



BELMONT
COLLEGE

**BOARD OF TRUSTEES
MEETING**

March 21, 2024

6:00 p.m.

Belmont College
District Board of Trustees Meeting

March 21, 2024

6:00 p.m.

AGENDA

CALL TO ORDER	Mrs. Elizabeth Gates, Chair	
ROLL CALL	Kristy Kosky	
PLEDGE OF ALLEGIANCE		
INTRODUCTION OF VISITORS	Mrs. Elizabeth Gates, Chair	
APPROVAL OF AGENDA	Mrs. Elizabeth Gates, Chair	
APPROVAL OF MINUTES	Mrs. Elizabeth Gates, Chair	A
	Approval of the January 2024 Minutes	A-1
EXECUTIVE SESSION	Personnel Real Estate	

CONSENT AGENDA

<u>Monitoring Activities</u>	B
1. January 2024 Financials	B-1
2. Gateway Math and English KPI's	B-2
3. Persistence and College Course Completion KPI's	B-3
<u>Administrative Items</u>	C
1. FY 2022-2023 Audit Report	C-1
2. Transfer of Funds	C-2
3. Re-appropriation of Funds	C-3
4. Increase in Course Fees	C-4
5. CCP Adjustment	C-5
<u>Board Items</u>	D
1. Board of Trustees 2024-2025 Meeting Schedule	D-1
2. Trustee Election and Resolutions	D-2
3. Temporary Location Lease	D-3
4. Bridge to Success Scholarship	D-4
5. CCP to Degree Scholarship	D-5
6. Main Building Improvements Project	D-6

PRESIDENT'S REPORT	Dr. Paul Gasparro
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COMMENTS FROM THE CHAIR

Mrs. Elizabeth Gates, Chair

**COMMENTS FROM
THE COLLEGE COMMUNITY**

NEXT REGULAR MEETING

May 23, 2024
Belmont College – ATC
6:00 p.m.

ADJOURNMENT

TAB A

MINUTES

TAB A-1

MINUTES

January 2024

BELMONT COLLEGE

BOARD OF TRUSTEES MEETING

Minutes of January 25, 2024

The regular meeting of the Belmont College District Board of Trustees was held at 6:00 p.m., on January 25, 2024, at Belmont College in the Board room.

Call to Order Mrs. Gates, Chair, called the meeting to order at 6:00 p.m.

Roll Call Allison Anderson – Present
Cory DelGuzzo – Present
Elizabeth Gates - Present
Mark Macri – Present
Richard Myser - Present
Anita Rice – Present
Mark Romick – Absent
Melissa Smithberger - Present
Matt Steele - Present

There being a quorum, the meeting proceeded.

Attendance Bridgette Dawson, Janet Sempkowski, Jesse Gipko, Heather Davis, Dr. Paul Gasparro and Kristy Kosky.

Introduction of Visitors N/A

Approval of Agenda Mrs. Gates amended the agenda to include Agenda Item C-1 – Trustee Executive Committee.

Mrs. Gates then