campus Grounds Building.

BACKGROUND:
The Campus Grounds Building was built in 1983 and originally housed the Hocking College Police Department. Since then HCPD has been relocated to a different area on campus. The building was used sporadically for different needs but has been vacant for several months. This is the small building located at the foot of Light Hall steps next to the Drivers Education Building. Due to its small size and the extensive damage to the wooden foundation from water and other dis-repair, it has been deemed more cost effective to demolish the structure.

RECOMMENDATION:
Authorize the President to demolish the Campus Grounds Building.

ORGANIZATIONAL/ADMINISTRATIVE IMPACT:
Allow Hocking to maximize use of its space on campus.

FISCAL IMPACT:
Cost of demolition included in facilities operating budget. Estimate $3,000.00

COMMENTS
None.

HOCKING COLLEGE

Motion to approve authorization for President to demolish campus grounds building.

Adopted: 2/17/2022

Approved: _____

Hocking College
Board of Trustees Action

Date: February 17, 2022

Submitted by: Dr. Betty Young

SUBJECT:

Sale of 105 W Main St, New Straitsville, Ohio 43766

BACKGROUND:

Hocking College proposes to sell 105 W Main St, New Straitsville and relocate its Distillery program's live learning space.

RECOMMENDATION:

The Board of Trustees approve the motion to authorize Dr. Young to proceed with the sale of 105 W Main St, New Straitsville, Ohio 43766.

ORGANIZATIONAL/ADMINISTRATIVE IMPACT

Motion will facilitate relocation of the Distillery program's live learning space.

FISCAL IMPACT

Hocking College will be able to use net proceeds from the sale to offset the cost of relocation of the program.

ACTION BY WRITTEN CONSENT OF THE MEMBERS
OF
HOCKING COLLEGE, Board of Trustees

The undersigned, HOCKING COLLEGE, Board of Trustees, do hereby take and adopt the following Resolution in writing:

> **RESOLVED**, that HOCKING COLLEGE, Board of Trustees, is hereby authorized to sell the real property located at 105 W. Main St., New Straitsville OH 43766, known as the property associated with the Fermentation Science Program.
>
> **FURTHER RESOLVED**, that Ben Mitchell is an authorized member of HOCKING COLLEGE, Board of Trustees. It is further agreed and authorized that Dr. Betty Young, President, is hereby appointed and authorized to execute any and all documents including but not limited to Title Company Documents, Deeds, Settlement Statements, Notes, Mortgages or other seller related documents for the sale of the real property described in the Attached Exhibit "A".

HOCKING COLLEGE, Board of Trustees
Tax Identification No.: 31-0794924

BY: _____
Ben Mitchell, Chairman

HOCKING COLLEGE

BY: _____
Betty K. Young, PhD., J.D., LL.M
President

EXHIBIT A – LEGAL DESCRIPTION

The following Real Property:

Situated in the State of Ohio, County of Perry, Township of Coal, Town 14, Range 15, being a resurvey of Judith Tansky and Tom Wilson, Jr., official record volume 372 page 1666, being part of section 29 in the Village of New Straitsville and more particularly described as follows:

Beginning at iron pin set at the northwest corner of Lot 31; thence along the north line of Lot 31 S. 67° 38 minutes 37 seconds East 33.00 feet to an iron pin set, referenced by iron pin found (bent) at South 67° 38 minutes 37 seconds East 33.00 feet; thence South 21° 30 minutes 36 seconds West 149.84 feet to a PK nail set in a concrete walk; thence along the South line of lot 31 N. 67° 38 minutes 37 seconds West 33.00 feet to a PK nail set in a concrete sidewalk; thence along the West line of lot 31 N. 21° 30 minutes 36 seconds East 149.84 feet to the place of beginning, containing 0.114 acres, more or less, subject to all legal highways and easements.

Iron pin set are 5/8 inch rebar 30 inches long with plastic ID caps. Bearings are based on the West line of Lot 31 as being North 21° 30 minutes 36 seconds West. This description was written from a survey made by Kevin Cannon PS 7224, March 22, 2012.

Subject to all legal highways, easements, covenants, restrictions and rights-of-way of record, if any.

Parcel No. 06-000690.0000
Commonly Known As: 105 W. Main St., New Straitsville OH 43766.

Hocking College
Board of Trustees Action

Date: February 17, 2022

Submitted by: Dr. Betty Young

SUBJECT:

Fiscal Year 2022 Non-Bargaining Unit (NBU) Raise

BACKGROUND:

The Board approved budget for Fiscal Year 2022 has funds to allocate a 2% raise to all eligible full-time NBU employees and full-time contract employee.

RECOMMENDATION:

The Board of Trustees approve a 2% raise for all eligible full time NBU employees and full-time contract employee. Eligible employees will be determined by parameters for eligibility set by the College. The raise will become effective the first full pay period in January 2022.

ORGANIZATIONAL/ADMINISTRATIVE IMPACT

The raise will allow Hocking College to remain competitive in employee compensation.

FISCAL IMPACT

The 2% raise for eligible full time NBU employees and full-time contract employee will have an annualized impact of approximately $120,000. The impact for the remainder of fiscal year 2022 will be approximately $60,000.

HOCKING COLLEGE

Motion to approve a 2% raise for all eligible full-time Non-Bargaining Unit Employees (NBU) and full-time contract employee.

Adopted: 2/17/2022

Approved:

Hocking College
Board of Trustees Action

Date: February 17, 2022

Submitted by: Dr. Betty Young

SUBJECT

Professional Unit Agreement between Hocking Technical College (College) and Hocking College Education Association (OEA/NEA).

BACKGROUND

The College is committed to create a positive work environment for all Hocking College employees. The College recognizes the current negotiation with the Professional Staff Bargaining Unit presents an opportunity to accomplish this goal. The negotiation resulted in a three-year Professional Unit Agreement effective January 1, 2022 – December 31, 2024.

RECOMMENDATION

The Board of Trustees approve the motion that Hocking College agrees to the Professional Unit Agreement effective January 1, 2022 – December 31, 2024 between Hocking Technical College (College) and Hocking College Education Association (OEA/NEA) which includes the key negotiated items listed in Attachment A.

ORGANIZATIONAL/ADMINISTRATIVE IMPACT

Professional Unit Agreement effective January 1, 2022 – December 31, 2024.

FISCAL IMPACT

Total approximate cost is $100,000 over three years.

Hocking College

MOTION TO APPROVE

The Board of Trustees approve the motion that Hocking College agrees to the Professional Unit Agreement effective January 1, 2022 – December 31, 2024 between Hocking Technical College (College) and Hocking College Education Association (OEA/NEA) which includes the key negotiated items listed in Attachment A.

Adopted: 2/17/2022
Date

Approved: _____
Board Chair

Attachment A
Key Negotiated Items

Professional Unit Agreement
Between
Hocking Technical College (College)
And
Hocking College
Education Association
OEA/NEA

Term

The Agreement shall be effective for a three-year team from January 1, 2022 – December 31, 2024.

Annual Wages

Effective January 1, 2022 Bargaining Unit employees shall receive bonuses as follows:

- Bargaining Unit Employees employed for at least 12 months on June 30, 2022 will receive 1% of their salary as a bonus paid out on the last paycheck of the 2022 fiscal year.
- Bargaining Unit Employees employed for at least 12 months on June 30, 2023 will receive 2% of their salary as a bonus paid out on the last paycheck of the 2023 fiscal year.
- Bargaining Unit Employees employed for at least 12 months on June 30, 2024 will receive 2% of their salary as a bonus paid out on the last paycheck of the 2024 fiscal year.
- Bargaining Unit Employees employed for at least 12 months on December 31, 2024 will receive 1% of their salary as a bonus paid out on the last paycheck of the 2024 calendar year.

Full-time Faculty Employee Workload

The contact does not allow full-time faculty to work less than a 100% workload. The prior contact allowed for a 75% workload.

Motion to approve posting.
2/17/2022

Hocking Technical College
Request for Proposals (RFP)
15 +/- Acres of Land

Hocking College is seeking proposals for approximately 15 acres of land, being a portion of parcel ID# 240008070100 in Perry County, located west of New Lexington and across from Perry County Fairgrounds.

The land is approximately as shown on the map below.

**Parcel is circled in blue. This is an approximation of property lines, for discussion purposes only.*

Hocking College desires to spur economic development in the area and toward that goal is considering:

- Selling the land
- Leasing the land
- Creating a partnership to develop the land

Hocking College will accept proposals starting March 1, 2022 through April 30, 2022.

Submission Requirements

All submissions must be in writing and contain each of the elements listed below based on the type of submission.

Proposals for Purchase of the Land
Individuals, government entities, for profit & non-profit entities, or corporations seeking to purchase the land from Hocking College should prepare a proposal which contains each of the following:

- Proposed sale price
- Approximate closing date of transaction
- Plans for the property upon purchase

Proposals for Lease of the Land
Individuals, government entities, for profit & non-profit entities, or corporations seeking to lease the land from Hocking College should prepare a proposal which contains each of the following:

- Proposed annual rate of rent
- Proposed term of lease
- Approximate closing date of transaction
- Plans for the property upon lease

Proposals for Creating a Partnership
Individuals, government entities, for profit & non-profit entities, or corporations seeking to enter into a partnership with Hocking College should prepare a proposal which contains each of the following:

- Proposed terms of the partnership
- Approximate date for beginning of the partnership
- Plans for the property upon start of partnership

Incomplete submissions may not be considered if the information contained in the submission is deemed inadequate. At its discretion, Hocking Technical College may follow up with additional questions based on proposals submitted.

Partial List of Criteria for Consideration

The following list includes some of the criteria which Hocking College will evaluate proposals. Hocking College may include additional criteria in its evaluation of proposals at its discretion.

- Financial benefit to College
- Economic impact to Perry County and the local community

Contact Information for Questions and Proposal Submissions

Questions and proposals may be directed to Hocking College as follows:

- Contact Name: Mark Fuller
- Phone Number: 740-753-7129
- Email: fullerm@hocking.edu
- Mailing Address:

  Hocking College
  ATTN: Mark Fuller
  3301 Hocking Parkway
  Nelsonville OH 45764

Hocking College Financial Update
FY2022 Through 1/31/2022

BUDGET TO ACTUAL COMPARISON

	ANNUAL BUDGET (000'S)	YEAR TO DATE ACTUALS (000'S)	STATUS
REVENUE	$ 35,971	$ 25,511	On track to meet budget
EXPENSE	$ 35,971	$ 20,524	On track to meet budget
NET	$ 0	$ 4,987	

LIQUIDITY AND FUNDING FIGURES

	JAN 2022 (000'S)	JAN 2021 (000'S)	YOY NET CHANGE
OPERATING CASH	$ 5,535	$ 5,163	$ 372
RESERVES & ENDOWMENTS	$ 5,752	$ 5,195	$ 557
CAPITAL FUNDS AVAILABLE	$ 4,374	$ 5,842	$ (1,468)
COVID RELIEF FUNDS AVAILABLE	$ 6,025	$ 5,216	$ 809

Budget to Actuals Detail

College operating and auxiliary revenues are at $25.5 million or at 71% of the budgeted level for the full year. Based on current revenue levels and projected levels of revenue for the remainder of the year, the College should meet or exceed its FY 2022 budgeted revenue.

The College's total revenues through January have increased $1.0 million or 4% year-over-year.

Operating and auxiliary expenditures total $20.5 million through January, which equates to 57% of the budgeted level for the full year. Expenses are on pace to be at or below budgeted levels for the full year.

Year-over-year increases in ongoing operating expenses of the colleges have been limited— including personnel costs which have only increased 2.6% and contracted expenditures which have decreased 1.3%. The College does face some challenges related to inflation, particularly in food costs, but has identified other areas of the budget to make up for those increased costs.

Liquidity Detail

The College has a current operating cash balance of $5.5 million or approximately 56 days of cash on hand. This is an increase of $0.4 million from the year prior. The College's operating cash is seasonal and should strengthen during the coming months as student receivables are converted to cash with Pell and direct loan disbursements being scheduled.

Strategic reserves total $3.9 million and student fee reserves total $0.5 million for a total of $4.4 million in reserves. College Endowments total $1.3 million, making the amount of reserves and endowments total $5.7 million. Total reserves and endowments are $0.6 million better than the prior year.

COVID-19 related federal relief funds remaining totals $6.0 million, of which $2.8 million is designated as student financial aid support. The College will be expending these funds largely during FY 2022 by funding a nursing simulation lab, funding necessary COVID-19 related expenses, completing revenue replacements, and providing financial aid relief to students.

Hocking College
Board of Trustees Action

Date: February 17, 2022

Submitted by: Mark Fuller

SUBJECT:

Audited financial statements for FY 2021

BACKGROUND:

The College prepares annual financial statements which are audited by the Ohio Auditor of State or a designated Independent Public Accountant. The College is currently under contract to be audited by Perry & Associates Certified Public Accountants through 2024.

Perry & Associates have completed their audit of the College's Financial Statements and have found them to be a fair and accurate representation of the College's financial position.

RECOMMENDATION:

The Board of Trustees approve a motion to accept the FY 2021 audited financial statements.

ORGANIZATIONAL/ADMINISTRATIVE IMPACT

The annual audit is a necessary part of the college's ongoing operations.

FISCAL IMPACT

None. The audit confirms the College's FY 2021 Financial Statements to be a fair and accurate representation of the College's financial position.

HOCKING COLLEGE

Motion to accept the FY 2021 audited financial statements.

Adopted: 2/17/2022

Approved: _____

PERRY & Associates

Certified Public Accountants, A.C.

HOCKING TECHNICAL COLLEGE
ATHENS COUNTY
SINGLE AUDIT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

313 Second St.
Marietta, OH 45750
740 373 0056

1907 Grand Central Ave.
Vienna, WV 26105
304 422 2203

150 W. Main St., #A
St. Clairsville, OH 43950
740 695 1569

1310 Market St., #300
Wheeling, WV 26003
304 232 1358

749 Wheeling Ave., #300
Cambridge, OH 43725
740 435 3417

www.perrycpas.com

OHIO AUDITOR OF STATE
KEITH FABER

88 East Broad Street
Columbus, Ohio 43215
IPAReport@ohioauditor.gov
(800) 282-0370

Board of Trustees
Hocking Technical College
3301 Hocking Parkway
Nelsonville, Ohio 45764

We have reviewed the *Independent Auditor's Report* of the Hocking Technical College, Athens County, prepared by Perry & Associates, Certified Public Accountants, A.C., 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 Hocking Technical College is responsible for compliance with these laws and regulations.

Keith Faber
Auditor of State
Columbus, Ohio

January 07, 2022

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HOCKING TECHNICAL COLLEGE
Table of Contents
For the Fiscal Year Ended June 30, 2021

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HOCKING TECHNICAL COLLEGE
Appointed Officials
June 30, 2021

NAME	TITLE	TERM EXPIRES
Mr. Ben Mitchell	Chairperson	August 2021
Mr. Mike Brooks	Vice Chairperson	August 2026
Ms. Jeanette R. Addington, CPA	Trustee	August 2024
Mr. Gerry Bird	Trustee	August 2024
Mr. Stuart Brooks	Trustee	August 2022
Mr. Mike Budzik	Trustee	August 2023
Mr. Blaine Davidson	Trustee	August 2023
Mr. Mark Dean	Trustee	August 2022
Mr. Leon Forte'	Trustee	August 2022

HOCKING TECHNICAL COLLEGE
Administrative Personnel
June 30, 2021

NAME	***TITLE***
Dr. Betty Young, Ph.D, J.D., LL.M.	President
Mr. Jeff Daubenmire.	C.F.O., Chief of Staff and Secretary of the Board of Trustees
Mr. Mark Fuller	Executive Director Finance, Treasurer

PERRY & Associates
Certified Public Accountants, A.C.

313 Second St.
Marietta, Oh 45750
740.373.0056

1907 Grand Central Ave.
Vienna, WV 26105
304.422.2203

150 West Main St.
St. Clairsville, OH 43950
740.695.1569

1310 Market St., Suite 300
Wheeling, WV 26003
304.232.1358

749 Wheeling Ave., Suite 300
Cambridge, OH 43725
740.435.3417

INDEPENDENT AUDITOR'S REPORT

December 29, 2021

Hocking Technical College
Athens County
3301 Hocking Parkway
Nelsonville, OH 45764

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of **Hocking Technical College**, Athens County, Ohio (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 as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the College's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the College's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of Hocking Technical College, Athens County, Ohio, as of June 30, 2021, and the respective changes in its financial position and cash flows thereof for the year then ended in accordance with the 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 this presentation to include *Management's discussion and analysis* and schedules of net pension liabilities and other post-employment benefit liabilities and pension and other post-employment benefit contributions listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on the College's basic financial statements taken as a whole.

The Schedule of Federal Awards Receipts and Expenditures presents additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and is not a required part of the financial statements.

The schedule is management's responsibility and derives from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected the schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling the schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2021, on our consideration of the College's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on 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.

Perry & Associates CPA's A.C.

Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

Management's Discussion and Analysis

The discussion and analysis of Hocking Technical College's (the College) financial statements provides an overview of the College's financial activities for the Fiscal Year ended June 30, 2021. Management has prepared the financial statements and the related footnote disclosures along with the discussion and analysis. Responsibility for the completeness and fairness of this information rests with the College's management.

Management's Discussion and Analysis (MD&A) is an element of the reporting models adopted by the Governmental Accounting Standard Board (GASB) in their Statement No. 34 "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments" and Statement No. 35 "Basic Financial Statements - and Management's Discussion and Analysis - for Public Colleges and Universities." Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

Using this Report

This annual report consists of a series of financial statements and notes to those statements. These statements are presented following the requirements of GASB Statement No. 34 and Statement No. 35, and are organized so the reader can understand the College as a financial whole, an entire operating entity.

This discussion and analysis is intended to serve as an introduction to the College's basic financial statements. The College's basic financial statements are comprised of two components: the government-wide financial statements and notes to the basic financial statements.

Financial Highlights

- The College's capital assets increased $3.3 million or 5.3% from the previous Fiscal Year due primarily to additions exceeding depreciation.
- The College continued the practice of adding to its strategic reserve to continue to increase its expendable net position to improve its Primary Reserve Ratio.
- The College's financial position increased $7.4 million or 24.4% during the fiscal year. The increase was due primarily to the increases in revenue.

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

One of the most important questions asked about the College's finances is, "Is the College as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position report information on the College as a whole and on its activities in a way that helps answer this question. When revenues and other support exceed expenses, the result is an increase in net position. When the reverse occurs, the result is a decrease in net position. The relationship between revenues and expenses may be thought of as the College's operating results.

These two statements report the College's net position and changes in net position. You can think of the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources as one way to measure the College's financial health, or financial position. Over time, increases or decreases in the College's net position are one indicator of whether its financial health is improving or deteriorating.

You will need to consider many other nonfinancial factors, such as the trend in College applicants, student retention, condition of the buildings, and strength of the faculty, to assess the overall health of the College.

These statements include all assets, liabilities, and deferred inflows/outflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private-sector institutions. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The following is a comparative analysis of the major components of the net position of the College:

Net Position as of June 30 (in millions)				
	2021	Restated 2020	Increase (Decrease)	Percent Change
Assets:				
Current Assets	$27.3	$28.6	($1.3)	(4.5%)
Noncurrent Assets:				
Capital Assets, Net of Accumulated Depreciation	65.6	62.3	3.3	5.3%
Other	2.6	2.4	0.2	8.3%
Total Assets	$95.5	$93.3	$2.2	2.4%
Deferred Outflows of Resources				
Deferred Charges	$1.5	$0.0	$1.5	100.0%
Pension	3.9	3.7	0.2	5.4%
OPEB	0.9	0.6	0.3	50.0%
Total Deferred Outflows of Resources	$6.3	$4.3	$2.0	46.5%
Liabilities				
Current Liabilities	$8.7	$10.4	($1.7)	(16.3%)
Long-Term Liabilities:				
Due Within One Year	1.6	1.1	0.5	45.5%
Due in More Than One Year:				
Net Pension Liability	23.6	23.1	0.5	2.2%
Net OPEB Liability	3.7	4.5	(0.8)	(17.8%)
Other Amounts	18.6	17.6	1.0	5.7%
Total Liabilities	$56.2	$56.7	($0.5)	(0.9%)
Deferred Inflows of Resources				
Pension	$3.7	$7.1	($3.4)	(47.9%)
OPEB	4.2	3.5	0.7	20.0%
Total Deferred Inflows of Resources	$7.9	$10.6	($2.7)	(25.5%)
Net Position:				
Net Investment in Capital Assets	$47.3	$44.1	$3.2	7.3%
Restricted - Nonexpendable	1.1	1.2	(0.1)	(8.3%)
Restricted - Expendable	2.1	1.9	0.2	10.5%
Unrestricted(Deficit)	(12.8)	(16.9)	4.1	24.3%
Total Net Position	$37.7	$30.3	$7.4	24.4%

Current Assets

Current Assets decreased by $1.3 million, primarily due to decreases in accounts receivable, which were offset by increases in cash and cash equivalents.

Noncurrent Assets

Noncurrent Assets increased by $3.5 million which was a result of the increase in capital assets due to acquisitions exceeding depreciation.

Deferred Outflows/Inflows of Resources

These categories, related to the College's pro-rata share of the State's unfunded pension and OPEB liabilities and required to be reported through GASB Statements No. 68 and 75, increased $0.5 million and decreased $2.7 million, respectively. The College has no control over these amounts. More information about GASB Statements No. 68 and 75 and their impact on the statements of the College can be seen in Notes 8 and 9 and in the required supplementary information at the end of the report. Deferred Outflows of Resources also increased due to the accrual of deferred charges on refunding bonds issued during the fiscal year.

Current Liabilities

Current Liabilities decreased by $1.7 million or 16.3%, primarily due to decreases in unearned revenue.

Long-Term Liabilities

Long-Term Liabilities increased by $1.2 million primarily due to the $0.5 million increase in net pension liability and the $1.0 million increase in other amounts which is the result of the issuance of refunding bonds during the year. The pension liability amounts are calculated by the pension systems and the College has no control over these liabilities.

Net Position

The College's overall net position increased by 24.4% from the previous fiscal year. This was primarily the result of an increase in revenues, a decrease in liabilities, and a large decrease in deferred inflows of resources. The Net Investment in Capital Assets increased by $3.2 million.

The following is a comparative analysis of the major revenue and expense categories of the College:

Operating Results for the Year (in millions)

	2021	Restated 2020	Increase (Decrease)	Percent Change
Operating Revenues:				
Tuition and Fees	$13.7	$13.0	$0.7	5.4%
Grants and Contracts	8.6	2.3	6.3	273.9%
Sales and Services of Departments	0.0	0.1	(0.1)	(100.0%)
Auxiliary Services	5.3	4.9	0.4	8.2%
Other Operating Revenue	0.4	0.3	0.1	33.3%
Total Operating Revenues	28.0	20.6	7.4	35.9%
Operating Expenses:				
Instructional and Departmental Research	9.9	9.0	0.9	10.0%
Public Service	0.3	0.3	0.0	0.0%
Academic Support	2.5	3.2	(0.7)	(21.9%)
Student Services	1.9	2.2	(0.3)	(13.6%)
Institutional Support	11.0	6.2	4.8	77.4%
Operation and Maintenance of Plant	3.2	2.1	1.1	52.4%
Scholarships and Fellowships	2.5	2.2	0.3	13.6%
Depreciation	2.1	2.2	(0.1)	(4.5%)
Auxiliary Services	3.5	3.8	(0.3)	(7.9%)
Total Operating Expenses	36.9	31.2	5.7	18.3%

Operating Results for the Year (in millions)				
	2021	Restated 2020	Increase (Decrease)	Percent Change
Operating Income (Loss)	(8.9)	(10.6)	1.7	16.0%
Nonoperating Revenues (Expenses):				
Grants and Contracts	4.7	5.3	(0.6)	(11.3%)
State Appropriations	10.8	11.4	(0.6)	(5.3%)
Net Investment Income and Other	0.1	0.1	0.0	0.0%
Bond Issuance Costs	(0.1)	0.0	(0.1)	(100.0%)
Interest on Capital Asset-Related Debt	(1.0)	(0.9)	(0.1)	(11.1%)
Total Nonoperating Revenues (Expenses)	14.5	15.9	(1.4)	(8.8%)
Other Revenues (Expenses):				
Capital Appropriations	1.7	0.0	1.7	100.0%
Capital Grants and Gifts	0.1	0.2	(0.1)	(50.0%)
Total Other Revenues (Expenses)	1.8	0.2	1.6	800.0%
Change in Net Position	7.4	5.5	1.9	34.5%
Net Position - Beginning of Year, Restated	30.3	24.8	5.5	22.2%
Net Position - End of Year	$37.7	$30.3	$7.4	24.4%

Operating Revenues

Operating revenues include all transactions that result from the sales of goods and services such as tuition and fees, educational department transactions and auxiliary service fees from residence halls, and operations of the College Spirit Store, Lake Snowden and parking. In addition, certain federal, state, and local grants are considered operating if they are not for capital purposes and are considered a contract for services.

Operating revenue changes were primarily the result of the following factors:

- Student Tuition and Fees revenue increased $0.7 million or 5.4% and the increase is primarily the result of a combination of enrollment and adjusted fee structure.
- Grants and Contracts Revenues increased by $6.3 million or 273.9% due to increased grant funding, with much of that increase coming from CARES ACT funding.

Operating Expenses

Operating expenses are all the costs necessary to perform and conduct the programs and primary purposes of the College. The operating expense changes were primarily the result of the following factors:

- Institutional Support costs increased $4.8 million or 77.4%, primarily due to increased spending related to the CARES ACT funding.
- Academic Support costs decreased $0.7 million or 21.9% due to changes in academic programming.
- Instructional and Departmental Research costs increased $0.9 million or 10.0%, primarily due to the reclassification of costs for textbooks and course materials to this function during 2021.

Nonoperating Revenues

Nonoperating revenues are all revenue sources that are primarily nonexchange in nature. They consist primarily of certain federal grants, State appropriations and investment income.

Nonoperating revenue decreased as a result of decreased federal student financial aid awards and state appropriations due to the decrease in enrollment and statewide budget cuts in response to COVID-19.

Other Revenues

Other revenues consist of items that are typically nonrecurring, extraordinary, or unusual to the College. Examples are State of Ohio capital appropriations, and capital grants and gifts from local sources. Other revenues increased due to State capital appropriations that were provided to the College.

Statement of Cash Flows

Another way to assess the financial health of the College is to look at the Statement of Cash Flows. Its primary purpose is to provide relevant information about the cash receipts and cash payments of an entity during a period. The Statement of Cash Flows also helps users assess:

- An entity's ability to generate future net cash flows;
- Its ability to meet its obligations as they come due; and
- Its need for external financing.

Cash Flows for the Year (in millions)

	2021	Restated 2020	Increase (Decrease)	Percent Change
Net Cash From:				
Operating Activities	($10.0)	($12.9)	$2.9	22.5%
Noncapital Financing Activities	15.5	17.2	(1.7)	(9.9%)
Capital and Related Financing Activities	(4.5)	(3.2)	(1.3)	(40.6%)
Investing Activities	0.7	1.5	(0.8)	(53.3%)
Net Increase (Decrease) in Cash	1.7	2.6	(0.9)	(34.6%)
Cash - Beginning of Year	13.1	10.5	2.6	24.8%
Cash - End of Year	$14.8	$13.1	$1.7	13.0%

The major sources of cash from operating activities are tuition and fees, grants and contracts and auxiliary service charges. Cash outlays include payments for wages, benefits, supplies, utilities, contractual services, and scholarships and fellowships. Overall, net cash from operating activities increased due to increases in revenues which exceeded the increases in expenses. The increase in cash from operating activities was offset by decreases in cash from financing activities. Cash from investing activities decreased from fiscal year 2020 to 2021 as the result of interest earned on investments.

State appropriations and certain federal grants are the primary sources of cash from noncapital financing activities. The reporting standards require that the College reflect these sources of revenue as nonoperating even though the budget of the College depends heavily on these sources to continue the current level of operations. Federal grants and the College's state appropriations decreased for fiscal year 2021.

The major sources of cash from capital and related financing activities this year is from the issuance of refunding bonds and the receipt of capital appropriations from the state, while cash outlays include payments for construction projects and other capital assets, and principal paid on the debt that was incurred to acquire and construct these capital assets.

Capital Asset and Debt Administration

Capital Assets

At June 30, 2021, the College had $65.6 million invested in capital assets, net of accumulated depreciation of $39.5 million. Depreciation charges totaled $2.2 million for the current Fiscal Year. Details of these assets for the past two years are shown below.

Capital Assets - Net of Accumulated Depreciation as of June 30 (in millions)

	2021	2020	Increase (Decrease)
Land	$5.4	$5.4	$0.0
Contruction in Progress	0.9	0.1	0.8
Land Improvements	1.1	1.1	0.0
Buildings and Improvements	52.7	50.7	2.0
Furniture, Fixtures and Equipment	5.0	4.4	0.6
Vehicles/Fleet	0.5	0.5	0.0
Software	0.0	0.1	(0.1)
Total	$65.6	$62.3	$3.3

More detailed information about the College's capital assets is presented in the notes to the financial statements.

Debt

At June 30, 2021, the College had $19.9 million in debt outstanding versus $18.2 million the previous year. The table below summarizes these amounts by type of debt instrument.

Long - Term Debt Outstanding as of June 30 (in millions)

	2020	2019	Increase (Decrease)
General Receipt Improvement Bonds	$1.3	$18.0	($16.7)
Revenue Bonds	0.1	0.2	(0.1)
Refunding Bonds	18.5	0.0	18.5
Total	$19.9	$18.2	$1.7

The College has no current plans to issue additional debt.

More detailed information about the College's long-term liabilities is presented in the notes to the financial statements.

Economic Factors That Will Affect the Future

Hocking College's funding is impacted by the State of Ohio which makes decisions regarding the overall amount of funding available to Higher Education as well as the distribution of those funds to state supported colleges and universities. The funding formula has been modified in recent years and additional changes to the funding formula are expected. Hocking College is active in its planning to ensure maximization of funding opportunities.

Hocking College's funding is impacted by enrollment. Higher Education institutions across the state of Ohio are seeing declining demographics. Hocking College continues to focus on retention and marketing of its programs to new students. Further, Hocking College has continued development of new, market-relevant programs and is active in its reviews of existing programs to ensure continued viability.

Hocking College continues to build its reputation as an innovative and entrepreneurial educational institution. It understands its importance and its responsibility to meet the initiatives of the State of Ohio in providing a quality education at an affordable price.

Contacting the College's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the College's finances and to show the College's accountability for the money it received. If you have any questions about this report or need additional information contact Mark Fuller, Executive Director of Finance, Treasurer, Hocking College Board of Trustees, 3301 Hocking Parkway, Nelsonville, OH 45764 or e-mail at fullerm@hocking.edu.

HOCKING TECHNICAL COLLEGE
Statement of Net Position
June 30, 2021

	Primary Institution	Component Unit Foundation
ASSETS:		
Current Assets:		
Cash and Cash Equivalents	$12,343,010	$640,336
Cash with Fiscal Agent	981,678	0
Accounts Receivable, Net	12,105,502	0
Intergovernmental Receivables	239,497	0
Due From Primary Government	0	248,572
Due From Component Unit	247,411	0
Other Receivables	0	25,000
Inventories	146,058	0
Prepaid Expenses	264,250	0
Net OPEB Asset	933,767	0
Total Current Assets	27,261,173	913,908
Noncurrent Assets:		
Restricted Cash and Cash Equivalents	1,508,894	0
Endowment Investments	1,149,034	633,938
Other Long-Term Investments	0	1,084,008
Nondepreciable Capital Assets	6,229,140	78,880
Depreciable Capital Assets	59,326,057	0
Total Noncurrent Assets	68,213,125	1,796,826
TOTAL ASSETS	95,474,298	2,710,734
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred Charges on Bond Refunding	1,502,872	0
Pension	3,884,002	0
OPEB	934,474	0
TOTAL DEFERRED OUTFLOWS OF RESOURCES	6,321,348	0
LIABILITIES:		
Current Liabilities:		
Accounts Payable and Other Accrued Liabilities	963,901	65,714
Due to Primary Government	0	247,411
Due to Component Unit	248,572	0
Deposits Held in Custody for Others	4,765	0
Unearned Revenue	7,347,100	0
Claims Payable	226,704	0
Long-Term Liabilities - Current Portion	1,567,131	0
Total Current Liabilities	10,358,173	313,125
Long-Term Liabilities:		
Net Pension Liability	23,566,840	0
Net OPEB Liability	3,663,758	0
Other Long-Term Liabilities	18,599,302	0
Total Long-Term Liabilities	45,829,900	0
TOTAL LIABILITIES	56,188,073	313,125
DEFERRED INFLOWS OF RESOURCES:		
Pension	3,718,080	0
OPEB	4,215,740	0
TOTAL DEFERRED INFLOWS OF RESOURCES	7,933,820	0
NET POSITION:		
Net Investment in Capital Assets	47,324,553	78,880
Restricted for:		
Nonexpendable:		
Endowments	1,139,735	633,938
Expendable:		
Loans	34,170	0
Debt Service	1,508,894	0
Scholarships	283,775	728,664
Other	268,105	251,121
Unrestricted (Deficit)	(12,885,479)	705,006
TOTAL NET POSITION	$37,673,753	$2,397,609

See accompanying notes to the basic financial statements.

HOCKING TECHNICAL COLLEGE
Statement of Revenues, Expenses and Changes in Net Position
For the Fiscal Year Ended June 30, 2021

	Primary Institution	Component Unit Foundation
REVENUES:		
Operating Revenues:		
Student Tuition and Fees (Net of Scholarship Allowances of $3,000,019)	$13,727,271	$0
Federal Grants and Contracts	7,626,569	0
State Grants and Contracts	665,860	0
Private Grants and Contracts	278,636	0
Sales and Services of Educational Departments	31,666	0
Auxiliary Services Revenues (Net of Scholarship Allowances of $441,798)	5,253,889	0
Other Operating Revenue	378,325	38,153
Total Operating Revenues	27,962,216	38,153
EXPENSES:		
Operating Expenses:		
Educational and General:		
Instructional and Departmental Research	9,896,919	0
Public Service	315,132	0
Academic Support	2,491,004	0
Student Services	1,901,831	0
Institutional Support	10,961,517	0
Operation and Maintenance of Plant	3,199,625	0
Scholarships and Fellowships (Net of Scholarship Allowances of $3,441,817)	2,451,975	0
Depreciation	2,150,201	0
Auxiliary Services	3,500,519	0
Other Operating Expenses	6,331	203,748
Total Operating Expenses	36,875,054	203,748
OPERATING LOSS	(8,912,838)	(165,595)
NONOPERATING REVENUES (EXPENSES):		
Federal Grants and Contracts	4,758,703	0
State Appropriations	10,753,316	0
Gifts	0	262,700
Investment Income	79,611	289,479
Interest on Capital Asset-Related Debt	(1,022,670)	0
Bond Issuance Costs	(99,389)	0
Gift to College	0	(105,000)
Total Nonoperating Revenues (Expenses)	14,469,571	447,179
INCOME BEFORE OTHER REVENUES, EXPENSES, GAINS, OR LOSSES	5,556,733	281,584
Capital Appropriations	1,750,890	0
Capital Grants and Gifts	86,048	0
CHANGE IN NET POSITION	7,393,671	281,584
NET POSITION - Beginning of Year, Restated (See Note 3)	30,280,082	2,116,025
NET POSITION - End of Year	$37,673,753	$2,397,609

See accompanying notes to the basic financial statements.

HOCKING TECHNICAL COLLEGE
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2021

	Primary Institution	Component Unit Foundation
CASH FLOWS FROM OPERATING ACTIVITIES:		
Tuition and Fees	$14,854,055	$0
Grants and Contracts	8,571,065	0
Federal Direct Loan Awards	7,812,195	0
Payments to Employees	(17,528,112)	0
Payments to Suppliers	(8,570,118)	0
Payments for Utilities	(1,466,698)	0
Payments for Contractual Services	(916,111)	0
Payments for Scholarships and Fellowships	(10,443,044)	0
Auxiliary Services Charges	4,720,578	0
Sales and Services of Educational Departments	31,666	0
Other Receipts	229,289	135,734
Other Payments	(7,309,126)	(51,082)
Net Cash from Operating Activities	(10,014,361)	84,652
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Federal Grants and Contracts	10,753,316	0
State Appropriations	4,718,486	0
Gifts Received for Other Than Capital Purposes	0	302,700
Cash Gifted to College	0	(105,000)
Net Cash from Noncapital Financing Activities	15,471,802	197,700
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds from Capital Debt	18,435,000	0
Discount and Deferred Charges on Capital Debt	(1,641,134)	0
Capital Appropriations	1,750,890	0
Capital Grants and Gifts Received	86,048	0
Purchases of Capital Assets	(5,389,220)	0
Principal Paid on Capital Debt	(16,565,775)	0
Interest Paid on Capital Debt	(1,022,670)	0
Issuance Costs on Capital Debt	(99,389)	0
Net Cash from Capital and Related Financing Activities	(4,446,250)	0
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from Sales and Maturities of Investments	670,595	0
Interest on Investments	79,611	289,479
Purchase of Investments	0	(289,651)
Net Cash from Investing Activities	750,206	(172)
Net Increase (Decrease) in Cash and Cash Equivalents	1,761,397	282,180
CASH AND CASH EQUIVALENTS, Beginning of year	13,072,185	358,156
CASH AND CASH EQUIVALENTS, End of year	$14,833,582	$640,336

See accompanying notes to the basic financial statements.

HOCKING TECHNICAL COLLEGE
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2021

	Primary Institution	Component Unit Foundation
Reconciliation of Net Operating Loss to Net Cash from Operating Activities:		
Operating Loss	($8,912,838)	($165,595)
Adjustments to Reconcile Net Operating Loss to Net Cash from Operating Activities:		
Depreciation	2,150,201	0
Change in Assets, Liabilities, and Deferred Inflows/Outflows of Resources:		
Receivables, Net	1,805,367	0
Inventories	(75,112)	0
Prepaid Expenses	387,892	0
Due From Primary Government	0	97,581
Net OPEB Asset	272	0
Deferred Outflows of Resources	(544,536)	0
Accounts Payable and Other Accrued Liabilities	(129,578)	1,408
Due to Primary Government	0	151,258
Premium on Bonds	216,477	0
Compensated Absences	(58,834)	0
Unearned Revenue	(1,479,215)	0
Deposit Held for Others	(314,669)	0
Claims Payable	4,658	0
Net Pension and OPEB Liabilities	(400,027)	0
Deferred Inflows of Resources	(2,664,419)	0
Net Cash from Operating Activities	($10,014,361)	$84,652

See accompanying notes to the basic financial statements.
See accountant's compilation report.

NOTE 1 - DESCRIPTION OF THE COLLEGE AND REPORTING ENTITY

A. Description of the College

Hocking Technical College (the College) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio (the State).

The College was formed after the creation of a technical college district, as defined in Chapter 3357 of the Ohio Revised Code. The College operates under the direction of an appointed nine-member Board of Trustees. Three members of this board are appointed by the Governor of the State. The remaining six members are appointed by a caucus of the county, city and exempted village school districts' boards of education that operate in the technical college district. A President is appointed by the Board of Trustees to oversee day-to-day operations of the College. An appointed Treasurer is the custodian of funds and investment officer, and is also responsible for the fiscal controls of the resources of the College which are maintained in the funds described below.

The College is an institution of higher learning dedicated to providing the residents of the technical college district with a low-cost higher education in various academic and vocational technologies, leading to a two-year associate degree.

B. Reporting Entity

The reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements of the College are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the College.

Component units are legally separate organizations for which the College is financially accountable. The College is financially accountable for an organization if the College appoints a voting majority of the organization's governing board and (1) the College is able to significantly influence the programs or services performed or provided by the organization; or (2) the College is legally entitled to or can otherwise access the organization's resources; the College is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the College is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the College in that the College approves the budget, the issuance of debt, or the levying of taxes.

The Hocking College Foundation, Inc. (the Foundation), is not a part of the primary government of the College, but due to its relationship with the College, it is discretely presented as a component unit within the College's financial statements. The Foundation is a nonprofit corporation fund-raising organization, dedicated solely to raising scholarships and other funds for the benefit of the College. Specific disclosures relating to the component unit can be found in Note 18.

The College is associated with the South Central Ohio Insurance Consortium, which is a jointly governed organization. Information concerning this organization is presented in Note 15 to the basic financial statements.

The College is not considered to be a component unit of the State.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting and Presentation

The financial statements of the College have been prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when they have been reduced to a legal or contractual obligation to pay, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The financial statements have been prepared in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB), including Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments,* and Statement No. 35, *Basic Financial Statements - and Management's Discussion and Analysis - for Public Colleges and Universities*, issued in June and November, 1999. The College follows the "business-type activities" reporting requirements of GASB Statement No. 34 that provides a comprehensive one-column look at the financial activities of the College.

The College maintains separate accounting records for several funds, to help assure proper accountability over financial resources restricted to the respective funds. Management has consolidated these funds in these financial statements.

B. Budgetary Process

The budget is an annual plan for the financial operations of the College that establishes a basis of control and evaluation of activities financed through the unrestricted current funds of the College. Formal adoption of the budget into the accounting records is not legally mandated, but the College does integrate the board approved budget into its accounts to provide control and evaluation of financial activities.

C. Appropriations

To provide control over expenditures, a budget is prepared by the Executive Director, Finance/Treasurer with input from other administrative staff and presented to the Board of Trustees for their approval near the beginning of the fiscal year. To account for major developments that occur during the first six months, a revised budget may be prepared and presented to the Board for their approval at anytime during the same fiscal year.

D. Encumbrances

The College utilizes an encumbrance system of accounting to record purchase orders, contracts and other commitments for materials or services as a measure of budgetary control over appropriations. Encumbrances outstanding at June 30, 2021 do not constitute expenses or liabilities and are not reflected in the financial statements.

E. Cash and Investments

To improve cash management, all cash received by the College is pooled in a central bank account, except for the cash received for the Hocking College Foundation, Inc., escrow accounts related to bond activity, and cash held with fiscal agent, which are held separately from the cash management pool of the College. For internal control and accountability purposes, individual fund integrity is maintained through the College records. During fiscal year 2021, investments were limited to nonnegotiable certificates of deposit with local institutions and money market funds.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

The College makes investments in accordance with the Board of Trustees' policy, which conforms to the authority granted in the Ohio Revised Code. The purchase of specific investment instruments is at the discretion of the College's Executive Director, Finance/Treasurer within these policy guidelines.

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as repurchase agreements and nonnegotiable certificates of deposit are reported at cost.

For purposes of the presentation on the Statement of Net Position, investments of the cash management pool or investments with a maturity of three months or less at the time they are purchased by the College are considered to be cash equivalents.

Cash is being held by the South Central Ohio Insurance Consortium on behalf of the College to pay obligations related to the College's medical, dental, and pharmacy benefits. This balance is reported as "Cash with Fiscal Agent" on the accompanying financial statements.

F. Accounts Receivables

Receivables at June 30, 2021 consist primarily of student tuition and fees, and auxiliary sales and services. Receivables are reported at net using the direct write-off method.

G. Inventory

Inventories consist primarily of books and supplies of the bookstore and food inventory for the culinary program and dining services which are stated at the lower of cost or market determined on the first-in-first-out (FIFO) basis.

H. Capital Assets

Capital assets with a unit cost of $5,000 or greater are recorded at cost at the date of acquisition, or if donated, at the acquisition value at the date of donation. The College has no significant infrastructure assets. Depreciation is computed using the straight-line method over the estimated useful life of the asset and is not allocated to the functional expense categories. Expenses for construction in progress are capitalized as incurred. Interest expense relating to construction is capitalized net of interest income earned on resources set aside for this purpose.

Asset Description	Estimated Useful Life (Years)
Land Improvements	5
Buildings and Improvements	20-50
Furniture, Fixtures, and Equipment	5-15
Vehicles/Fleet	3-5
Software	3

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

I. Compensated Absences

The College records a liability for sick leave and vacation when the obligation is attributable to services previously rendered, to rights that vest or accumulate, and where payment of the obligation is probable and can be reasonably determined.

J. Pensions/OPEB

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

K. Operating and Nonoperating Revenues

All revenues from programmatic sources are considered to be operating revenues. Included in nonoperating revenues are certain federal grants and contracts, state appropriations, investment income, and gifts.

L. Scholarship Allowances and Student Aid

Financial aid to students is reported in the financial statements under the alternative method as prescribed by the National Association of College and University Business Officers (NACUBO). Certain aid such as loans, funds provided to students as awarded by third parties, and Federal Direct Lending is accounted for as a third party payment (credited to the student's account as if the student made the payment). All other aid is reflected in the financial statements as operating expenses, or scholarship allowances, which reduces revenues. The amount reported as operating expense represents resources provided in excess of amounts owed by the student to the institution and refunded to the students. Scholarship allowances represent the portion of aid provided to the student in the form of reduced tuition. Under the alternative method, these amounts are computed on a cash basis by allocating the cash payments to students, excluding payments for services, on the ratio of total aid to the aid not considered to be third party aid.

M. Federal Financial Assistance Programs

The College participates in federally funded Pell Grants, SEOG Grants, Federal Work-Study, Federal Direct Lending, and various other federal programs. Federal programs are audited in accordance with Title 2 U.S. Code of the Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.*

During the fiscal year ended June 30, 2021, the College processed $7,687,801 for direct lending through the U.S. Department of Education.

N. Net Position

GASB Statement No. 34 reports equity as "net position" rather than "fund balance." Net position is classified according to external donor restrictions or availability of assets for satisfying obligations of the College. Expendable restricted net position represents funds that have been gifted for specific purposes, funds held in federal and state programs, unexpended bond proceeds restricted for capital use, and funds held in bond escrow accounts.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the policy of the College is to first apply restricted resources.

The unrestricted net position deficit balance of $12,885,479 at June 30, 2021 includes a balance of $3,617,646 held for auxiliary services.

O. Estimates

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

P. Restricted Assets

Assets are reported as restricted when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors or laws of other governments or imposed by enabling legislation. As of June 30, 2021, the College reported $1,508,894 of restricted assets, which is payments made to the escrow agent which are to be used for debt service payments related to the series 2013 bond issuance.

Q. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the College, deferred outflows of resources include pension and OPEB. The deferred outflows of resources related to pension and OPEB are explained in Note 8 and 9.

In addition to the liabilities, the statement of net 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 include pension and OPEB. The deferred inflows of resources related to pension and OPEB are explained in Note 8 and 9.

NOTE 3 – NEW GASB PRONOUNCEMENT AND CHANGES IN ACCOUNTING PRINCIPLES

For the fiscal year ended June 30, 2020, the College implemented GASB Statement No. 84, "*Fiduciary Activities*" and related guidance from (GASB) Implementation Guide No. 2019-2, "*Fiduciary Activities,*" GASB Statement No. 87, "*Leases,*" GASB Statement No.89, "*Accounting for Interest Cost Incurred before the End of a Construction Period,*" GASB Statement No. 90, "*Majority Equity Interests,*" GASB Statement No. 92, "*Omnibus 2020,*" and GASB Statement No. 93, "*Replacement of Interbank Offered Rates.*" The implementation of GASB Statements Nos. 87, 89, 90, 92 and 93 had no effect on the prior period fund balances of the College.

GASB Statement No. 84 established specific criteria for identifying activities that should be reported as fiduciary activities and clarifies whether and how business type activities should report their fiduciary activities. Due to the implementation of GASB Statement No. 84, the College will no longer be reporting agency funds. The College reviewed its agency funds and determined that they should be reclassified as governmental funds. These fund reclassifications resulted in the restatement of the College's financial statements.

NOTE 3 – NEW GASB PRONOUNCEMENT AND CHANGES IN ACCOUNTING PRINCIPLES – Continued

The implementation of GASB Statement No. 84 had the following effect on fund balance as of June 30, 2020:

Net Position/Fund Balance at June 30, 2020	$29,970,178
GASB 84	309,904
Restated Net Position/Fund Balance at June 30, 2020	$30,280,082

NOTE 4 - CASH AND INVESTMENTS

State statutes classify monies held by the College into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the College treasury, in commercial accounts payable or be withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the College has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are public deposits which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit, or by savings or deposit accounts including passbook accounts.

Public depositories must give security for all public funds on deposit. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by the Federal Deposit Insurance Corporation (FDIC), may pledge a pool of government securities equal to at least 105% of the total value of public funds on deposit at the institution, or provide securities through the Ohio Pooled Collateral System as discussed below. Repurchase agreements must be secured by the specific government securities upon which the repurchase agreements are based. These securities must be obligations of or guaranteed by the United States and mature or be redeemable within five years of the date of the related repurchase agreement. State law does not require security for public deposits and investments to be maintained in the College's name. During fiscal year 2021, the College complied with the provisions of these statutes.

Interim monies are permitted to be deposited or invested in the following securities:

a. United States Treasury Notes, Bills, Bonds, or other obligations or securities issued by the United States Treasury, or any other obligations guaranteed as to principal and interest by the United States;

b. Bonds, notes, debentures, or other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

c. Written repurchase agreements in the securities listed above provided that the fair value of the securities subject to the repurchase agreement exceeds the principal value of the agreement by at least two percent and be marked to fair value daily, and that the term of the agreement must not exceed thirty days;

d. Bonds and other obligations of the State;

NOTE 4 - CASH AND INVESTMENTS – Continued

e. No-load money market mutual funds consisting exclusively of obligations described in division (a) or (b) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and

f. The State Treasurer's investment pool (STAR Ohio).

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for arbitrage, the use of leverage and short selling are also prohibited. Any investments must mature within five years from the date of purchase unless matched to a specific obligation or debt of the College, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

The following information classifies deposits and investments by categories of risk as defined in GASB Statement No. 3, *"Deposits with Financial Institutions, Investments (including Repurchase Agreements) and Reverse Repurchase Agreements"* and GASB Statement No. 40, *"Deposit and Investment Risk Disclosures"*.

Deposits: Custodial credit risk is the risk that, in the event of a bank failure, the College's deposits may not be returned. All deposits are collateralized with eligible securities in accordance with state law. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the College.

At June 30, 2021, the carrying amount of all College deposits was $14,473,722. Based on the criteria described in GASB Statement No. 40, "*Deposits and Investment Risk Disclosures*", as of June 30, 2021, the College's bank balance of $14,961,252 was either insured by the Federal Deposit Insurance Corporation or collateralized with pooled securities held by the pledging financial institution in the manner described above.

Custodial Credit Risk

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

Eligible securities pledged to the College and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 % 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% of the deposits being secured or a rate set by the Treasurer of State.

Six of the College's seven financial institutions are enrolled in the OPCS; however, at June 30, 2021, the seventh financial institution still maintained its own collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least 105% of the deposits being secured.

Investments: As of June 30, 2021, the College investments were limited to money market funds which totaled $1,508,894 and had maturities of less than one year.

NOTE 4 - CASH AND INVESTMENTS – Continued

The College has categorized its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All of the College's investments are valued using pricing sources as provided by the investments managers (Level 1 inputs)

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As a means of limiting its exposure to fair value losses arising from rising interest rates and according to state law, the College's investment policy limits investment portfolio maturities to five years or less.

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The College's investment policy does not address credit risk beyond the requirements of the Ohio Revised Code. The money market funds are unrated.

Custodial Credit Risk: Custodial credit risk is the risk that in the event of the failure of the counterparty, the College will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the College's securities are either insured and registered in the name of the College or at least registered in the name of the College. The College has no investment policy dealing with investment custodial credit risk beyond the requirements in the state statute that prohibit the payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The College places no limit on the amount that may be invested in any one issuer.

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021 was as follows:

	Balance at June 30, 2020	Additions	Deductions	Balance at June 30, 2021
Nondepreciable Capital Assets:				
Land	$5,356,371	$0	$0	$5,356,371
Construction in Progress	94,156	778,613	0	872,769
Total Nondepreciable Capital Assets	5,450,527	778,613	0	6,229,140
Depreciable Capital Assets:				
Land Improvements	5,527,429	0	0	5,527,429
Buildings and Improvements	75,661,880	3,327,993	0	78,989,873
Furniture, Fixtures and Equipment	10,737,067	1,121,722	0	11,858,789
Vehicles/Fleet	1,831,112	147,346	0	1,978,458
Software	412,000	13,546	0	425,546
Total Depreciable Capital Assets	94,169,488	4,610,607	0	98,780,095
Total Capital Assets	99,620,015	5,389,220	0	105,009,235

NOTE 5 - CAPITAL ASSETS - Continued

	Balance at June 30, 2020	Additions	Deductions	Balance at June 30, 2021
Accumulated Depreciation:				
Land Improvements	(4,417,946)	(16,536)	0	(4,434,482)
Buildings and Improvements	(24,917,697)	(1,396,078)	0	(26,313,775)
Furniture, Fixtures and Equipment	(6,268,356)	(596,956)	0	(6,865,312)
Vehicles/Fleet	(1,363,445)	(68,996)	0	(1,432,441)
Software	(336,393)	(71,635)	0	(408,028)
Total Accumulated Depreciation	(37,303,837)	(2,150,201)	0	(39,454,038)
Total Net Depreciable Capital Assets	56,865,651	2,460,406	0	59,326,057
Total Net Capital Assets	$62,316,178	$3,239,019	$0	$65,555,197

The College's capital assets include the costs of the $4,023,873 project to construct an Energy Institute facility. This facility is being used for educational and developmental purposes and alternative energy technology programs, fuel cell technology programs, and vehicular hybrid programs. Funding for this project includes an Economic Development Administration federal grant of $1,612,982 and matching funding from the College. The source of the College's matching amount was a $3,000,000 Bond Anticipation Note issued in September 2007. The agreement for this grant funding includes a stipulation that if the College decides to use this facility in a different manner other than for alternative energy programs or decides to sell the facility within a 20 year period, this grant will become a mortgage and the entire amount will have to be repaid to the U.S. Department of Commerce. As long as the College uses this facility for its intended purpose for at least 20 years, the College is not obligated to repay any amount of this grant. The College has not reported a liability for this agreement since no obligation to repay exists at June 30, 2021.

NOTE 6 - STATE SUPPORT

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

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

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

NOTE 7 - LONG-TERM LIABILITIES

Long-term liabilities of the College consist of general receipts improvement bonds, a revenue bond, net pension liability, and compensated absences payable. The change in long-term liabilities are as shown below:

	Balance at June 30, 2020	Additions	Deductions	Balance at June 30, 2021	Due Within One Year
Bonds Payable:					
General Receipts Improvement Bonds 3.0% - 5.0%	$17,830,000	$0	$16,510,000	$1,320,000	$660,000
Premiums on Bonds	216,477	0	216,477	0	0
Tax Exempt Revenue Bond; 3.07%	172,553	0	55,775	116,778	57,487
Refunding Bonds; 0.746% - 3.002%	0	18,435,000	0	18,435,000	455,000
Discount on Bonds	0	(138,262)	0	(138,262)	0
Total Bonds Payable	18,219,030	18,296,738	16,782,252	19,733,516	1,172,487
Net Pension Liability:					
STRS	12,471,449	384,239	0	12,855,688	0
SERS	10,594,139	117,013	0	10,711,152	0
Total Net Pension Liability	23,065,588	501,252	0	23,566,840	0
Net OPEB Liability:					
STRS	0	0	0	0	0
SERS	4,565,037	0	901,279	3,663,758	0
Total Net OPEB Liability	4,565,037	0	901,279	3,663,758	0
Compensated Absences	491,751	734,136	792,970	432,917	394,644
Total Long-Term Liabilities	$46,341,406	$19,532,126	$18,476,501	$47,397,031	$1,567,131

The College issued general receipt improvement bonds, series 2013, in the amount of $20,995,000 at 3.0% - 5.0% interest dated August 1, 2013 for the purchase of two of the student residence buildings from the Foundation and to also provide funds for various capital improvements throughout the College. Principal is due and payable annually on July 1st. Interest is due and payable semi-annually on July 1st and January 1st. The debt matures on July 1, 2038.

The College issued an Ohio Air Quality tax exempt revenue bond in the amount of $535,043 at 3.07% interest dated August 31, 2012 for the acquisition, construction and installation of energy related projects at the main campus in Nelsonville. Principal is due and payable annually on December 1st. Interest is due and payable semi-annually on December 1st and June 1st. The debt matures on December 1, 2022.

On November 19, 2020, the District issued $18,435,000 of general obligation refunding bonds to refund $15,910,000 of outstanding 2013 General Receipts Improvements Bonds. The bonds were issued for an 18 year period with final maturity at July 1, 2038. The bond issue included term bonds in the amounts of $2,415,000 and $3,900,000. At the date of refunding, $18,197,350 (after discounts, underwriting fees, and other issuance costs) was deposited in an irrevocable trust to provide for all future debt service payments on the refunded bonds.

NOTE 7 - LONG-TERM LIABILITIES – Continued

These refunding bonds were issued with a discount of $138,262 which is reported as a decrease to bonds payable. The amounts is being amortized to interest expense over the life of the bonds using the straight- line method; the amortization of the discount for fiscal year 2021 was $0. The issuance costs were $99,389. The refunding resulted in a difference between the net carrying amount of the debt and the acquisition price of $1,502,872. This difference, reported in the accompanying financial statements as a decrease to bonds payable is being amortized to interest expense over the life of the bonds using the straight-line method. The amortization of this difference for fiscal year 2021 was $0.

The Series 2020 Term Bonds maturing on July 1, 2035 are subject to mandatory sinking fund redemption at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, on July 1 in the years and in the respective principal amounts as follows:

Date	Principal Amount to be Redeemed
2034	$1,190,000
2035	1,225,000

The remaining principal amount of such Series 2020 Term Bonds ($2,415,000) will be paid at stated maturity on July 1, 2035.

The Series 2020 Term Bonds maturing on July 1, 2038 are subject to mandatory sinking fund redemption at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, on July 1 in the years and in the respective principal amounts as follows:

Date	Principal Amount to be Redeemed
2036	$1,260,000
2037	1,300,000
2038	1,340,000

The remaining principal amount of such Series 2020 Term Bonds ($3,900,000) will be paid at stated maturity on December 1, 2038.

The annual requirements to amortize long-term obligations outstanding as of June 30, 2021 are as follows:

	Tax Exempt Revenue Bonds		General Receipts Improvement Bonds		Refunding Bonds		Total	
Year Ending June 30,	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2022	$57,487	$2,701	$660,000	$16,000	$455,000	$225,246	$1,172,487	$243,947
2023	59,291	909	660,000	16,000	265,000	414,587	984,291	431,496
2024	0	0	0	0	950,000	412,289	950,000	412,289
2025	0	0	0	0	960,000	402,619	960,000	402,619
2026	0	0	0	0	975,000	390,292	975,000	390,292
2027-2031	0	0	0	0	5,140,000	1,694,307	5,140,000	1,694,307
2032-2036	0	0	0	0	5,790,000	1,071,991	5,790,000	1,071,991
2037-2041	0	0	0	0	3,900,000	236,558	3,900,000	236,558
Totals	$116,778	$3,610	$1,320,000	$32,000	$18,435,000	$4,847,889	$19,871,778	$4,883,499

NOTE 8 - DEFINED BENEFIT RETIREMENT PLANS

Net Pension Liability

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 on the Statement of Net Position 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 manner in which 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 the contractually-required pension contribution outstanding at the end of the year is included as an other accrued liability.

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:

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

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

***NOTE 8 - DEFINED BENEFIT PENSION PLANS* – Continued**

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

An individual whose benefit effective date is before April 1, 2018 is eligible for a cost of living adjustment (COLA) on the first anniversary date of the benefit. Beginning April 1, 2018, new benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. A three-year COLA suspension is in effect for all benefit recipients for the years 2018, 2019, and 2020. Upon resumption of the COLA, it will be indexed to the percentage increase in the CPI-W, not to exceed 2.5 percent and with a floor of 0 percent. In 2020, the Board of Trustees approved a 0.5 percent COLA for eligible retirees and beneficiaries in 2021.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the College is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2021, the allocation to pension, death benefits, and Medicare B was the entire 14.0 percent. For the fiscal year 2021, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The College's contractually required contribution to SERS was $882,337 for fiscal year 2021. Of this amount $789 is reported as other accrued liability.

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 website 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 was 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the. Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to zero percent to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of-living increases are not affected by this change. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefit will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

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

The DC Plan allows members to place all their member contributions and 9.53 percent of the 14 percent employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.47 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

***NOTE 8 - DEFINED BENEFIT PENSION PLANS* – Continued**

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 12 percent of the 14 percent member rate goes to the DC Plan and the remaining 2 percent is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and 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 after termination of employment 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 plan. The optional annuitization of a member's defined contribution account or the defined contribution portion of a member's Combined Plan account to a lifetime benefit results in STRS bearing the risk of investment gain or loss on the account. STRS has therefore included all three plan options as one defined benefit plan for GASB 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. New members 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 year ended June 30, 2021, plan members were required to contribute 14 percent of their annual covered salary. The College was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2021 contribution rates were equal to the statutory maximum rates.

The College's contractually required contribution to STRS was $956,799 for fiscal year 2021. Of this amount $18,028 is reported as other accrued liability.

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

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The College's proportion of the net pension liability was based on the College's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	SERS	STRS	Total
Proportion of the Net Pension Liability:			
Current Measurement Date	0.16194150%	0.05313049%	
Prior Measurement Date	0.17706550%	0.05639515%	
Change in Proportionate Share	-0.01512400%	-0.00326466%	
Proportionate Share of the Net Pension Liability	$10,711,152	$12,855,688	$23,566,840
Pension Expense	$285,583	($1,600,575)	($1,314,992)

***NOTE 8 - DEFINED BENEFIT PENSION PLANS* – Continued**

At June 30, 2021, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between Expected and Actual Experience	$20,806	$28,844	$49,650
Net Difference between Projected and Actual Earnings on Pension Plan Investments	679,938	625,175	1,305,113
Changes of Assumptions	0	690,103	690,103
Date	882,337	956,799	1,839,136
Total Deferred Outflows of Resources	$1,583,081	$2,300,921	$3,884,002
Deferred Inflows of Resources			
Differences between Expected and Actual Experience	$0	$82,202	$82,202
Changes in Proportion and Differences between College Contributions	652,397	2,983,481	3,635,878
Total Deferred Inflows of Resources	$652,397	$3,065,683	$3,718,080

$1,839,136 reported as deferred outflows of resources related to pension resulting from College contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 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	($465,473)	($1,224,837)	($1,690,310)
2023	17,528	(652,460)	(634,932)
2024	283,414	(4,215)	279,199
2025	212,878	159,951	372,829
	$48,347	($1,721,561)	($1,673,214)

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.

***NOTE 8 - DEFINED BENEFIT PENSION PLANS* – Continued**

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

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

Wage Inflation	3.00 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent
COLA or Ad Hoc COLA	2.5 percent
Investment Rate of Return	7.50 percent net of investments 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. 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 percent of male rates, and 110 percent of female rates. Mortality among disable members were based upon the RP-2000 Disabled Mortality Table, 90 percent for male rates and 100 percent for female rates, set back five years is used for the period after disability retirement

The most recent experience study was for the five year period ended June 30, 2015.

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 average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. The target allocation and best estimates of arithmetic real rates of return for each major assets class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00 %	1.85 %
U. S. Stocks	22.50	5.75
Non-U. S. Stocks	22.50	6.50
Fixed Income	19.00	2.85
Private Equity	12.00	7.60
Real Assets	17.00	6.60
Multi-Asset Strategies	5.00	6.65
Total	100.00 %	

Discount Rate - The total pension liability was calculated using the discount rate of 7.50 percent. 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 (7.50 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

***NOTE 8 - DEFINED BENEFIT PENSION PLANS* – Continued**

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 7.50 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
College's Proportionate Share of the Net Pension Liability	$14,672,970	$10,711,152	$7,387,111

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2020 actuarial valuations, are presented below:

Inflation	2.50%
Projected salary increases	12.5% at age 20 to 2.50% at age 65
Investment Rate of Return	7.45%, net of investment expenses, including inflation
Discount Rate of Return	7.45%
Payroll Increases	3.00%
Cost-of-Living Adjustments (COLA)	0.0 %, effective July 1, 2017

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

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

***NOTE 8 - DEFINED BENEFIT PENSION PLANS* – Continued**

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 percent, and 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 pension liability was 7.45% as of June 30, 2020. 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. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not 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.

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	Current Discount Rate	1% Increase
College's Proportionate Share of the Net Pension Liability	$18,304,262	$12,855,688	$8,238,476

NOTE 9 - *DEFINED BENEFIT OPEB PLANS*

Net OPEB Liability

The net OPEB liability reported on the Statement of Net Position represents a liability to 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.

NOTE 9 - *DEFINED BENEFIT OPEB PLANS* – Continued

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 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 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. Resulting adjustments to the net OPEB liability 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 on the accrual basis of accounting. Any liability for the contractually-required OPEB contribution outstanding at the end of the year is included in accounts payable and other accrued liabilities payable on both the accrual and modified accrual bases of accounting.

Plan Description - School Employees Retirement System (SERS)

Health Care Plan Description - The College contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. 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.

NOTE 9 - *DEFINED BENEFIT OPEB PLANS* – Continued

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2021, no allocation of covered payroll was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2021, this amount was $23,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2021, the College's surcharge obligation was $112,552.

The College's contractually required contribution to SERS was $112,552 for fiscal year 2021.

Plan Description - State Teachers Retirement System (STRS)

Plan Description – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Medicare Part B premium reimbursements will be discontinued effective January 1, 2020. 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 percent of covered payroll. For the fiscal year ended June 30, 2021, STRS did not allocate any employer contributions to post-employment health care.

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

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

	SERS	STRS	Total
Proportion of the Net OPEB Liability:			
Current Measurement Date	0.16857830%	0.05313049%	
Prior Measurement Date	0.18152760%	0.05639515%	
Change in Proportionate Share	-0.01294930%	-0.00326466%	
Proportionate Share of the Net OPEB Liability/(Asset)	$3,663,758	($933,767)	$2,729,991
OPEB Expense (Gain)	($200,794)	($141,236)	($342,030)

NOTE 9 - *DEFINED BENEFIT OPEB PLANS* – Continued

At June 30, 2021, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between Expected and Actual Experience	$48,120	$59,838	$107,958
Net Difference between Projected and Actual Earnings on Pension Plan Investments	41,282	32,725	74,007
Changes of Assumptions	624,544	15,413	639,957
College Contributions Subsequent to the Measurement Date	112,552	0	112,552
Total Deferred Outflows of Resources	$826,498	$107,976	$934,474
Deferred Inflows of Resources			
Differences between Expected and Actual Experience	$1,863,277	$185,995	$2,049,272
Changes of Assumptions	92,281	886,923	979,204
Changes in Proportion and Differences between College Contributions and Proportionate Share of Contributions	836,386	350,878	1,187,264
Total Deferred Inflows of Resources	$2,791,944	$1,423,796	$4,215,740

$112,552 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 of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2022	($440,683)	($326,839)	($767,522)
2023	(437,697)	(304,691)	(742,388)
2024	(438,184)	(296,915)	(735,099)
2025	(390,885)	(292,127)	(683,012)
2026	(274,444)	(49,366)	(323,810)
Thereafter	(96,105)	(45,882)	(141,987)
	($2,077,998)	($1,315,820)	($3,393,818)

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.

NOTE 9 - *DEFINED BENEFIT OPEB PLANS* – Continued

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

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2020, are presented below:

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

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

The most recent experience study was completed for the five year period ended June 30, 2015.

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

NOTE 9 - *DEFINED BENEFIT OPEB PLANS* – Continued

The target asset 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 as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00 %	1.85 %
US Stocks	22.50	5.75
Non-US Stocks	22.50	6.50
Fixed Income	19.00	2.85
Private Equity	12.00	7.60
Real Assets	17.00	6.60
Multi-Asset Strategies	5.00	6.65
Total	100.00 %	

Discount Rate - The discount rate used to measure the total OPEB liability at June 30, 2020 was 2.63 percent. The discount rate used to measure total OPEB liability prior to June 30, 2019 was 3.22 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the state statute contribution rate of 2.00 percent of projected covered employee payroll each year, which includes a 1.50 percent payroll surcharge and no additional contributions from the 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, 2025. 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, 2024 and the Fidelity General Obligation 20-year Municipal Bond Index rate of 2.45 percent, 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 Changes in the Health Care Cost Trend Rates - The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.63%) and higher (3.63%) than the current discount rate (2.63%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.00% decreasing to 3.75%) and higher (8.00% decreasing to 5.75%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
College's Proportionate Share of the Net OPEB Liability	$4,484,349	$3,663,758	$3,011,390

	1% Decrease	Current Trend Rate	1% Increase
College's Proportionate Share of the Net OPEB Liability	$2,884,931	$3,663,758	$4,705,250

NOTE 9 - *DEFINED BENEFIT OPEB PLANS* – Continued

Actuarial Assumptions – STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2020, actuarial valuation are presented below:

Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation
Payroll Increases	3 percent
Discount Rate of Return	7.45 percent
Health Care Cost Trends	
Medical	
Pre-Medicare	5.00 percent initial, 4 percent ultimate
Medicare	-6.69 percent initial, 4 percent ultimate
Prescription Drug	
Pre-Medicare	6.50 percent initial, 4 percent ultimate
Medicare	11.87 percent initial, 4 percent ultimate

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

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

Actuarial assumptions used in the June 30, 2020, valuation are based on the results of an actuarial 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	Allocation	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 percent, and 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.

NOTE 9 - *DEFINED BENEFIT OPEB PLANS* – Continued

Discount Rate The discount rate used to measure the total OPEB liability was 7.45 percent as of June 30, 2020. 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 not projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on health care plan investments of 7.45 percent was used to measure the total OPEB liability as of June 30, 2020.

Sensitivity of the College's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate - The following table represents the net OPEB asset as of June 30, 2020, calculated using the current period discount rate assumption of 7.45 percent, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.45 percent) or one percentage point higher (8.45 percent) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease	Current Discount Rate	1% Increase
College's Proportionate Share of the Net OPEB Asset	($812,439)	($933,767)	($1,036,711)

	1% Decrease	Current Trend Rate	1% Increase
College's Proportionate Share of the Net OPEB Asset	($1,030,321)	($933,767)	($816,151)

Benefit Term Changes Since the Prior Measurement Date - There was no change to the claims costs process. Claims curves were updated to reflect the projected fiscal year ending June 30, 2021 premium based on June 30, 2020 enrollment distribution. The non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984% to 2.055% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentage 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.

NOTE 10 - OTHER EMPLOYEE BENEFITS

A. **Compensated Absences:** Vacation and sick leave accumulated by employees has been recorded by the College. Upon termination of College service, a fully vested employee is entitled to 25% of their accumulated sick leave not to exceed 50 days plus all accumulated vacation. At June 30, 2021, the long-term liability for vested and probable benefits for vacation and sick leave totaled $38,273, and the short-term liability totaled $394,644 for a total liability of $432,917.

B. **Insurance Benefits:** Medical, prescription, and dental insurance is offered to employees through the South Central Ohio Insurance Consortium (SCOIC). The College was self-funded with SCOIC effective January 1, 2017 and this arrangement is further described in Note 12 – "Risk Management". The College provides life insurance and accidental death and dismemberment insurance to employees through Metlife Insurance Company.

C. **Deferred Compensation:** College employees may participate in the Ohio Public Employees Deferred Compensation Plan. This plan was created in accordance with Internal Revenue Code Section 457. Participation is on a voluntary payroll deduction basis. The plan permits deferral of compensation until future years. According to the plan, the deferred compensation is not available until termination, retirement, death or an unforeseeable emergency.

NOTE 10 - OTHER EMPLOYEE BENEFITS

Under the deferred compensation program, all plan assets are now being held in a trust arrangement for the exclusive benefit of all participants and their beneficiaries as required by the Small Business Job Protection Act of 1996. Under this Act, all existing deferred compensation plans were required to establish such a trust arrangement by January 1, 1999. As a result, the assets of this plan are no longer reflected in the financial statements of the College.

NOTE 11 - THE LODGE AT HOCKING COLLEGE

The Lodge at Hocking College ("The Lodge") was previously operated as the Inn at Hocking College as a motel, restaurant and lounge that served the public as well as a learning lab for the hospitality program. Effective August of 2011, the College ceased operation of the motel due to renovations needed. Effective December 2011, the College closed the food venues at The Inn except for catering functions until the operations could be reassessed relative to the current curriculum and direction of the hospitality program.

In the fall of 2016 The Workforce Development Center at The Lodge reopened and is serving as a training space and a learning lab for those in the culinary and hospitality programs. During Fiscal Year 2021, Board of Trustee meetings, various programs and meetings were held at this facility. In June 2021, the Lodge reopened as part of the live learning lab of the College's hospitality programming.

NOTE 12 - RISK MANAGEMENT

The College is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The College has addressed these various types of risk and has contracted with Reed and Baur Insurance with Insurance Protection provided through Wright Specialty Insurance Company for Commercial General Liability (including Sexual Misconduct, Employee Benefits Liability, Employers Stop Gap, Law Enforcement, Adverse Event Response Coverage) Educators Legal Liability, Property, Inland Marine, Crime and Fleet Insurance Coverage.

The Crime coverage provides coverage for Public Officials/Public Employee Dishonesty of $250,000, Money and Securities of $50,000 and Forgery & Alteration of $250,000.

The General Liability Insurance is maintained for each coverages limits listed below retaining a $25,000 deductible:

- General Liability Insurance $1,000,000 per occurrence/$3,000,000 aggregate
- Sexual Misconduct Liability $1,000,000 per occurrence/$1,000,000 aggregate
- Counseling Professional Liability Coverage $1,000,000 per occurrence/ $1,000,000 aggregate
- Employers Stop Gap Liability $1,000,000 per occurrence /$1,000,000 aggregate

The General Liability Insurance additional limits of coverage for:

- Employee Benefits Liability $1,000,000 per occurrence/$3,000,000 aggregate $1,000 Deductible
- Law Enforcement Liability $1,000,000 per occurrence/$1,000,000 aggregate $2,500 Deductible

Educators Legal Liability Insurance is maintained with limits of liability of $1,000,000 for each occurrence and $1,000,000 in the aggregate and a $25,000 deductible.

The College also carries a $10,000,000 Excess Liability Policy that provides coverage beyond the General Liability (including Sexual Misconduct, Employee Benefits Liability, Employers Stop Gap, Law Enforcement, Adverse Event Response Coverage) and the Educators Legal coverage. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the last three fiscal years. There has been no significant reductions in coverage from the prior year. The College also carries cyber coverage with an aggregate limit of $1,000,000.

NOTE 12 - RISK MANAGEMENT – Continued

The College maintains Fleet Insurance in the amount of $1,000,000 for any one accident or loss. Uninsured-Underinsured Motorists Liability $1,000,000 per occurrence. Hired and Non-Owned Auto Liability included as well as physical damage for Comprehensive and Collision for each unit with a $5,000 deductible per occurrence.

The Excess Liability Policy also extends the $10,000,000 protection over the fleet liability coverage.

The College maintains replacement cost insurance on buildings and contents in the amount of $130,677,746 with a $10,000 deductible per occurrence. The College maintains coverage for Business Income Loss and extra expense coverage in all college operations with a limit of $27,750,000. Additionally, the College has a special liquor liability insurance policy in the amount of $1,000,000 for each occurrence regarding the operations of the lounge, and catering in The Lodge at Hocking College as well as a separate liquor liability insurance policy in the amount of $1,000,000 per occurrence for the Rhapsody Restaurant.

The College maintains a Commercial Inland Marine Coverage on building and grounds equipment in the amount of $200,000 with a $1,000 deductible per occurrence and miscellaneous articles (as scheduled) in the amount of $5,577,089 with a $5,000 deductible per occurrence.

The College pays the State Workers' Compensation System a premium based on a rate per each $100 of total salaries from the prior calendar year. This rate is calculated based on accident history and administrative costs.

The College provides medical, prescription and dental insurance for its employees. Premiums are paid directly to the South Central Ohio Insurance Consortium (SCOIC). SCOIC contracted with Employee Benefits Management Corporation to service the claims of SCOIC members.

The College was self funded with the South Central Ohio Insurance Consortium effective January 1, 2016.

The South Central Ohio Insurance Consortium was established to accumulate balances sufficient to self-insure basic medical and prescription drug coverage and permit excess umbrella coverage for claims over a predetermined level. The Board's share and the employees' share of premium contributions are determined by the negotiated agreement for certificated employees and by Board action for administrators and classified employees.

Premiums are paid to the South Central Ohio Insurance Consortium Fund from the Self Insurance Fund of the College. The College had a cash balance of $981,678 with the fiscal agent at June 30, 2021. Claims payments are made on an as-incurred basis by the third party administrator, with the balance of contributions remaining with the fiscal agent of the Consortium.

The member districts are self insured for medical, dental and pharmacy benefits. The risk for medical, dental and pharmacy benefits remains with the members. The claims payable will be reported for medical, dental and pharmacy claims as of June 30, 2021, and cash with fiscal agent for the balance of funds held by the Consortium that covers medical, dental and pharmacy claims will also be reported.

NOTE 12 - RISK MANAGEMENT – Continued

The claims liability of $226,704 reported at June 30, 2021 is based on an estimate provided by the third party administrators and the requirements of Governmental Accounting Standards Board Statement No. 10 which requires that a liability for unpaid claim costs, including estimates of costs related to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Change in claims activity for the past two fiscal years are as follows:

Fiscal Year	Balance at Beginning of Year	Current Year Claims	Claims Payments	Balance at End of Year
2020	$181,491	$1,040,264	$999,709	$222,046
2021	222,046	1,757,665	1,753,007	226,704

NOTE 13 – CONTINGENCIES

Grants

The College receives financial assistance from federal and state agencies in the form of grants. The receipt of funds under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability to the College. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the College at June 30, 2021.

Litigation

The College is a party to various legal proceedings which seek damages or injunctive relief generally incidental to its operations and pending projects. The College's management is of the opinion that the ultimate disposition of various claims and legal proceedings will not have a material adverse effect on the overall financial position of the College at June 30, 2021.

NOTE 14 – COVID-19

The United States and the State of Ohio declared a state of emergency in March 2020 due to the global Coronavirus Disease 2019 (COVID-19) pandemic. The financial impact of COVID-19 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.

The College's investment of the pension and other employee benefit plan in which the College participates have incurred a significant decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined.

NOTE 15 - JOINTLY GOVERNED ORGANIZATIONS

South Central Ohio Insurance Consortium (SCOIC)

South Central Ohio Insurance Consortium is a regional council of governments organized under Ohio Revised Code Chapter 167. The SCOIC's primary purpose and objective is establishing and carrying out a cooperative health program for its member organizations. The governing board consists of the superintendent or other designee appointed by each of the members of the SCOIC. The College does not have an ongoing financial interest in or financial responsibility for the SCOIC other than claims paid on behalf of the College for College employees. To obtain financial information on the SCOIC, write to the Bloom-Carroll Local School District, Travis Bigam, who serves as Treasurer, at 5240 Plum Road, Carroll, Ohio 43112.

NOTE 16 – RELATED PARTY TRANSACTION

During fiscal year 2021, the Hocking College Foundation paid $105,000 to the College towards various projects through out the campus. The College has also reported a Due from Component Unit receivable and a Due to Component Unit liability in the financial statements.

NOTE 17 - DONOR RESTRICTED ENDOWMENTS

Under the standard established by Section 1715.56 of the Ohio Revised Code ("ORC"), an institution may appropriate as much as is prudent of the realized and unrealized net appreciation of the fair value of assets of the endowment fund over the historic dollar value of the fund for the uses and purposes for which an endowed fund is established. The College's investments are held in CD accounts where the interest gained is credited to temporarily restricted funds and spent in compliance with donor restrictions placed on earnings. Investment earnings of non-endowment investments are recorded as unrestricted earnings and expended at the discretion of the Board of Trustees who are required to consider the College's long- and short-term needs when deciding how the funds should be allocated. Any net appreciation that is spent is required to be spent for the purposes for which the fund was established. As of June 30, 2021, there was no net appreciation on donor-restricted assets available to be spent. The nonspendable principal balance of the endowments is reported as net position restricted for nonexpendable endowments on the accompanying Statement of Net Position.

NOTE 18 - COMPONENT UNIT DISCLOSURES - HOCKING COLLEGE FOUNDATION, INC.

The Hocking College Foundation Inc. was incorporated with the State of Ohio on October 21, 1992 and created for the purpose of operating exclusively for charitable and educational purposes in support of Hocking Technical College, a state institution of higher learning, authorized and existing under Chapter 3357 of the Ohio Revised Code.

The Internal Revenue Service granted a foundation status classification under 501(a) of the IRS Regulations as an organization described in Section 501(c)(3), granting the Foundation tax-exempt status. The initial five year ruling period ending June 30, 1997, was updated on November 6, 1997 with the IRS reaffirming the Foundation's exempt status under Section 501(a) as described in 501(c)(3) of the Internal Revenue Code.

Summary of Significant Accounting Policies

Basis of Accounting and Presentation

The financial statements of the Hocking College Foundation, Inc. (hereinafter referred to as "the Foundation"), have been prepared on the accrual basis whereby all revenues are recorded when earned and all expenses are recorded when they have been reduced to a legal or contractual obligation to pay.

NOTE 18 - COMPONENT UNIT DISCLOSURES - HOCKING COLLEGE FOUNDATION, INC. – Continued

The financial statements have been prepared in accordance with generally accepted accounting principles. Although the Foundation is supposed to report under the Financial Accounting Standards Board (FASB) standards, the financial statements have been presented in accordance with the Governmental Accounting Standards Board (GASB), including Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments,* and Statement No. 35, *Basic Financial Statements - and Management's Discussion and Analysis - for Public Colleges and Universities*, issued in June and November, 1999, to conform to the College's financial statement presentation.

Cash and Investments

All cash received by the Foundation is deposited in a central bank account. During fiscal year 2021, investments were limited to money market accounts and mutual funds.

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as repurchase agreements and nonnegotiable certificates of deposit are reported at cost.

For purposes of the presentation on the Statement of Net Position, investments with an original maturity of three months or less at the time they are purchased by the Foundation are considered to be cash equivalents.

Capital Assets

Capital assets with a unit cost of $5,000 or greater are recorded at cost at the date of acquisition, or if donated, at acquisition value at the date of donation. The Foundation has no significant infrastructure assets. Depreciation is computed using the straight-line method over the estimated useful life of the asset and is not allocated to the functional expense categories. Expenses for construction in progress are capitalized as incurred. Interest expense relating to construction is capitalized net of interest income earned on resources set aside for this purpose.

Asset Description	Estimated Useful Life (Years)
Buildings and Improvements	20-50

Cash and Investments

The following information classifies deposits and investments by categories of risk as defined in GASB Statement No. 3, *"Deposits with Financial Institutions, Investments (including Repurchase Agreements) and Reverse Repurchase Agreements"* and GASB Statement No. 40, *"Deposit and Investment Risk Disclosures"*.

Deposits: Custodial credit risk is the risk that, in the event of a bank failure, the Foundation's deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 102% of the carrying value of the deposits. Such collateral, as permited by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the Foundation.

At June 30, 2021, the carrying amount of all Foundation deposits was $607,040. Based on the criteria described in GASB Statement No. 40, "*Deposit and Investment Risk Disclosures*", as of June 30, 2021, the Foundation's bank balance of $607,040 was either insured by the Federal Deposit Insurance Corporation or collateralized with pooled securities held by the pledging financial institution in the manner described above.

NOTE 18 - COMPONENT UNIT DISCLOSURES - HOCKING COLLEGE FOUNDATION, INC. – Continued

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

Eligible securities pledged to the Foundation 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 % 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% of the deposits being secured or a rate set by the Treasurer of State.

The Foundation's financial institution is enrolled in the OPCS at June 30, 2021.

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

Investment Type	Fair Value	Maturity
Mutual Funds	$1,717,946	< 1 Year
Money Market Funds	33,296	< 1 Year
Total	$1,751,242	

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As a means of limiting its exposure to fair value losses arising from rising interest rates and according to state law, the Foundation's investment policy limits investment portfolio maturities to five years or less.

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Foundation's investment policy does not address credit risk beyond the requirements of the Ohio Revised Code. The credit ratings of the Foundation's investments at June 30, 2021 are as follows:

Credit Rating	Net Asset Value Per Share
Unrated	$1,717,946

Credit Rating (S&P)	Net Asset Value Per Share
A2	$33,296

Custodial Credit Risk: Custodial credit risk is the risk that in the event of the failure of the counterparty, the Foundation will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the Foundation's securities are either insured and registered in the name of the Foundation or at least registered in the name of the Foundation. The Foundation has no investment policy dealing with investment custodial credit risk beyond the requirements in the state statute that prohibit the payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Foundation places no limit on the amount that may be invested in any one issuer. The Foundation holds 98.1% in mutual funds and 1.9% in money market funds.

NOTE 18 - COMPONENT UNIT DISCLOSURES - HOCKING COLLEGE FOUNDATION, INC. – Continued

The classification of cash and cash equivalents, and investments in the financial statements is based on criteria set forth in GASB Statement No. 9, *"Reporting Cash Flows of Proprietary and Non-Expendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting"*. For purposes of the Statement of Cash Flows, cash and cash equivalents include investments of the cash management pool and investments with maturities of three months or less at the time of their purchase by the Foundation.

Other Receivables

At June 30, 2021, the Foundation had pledges of future donations in the amount of $25,000. These pledges have been reported as Other Receivables as of June 30, 2021 and will be received in future fiscal years. These pledges have been made by donors of the Foundation and the Foundation expects to receive the full amount of the pledges. Pledges receivable are unconditional promises to give and are recognized at the present value of future cash flows. No allowance for uncollectible promises to give is considered necessary. All pledges are unconditional promises to give with the following due dates:

	Amount
Within One Year	$25,000
One to Five Years	0
Total	$25,000

Capital Assets

Capital asset activity for the year ended June 30, 2021 was as follows:

	Balance at June 30, 2020	Additions	Deductions	Balance at June 30, 2021
Nondepreciable Capital Assets:				
Land	$78,880	$0	$0	$78,880
Capital Assets, Net	$78,880	$0	$0	$78,880

Donor Restricted Endowments

Under the standard established by Section 1715.56 of the Ohio Revised Code ("ORC"), an institution may appropriate as much as is prudent of the realized and unrealized net appreciation of the fair value of assets of the endowment fund over the historic dollar value of the fund for the uses and purposes for which an endowed fund is established. The Foundation's investments are stated at market value, with changes in the market value being recognized as gains and losses during the period in which they occur. Market value is determined by market quotations. Investment earnings from endowment investments are credited to temporarily restricted funds and spent in compliance with donor restrictions placed on earnings. Investment earnings of non-endowment investments are recorded as unrestricted earnings and expended at the discretion of the Foundation's Investment Committee who makes a recommendation to its Board of Directors and expends as decided. As of June 30, 2021, there was no net appreciation on donor-restricted assets available to be spent. The nonspendable principal balance of the endowments is reported as net position restricted for nonexpendable endowments on the accompanying Statement of Net Position.

HOCKING TECHNICAL COLLEGE

Schedule of the College's Proportionate Share of Net Pension Liablity
Last Eight Fiscal Years(1)(2)

	2021	2020	2019	2018
School Employees Retirement System of Ohio				
College's Proportion of the Net Pension Liability	0.16194150%	0.17706550%	0.19096220%	0.20981830%
College's Proportionate Share of the Net Pension Liability	$10,711,152	$10,594,139	$10,936,759	$12,536,180
College's Covered-Employee Payroll	$6,175,900	$6,380,036	$6,648,464	$6,919,279
College's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered-Employee Payroll	173.43%	166.05%	164.50%	181.18%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.55%	70.85%	71.36%	69.50%
State Teachers Retirement System of Ohio				
College's Proportion of the Net Pension Liability	0.05313049%	0.05639515%	0.06265736%	0.07596938%
College's Proportionate Share of the Net Pension Liability	$12,855,688	$12,471,449	$13,776,947	$18,046,689
College's Covered-Employee Payroll	$6,768,571	$6,796,429	$7,087,193	$9,448,929
College's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered-Employee Payroll	189.93%	183.50%	194.39%	190.99%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.48%	77.40%	77.31%	75.30%

(1) Information prior to 2014 is not available.

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

See accompanying notes to the required supplementary information.

2017	2016	2015	2014
0.21983360%	0.2620630%	0.2519610%	0.2519610%
$16,089,791	$14,953,569	$12,751,603	$14,983,312
$6,841,043	$7,895,514	$7,960,643	$6,928,577
235.19%	189.39%	160.18%	216.25%
62.98%	69.16%	71.70%	65.52%
0.09000395%	0.11680635%	0.14311894%	0.14311894%
$30,127,035	$32,281,859	$34,811,479	$41,467,206
$9,985,964	$12,092,450	$14,952,992	$17,223,800
301.69%	266.96%	232.81%	240.76%
66.80%	72.10%	74.71%	69.30%

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HOCKING TECHNICAL COLLEGE

Schedule of the District's Proportionate Share of Net OPEB Liablity(Asset)
Last Five Fiscal Years (1)

	2021	2020	2019	2018	2017
School Employees Retirement System of Ohio					
College's Proportion of the Net OPEB Liability	0.16857830%	0.18152760%	0.19415320%	0.21022010%	0.21983360%
College's Proportionate Share of the Net OPEB Liability	$3,663,758	$4,565,037	$5,386,334	$5,641,755	$5,992,050
College's Covered-Employee Payroll	$6,175,900	$6,380,036	$6,648,464	$6,919,279	$6,841,043
College's Proportionate Share of the Net OPEB Liability as a Percentage of it's Covered-Employee Payroll	59.32%	71.55%	81.02%	81.54%	87.59%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	18.17%	15.57%	13.57%	12.46%	11.49%
State Teachers Retirement System of Ohio					
College's Proportion of the Net OPEB Liability(Asset)	0.05313049%	0.05639515%	0.06265736%	0.07596938%	0.09000395%
College's Proportionate Share of the Net OPEB Asset	$933,767	$934,039	$1,006,840	$0	$0
College's Proportionate Share of the Net OPEB Liability	$0	$0	$0	$2,964,045	$4,062,862
College's Covered-Employee Payroll	$6,768,571	$6,769,429	$7,087,193	$9,448,929	$9,985,964
College's Proportionate Share of the Net OPEB Liability/(Asset) as a Percentage of it's Covered-Employee Payroll	(13.80%)	(13.80%)	(14.21%)	31.37%	40.69%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	182.13%	174.74%	176.00%	47.10%	37.30%

(1) Information prior to 2017 is not available.

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

See accompanying notes to the required supplementary information.

HOCKING TECHNICAL COLLEGE
Schedule of the College Contributions
School Employees Retirement Systems of Ohio
Last Ten Fiscal Years

	2021	2020	2019	2018	2017
Pension					
Contractually Required Contributions	$882,337	$864,626	$861,305	$897,543	$968,699
Contributions in Relation to the Contractually Required Contributions	(882,337)	(864,626)	(861,305)	(897,543)	(968,699)
Contribution Deficiency (Excess)	$0	$0	$0	$0	$0
College Covered-Employee Payroll	$6,302,407	$6,175,900	$6,380,036	$6,648,464	$6,919,279
Contributions as a Percentage of Covered-Employee Payroll	14.00%	14.00%	13.50%	13.50%	14.00%
OPEB					
Contractually Required Contributions (1)	$0	$0	$31,900	$33,242	$0
Contributions in Relation to the Contractually Required Contributions (1)	0	0	(31,900)	(33,242)	0
Contribution Deficiency (Excess)	$0	$0	$0	$0	$0
College Covered-Employee Payroll	$6,302,407	$6,175,900	$6,380,036	$6,648,464	$6,919,279
Contributions as a Percentage of Covered-Employee Payroll	0.00%	0.00%	0.50%	0.50%	0.00%

See accompanying notes to the required supplementary information.

(1) Excludes Surcharge.

2016	2015	2014	2013	2012
$957,746	$1,040,629	$1,103,345	$958,915	$883,954
(957,746)	(1,040,629)	(1,103,345)	(958,915)	(883,954)
$0	$0	$0	$0	$0
$6,841,043	$7,895,516	$7,960,542	$6,928,577	$6,572,149
14.00%	13.18%	13.86%	13.84%	13.45%
$70,203	$64,743	$11,145	$65,880	$38,281
(70,203)	(64,743)	(11,145)	(65,880)	(38,281)
$0	$0	$0	$0	$0
$6,841,043	$7,895,516	$7,960,542	$6,928,577	$6,572,149
1.03%	0.82%	0.14%	0.95%	0.58%

HOCKING TECHNICAL COLLEGE
Schedule of the College Contributions
State Teachers Retirement System of Ohio
Last Ten Fiscal Years

	2021	2020	2019	2018	2017
Pension					
Contractually Required Contributions	$956,799	$947,600	$951,500	$992,207	$1,322,850
Contributions in Relation to the Contractually Required Contributions	(956,799)	(947,600)	(951,500)	(992,207)	(1,322,850)
Contribution Deficiency (Excess)	$0	$0	$0	$0	$0
College Covered-Employee Payroll	$6,834,279	$6,768,571	$6,796,429	$7,087,193	$9,448,929
Contributions as a Percentage of Covered-Employee Payroll	14.00%	14.00%	14.00%	14.00%	14.00%
OPEB					
Contractually Required Contributions	$0	$0	$0	$0	$0
Contributions in Relation to the Contractually Required Contributions	0	0	0	0	0
Contribution Deficiency (Excess)	$0	$0	$0	$0	$0
College Covered-Employee Payroll	$6,834,279	$6,768,571	$6,796,429	$7,087,193	$9,448,929
Contributions as a Percentage of Covered-Employee Payroll	0.00%	0.00%	0.00%	0.00%	0.00%

See accompanying notes to the required supplementary information.

2016	2015	2014	2013	2012
$1,398,035	$1,692,943	$1,943,889	$2,239,094	$2,344,042
(1,398,035)	(1,692,943)	(1,943,889)	(2,239,094)	(2,344,042)
$0	$0	$0	$0	$0
$9,985,964	$12,092,450	$14,952,992	$17,223,800	$18,031,092
14.00%	14.00%	13.00%	13.00%	13.00%
$0	$0	$138,849	$172,238	$180,311
0	0	(138,849)	(172,238)	(180,311)
$0	$0	$0	$0	$0
$9,985,964	$12,092,450	$14,952,992	$17,223,800	$18,031,092
0.00%	0.00%	0.93%	1.00%	1.00%

NOTE 1 – SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO

Pension

Changes in benefit terms

There were no changes to benefit terms for fiscal years 2019 through 2021.

For fiscal year 2018, the following were the most significant changes in benefit that affected the total pension liability since the prior measurement date:

- The cost-of-living adjustment was changed from a fixed 3.00 percent to a cost-of-living adjustment that is indexed to CPI-W not greater than 2.5 percent with a floor of 0 percenter beginning January 1, 2018. In addition, with the authority granted the Board under HB 49, the Board has enacted a three-year COLA suspension for benefit recipients in calendars 2018, 2019, and 2020.

There were no changes to benefit terms for fiscal years 2015 through 2017.

Changes in assumptions

There were no changes in assumptions for fiscal years 2019 through 2021.

For fiscal year 2018, the following was the most significant change of assumptions that affected the total OPEB liability since the prior measurement date:

- The discount rate was increased from 2.98 percent to 3.63.

There were no changes in assumptions for fiscal year 2017.

Other Postemployment Benefits

Changes in benefit terms

There were no changes to benefit terms for fiscal years 2017 through 2021.

Changes in assumptions

For fiscal year 2021, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The municipal bond index rate decreased from 3.13 percent to 2.45 percent.
- The single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.22 percent to 2.63 percent.

NOTE 1 – SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO *(Continued)*

For fiscal year 2020, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The municipal bond index rate decreased from 3.62 percent to 3.13 percent.
- The single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.70 percent to 3.22 percent.
- The medical trend assumption rate changed as follows:
    - Medicare – 2019 – 5.375 to 4.75 percent, 2020 – 5.25 to 4.75 percent
    - Pre-Medicare – 2019 – 7.25 to 4.75, 2020 – not presented

For fiscal year 2019, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The municipal bond index rate increased from 3.56 percent to 3.62 percent.
- The single equivalent interest rate, net of plan investment expense, including price inflation increased from 3.63 percent to 3.70 percent.
- The medical trend assumption rate changes as follows:
    - Medicare – 2018 - 5.50 to 5.00 percent, 2019 - 5.375 to 4.75 percent
    - Pre-Medicare – 2018 - 7.50 to 5.00 percent, 2019 - 7.25 to 4.75

There were no changes to benefit terms for fiscal years 2017 or 2018.

NOTE 2 - STATE TEACHERS RETIREMENT SYSTEM OF OHIO

Pension

Changes in benefit terms

There were no changes to benefit terms for fiscal years 2019 through 2021.

For fiscal year 2018, the cost of living adjustment (COLA) was reduced to 0 percent effective July 1, 2017.

There were no changes to benefit terms for fiscal years 2015 through 2017.

Changes in assumptions

There were no changes in assumptions for fiscal years 2019 through 2021.

NOTE 2 - STATE TEACHERS RETIREMENT SYSTEM OF OHIO _(Continued)_

For fiscal year 2018, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Inflation assumptions were lowered from 2.75 percent to 2.50 percent.
- Investment return assumptions were lowered from 7.75 percent to 7.45 percent.
- Total salary increases rates were lowered by decreasing merit component of the individual salary increases, as well as by 0.25 percent due to lower inflation.
- Payroll growth assumptions were lowered to 3.00 percent.
- Updated the health and disability mortality assumption 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.

There were no changes in assumptions for fiscal years 2015 through 2017.

Other Postemployment Benefits

Changes in benefit terms

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

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

For fiscal year 2019, the following was the most significant change in benefit terms that affected the total OPEB liability since the prior measurement date:

- The subsidy multiplier for non-Medicare benefit recipients increased from 1.9 percent to 1.944 percent per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium increased effective January 1, 2019 and all remaining Medicare Part B premium reimbursements were scheduled to be discontinued beginning January 1, 2020, though the STRS Board voted in June 2019 to extent the current Medicare Part B partial reimbursement for one year.

NOTE 2 - STATE TEACHERS RETIREMENT SYSTEM OF OHIO *(Continued)*

For fiscal year 2018, STRS has the following changes in benefit terms since the previous measurement date:

- The HealthSpan HMO plans were eliminated.
- The subsidy multiplier for non-Medicare benefit recipients was reduced to 1.9 percent per year of service from 2.1 percent.
- Medicare Part B premium reimbursements were discontinued for survivors and beneficiaries who were age 65 by 2008 and either receiving a benefit or named as a beneficiary as of January 1, 2008.
- The remaining Medicare Part B premium reimbursements will be phased out over a three-year period.

There were no changes to benefit terms for fiscal year 2017.

Changes in assumptions

For fiscal year 2021, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The health care trend assumption rate changed as follows:
    - Medical Medicare – from 5.87 percent to 5 percent initial, 4 percent ultimate
    - Medical Pre-Medicare – from 4.93 percent to -6.69 percent initial, 4 percent ultimate
    - Prescription Drug Medicare – from 7.73 percent to 6.5 percent initial, 4 percent ultimate
    - Prescription Drug Pre-Medicare – from -9.62 percent to 11.87 initial, 4 percent ultimate

For fiscal year 2020, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The health care trend assumption rate changed as follows:
    - Medical Medicare – from 6 percent to 5.87 percent initial, 4 percent ultimate
    - Medical Pre-Medicare – from 5 percent to 4.93 percent initial, 4 percent ultimate
    - Prescription Drug Medicare – from 8 percent to 7.73 percent initial, 4 percent ultimate
    - Prescription Drug Pre-Medicare – from -5.23 percent to 9.62 initial, 4 percent ultimate

For fiscal year 2019, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The discount rate increased from a 4.13 percent blended discount rate to 7.45 percent.
- The health care trend assumption rate changed from 6 to 11 percent initial, 4.5 percent ultimate to:
    - Medical Medicare – 6 percent initial, 4 percent ultimate
    - Medical Pre-Medicare – 5 percent initial, 4 percent ultimate
    - Prescription Drug Medicare – 8 percent initial, 4 percent ultimate
    - Prescription Drug Pre-Medicare – -5.23 percent initial, 4 percent ultimate

NOTE 2 - STATE TEACHERS RETIREMENT SYSTEM OF OHIO *(Continued)*

For fiscal year 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The discount rate was increased from 3.26 percent to 4.13 percent based on the methodology defined under GASB 74.
- The long-term rate of return was reduced to 7.45 percent.
- Valuation-year per capita health costs were updated.
- The percentage of future retirees electing each option was updated based on current data.
- The assumed future trend rates were modified.
- Decrement rates including mortality, disability, retirement, and withdrawal were modified.
- The assumed percentage of future disabled retirees assumed to elect health coverage was decreased from 84 percent to 65 percent, and the assumed percentage of terminated vested participants assumed to elect health coverage at retirement was decreased from 47 percent to 30 percent.
- The assumed salary scale was modified.

There were no changes in assumptions for fiscal year 2017.

HOCKING TECHNICAL COLLEGE
Schedule of Federal Awards Revenues and Expenditures
For the Fiscal Year Ended June 30, 2021

FEDERAL GRANTOR *Pass-Through Grantor* Program Title	Pass-Through Entity Number	Grant Year	Federal CFDA Number	Revenues	Expenditures
UNITED STATES DEPARTMENT OF AGRICULTURE					
Direct from Federal Government:					
Rural Business Development Grant	N/A	2021	10.351	$ -	$ 262,052
Passed through West Virginia University:					
Higher Education - Institution Challenge Grants Program	N/A	2021	10.217	-	14,232
Total United States Department of Agriculture				-	276,284
UNITED STATES DEPARTMENT OF THE TREASURY					
Direct from Federal Government:					
Coronavirus Relief Funds:					
CRF - Higher Education Mental Health Support	N/A	2021	21.019	35,546	59,735
CRF - Bars and Resturants	N/A	2021	21.019	5,000	5,000
Total Coronavirus Relief Funds				40,546	64,735
Total United States Department of the Treasury				40,546	64,735
UNITED STATES APPALACHIAN REGIONAL COMMISSION					
Passed through Appalachian Regional Commission:					
Innovation Gateway Network of Appalachian Ohio	PW-18925-IM	2021	23.002	54,395	71,560
Lights Inc.	PW-19729-IM	2021	23.002	-	18,321
Total United States Appalachian Regional Commission				54,395	89,881
UNITED STATES DEPARTMENT OF EDUCATION					
Direct from Federal Government:					
Student Financial Assistance Cluster:					
Federal Supplemental Educational Opportunity Grants	N/A	2021	84.007	119,558	119,558
Federal Work-Study Program	N/A	2021	84.033	219,890	219,890
Federal Pell Grant Program Administrative	N/A	2021	84.063	5,915	5,915
Federal Pell Grant Program	N/A	2020	84.063	2,323	2,323
Federal Pell Grant Program	N/A	2021	84.063	4,230,427	4,230,427
Federal Pell Grant Program	N/A	2022	84.063	180,590	180,590
Federal Direct Student Loans	N/A	2020	84.268	6,400	6,400
Federal Direct Student Loans	N/A	2021	84.268	7,557,007	7,557,007
Federal Direct Student Loans	N/A	2022	84.268	124,394	124,394
Total Student Financial Assistance Cluster				12,446,504	12,446,504
Title III Part A Programs - Strengthening Institutions	N/A	2021	84.031A	101,160	101,160
TRIO Cluster:					
TRIO - Student Support Services	N/A	2020	84.042A	139,292	139,292
TRIO - Student Support Services	N/A	2021	84.042A	247,153	247,153
TRIO - Talent Search	N/A	2020	84.044A	52,071	52,071
TRIO - Talent Search	N/A	2021	84.044A	335,020	335,020
Total TRIO Cluster				773,536	773,536
Education Stabilization Fund:					
Higher Education Emergency Relief Fund (HEERF) - Student Aid Portion	N/A	2021	84.425E	1,956,722	1,956,722
Higher Education Emergency Relief Fund (HEERF) - Institutional Portion	N/A	2021	84.425F	4,342,500	4,342,500
Total Education Stabilization Fund				6,299,222	6,299,222
Passed through Ohio Department of Education:					
Career and Technical Education - Basic Grants to States	3L90	2021	84.048	147,934	147,934
Total United States Department of Education				19,768,356	19,768,356
Total Federal Financial Assistance				$ 19,863,297	$ 20,199,256

The accompanying notes to the Schedule of Federal Awards Revenues and Expenditures are an integral part of the Schedule.

NOTE 1 – Basis of Accounting

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

NOTE 2 – Summary of Significant Accounting Principles

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE 3 – Indirect Cost Rate

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

NOTE 4 – Federal Direct Loans Program

The College participates in the Federal Direct Student Loan Program. The dollar amount listed in the Schedule represents new loans advanced during the fiscal year ended June 30, 2021. The College is a direct lender for these loan funds; however, they are not responsible for collecting these loans in future periods.

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

December 29, 2021

Hocking Technical College
Athens County
3301 Hocking Parkway
Nelsonville, OH 45764

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the business-type activities and the discretely presented component unit of **Hocking Technical College**, Athens County, (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 December 29, 2021.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the College's internal control over financial reporting (internal control) as a basis for designing the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the College's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the College's financial statements. 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 internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

As part of reasonably assuring whether the College's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the financial statements. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results and does not opine on the effectiveness of the College's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the College's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

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

December 29, 2021

Hocking Technical College
Athens County
3301 Hocking Parkway
Nelsonville, OH 45764

To the Board of Trustees:

Report on Compliance for Each Major Federal Program

We have audited **Hocking Technical College's** (the College) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect each of Hocking Technical College's major federal programs for the year ended June 30, 2021. The *Summary of Auditor's Results* in the accompanying schedule of audit findings identifies the College's major federal programs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to opine on the College's compliance for each of the College's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect 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.

Auditor's Responsibility (Continued)

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

Opinion on Each Major Federal Program

In our opinion, Hocking Technical College complied, in all material respects with the compliance requirements referred to above that could directly and materially affect each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

The College's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the College's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of 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, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement 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 would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.

Perry & Associates CPAs A.C.

Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	**Type of Financial Statement Opinion**	Unmodified
(d)(1)(ii)	**Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(ii)	**Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(iii)	**Was there any reported material noncompliance at the financial statement level (GAGAS)?**	No
(d)(1)(iv)	**Were there any material weaknesses in internal control reported for major federal programs?**	No
(d)(1)(iv)	**Were there any significant deficiencies in internal control reported for major federal programs?**	No
(d)(1)(v)	**Type of Major Programs' Compliance Opinion**	Unmodified
(d)(1)(vi)	**Are there any reportable findings under 2 CFR § 200.516(a)?**	No
(d)(1)(vii)	**Major Programs (list):**	Education Stabilization Fund: COVID-19 – Higher Education Emergency Relief Fund (HEERF) Student Portion, CFDA #84.425E, COVID-19 – Higher Education Emergency Relief Fund (HEERF) – Institutional Portion, CFDA #84.425F TRIO Cluster: Student Support Services, CFDA #84.042A, Talent Search, CFDA #84.044A
(d)(1)(viii)	**Dollar Threshold: Type A/B Programs**	Type A: > $ 750,000 Type B: > All Others
(d)(1)(ix)	**Low Risk Auditee 2 CFR § 200.520?**	Yes

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

None

3. FINDINGS FOR FEDERAL AWARDS

None

OHIO AUDITOR OF STATE
KEITH FABER

HOCKING TECHNICAL COLLEGE

ATHENS COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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

Certified for Release 1/20/2022

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

Hocking College
Board of Trustees Action

Date: February 17, 2022

Submitted by: Mark Fuller

SUBJECT:

Meal Plan Pricing Adjustment

BACKGROUND:

The College has been able to leave the cost of its meal plans unchanged since 2016. Increased food costs in FY2022 have made an adjustment to the pricing of its meal plans necessary.

The College is currently seeing inflation in food costs in excess of 20%. Being conscious of the impact on students of an increase and also being aware that some inflationary pressure may be temporary, the College is proposing adjustments in pricing of only approximately 12%. Meal plan pricing will be analyzed again in FY2023.

RECOMMENDATION:

The Board of Trustees approve a motion to adjust meal plan pricing, as follows:

- 14 Meals Per Week Plan Rate – From $1,440 to $1,620 per semester
- 19 Meals Per Week Plan Rate – From $1,520 to $1,880 per semester
- Weekly Meal Plan Rate – From $105 to $120 per week

ORGANIZATIONAL/ADMINISTRATIVE IMPACT

The price increase will impact the average dorm student's overall annual cost of attendance by less than 3%.

After the price increase, Hocking's meal plan will remain $400 or 20% more affordable than Shawnee State University who is the lowest cost provider of University meal plans surveyed in Ohio. (Full survey attached).

FISCAL IMPACT

The increase will allow Hocking College to budget an additional $200,000 toward food expense, helping to offset inflation in food costs that have been particularly prevalent during the past 6 months.

HOCKING COLLEGE

Motion to approve the following changes to Meal Plan Charges, effective 2022SU semester:

- 14 Meals Per Week Plan Rate – From $1,440 to $1,620 per semester
- 19 Meals Per Week Plan Rate – From $1,520 to $1,880 per semester
- Weekly Meal Plan Rate – From $105 to $120 per week

Adopted: 2/17/2022

Approved: _____

Meal Plan Charges Survey
Per Semester Charge
2020AU vs 2021AU

	2020AU	2021AU	YoY % Change
	14/Week	14/Week	
Hocking College	1,440	1,440	0%
Shawnee State University	1,891	2,028	7%
Wright State University	2,107	2,142	2%
Bowling Green State University	1,986	2,213	11%
Miami University	2,159	2,241	4%
Ohio University	2,277	2,277	0%
Kent State University	2,285	2,356	3%
University of Cincinnati	2,337	2,491	7%
Ohio State University	2,207	2,534	15%
AVERAGE	**2,077**		

Hocking College
Board of Trustees Action

Date: February 17, 2022

Submitted by: Mark Fuller

SUBJECT:

International Student Scholarship

BACKGROUND:

Each year, the College attracts international students. These students provide the campus with diversity, enriching the experience of all students.

The College desires to encourage enrollment of international students by offering an "International Student Scholarship" to all international students not already covered by a specific arrangement such as the Jamaican Student Scholarship.

To qualify for the scholarship, the student would be required to be a full time student and reside in a Hocking College dorm. The scholarship would be in the amount of the out of state surcharge (currently $2,255 / semester). Qualifying students would remain responsible for the cost of in-state tuition, course fees, dorm charges, and any other fees incurred by the student.

RECOMMENDATION:

The Board of Trustees approve the International Student Scholarship.

ORGANIZATIONAL/ADMINISTRATIVE IMPACT

Encourage the enrollment of international students, providing the campus with diversity and enriching the experience of all students.

FISCAL IMPACT

Estimated based on 10 international students, the scholarships would total $45,000 annually. Cost of the scholarship would be offset by increases in enrollment and dorm revenue.

HOCKING COLLEGE

Motion to approve the International Student Scholarship.

Adopted: 2/17/2022

Approved: _____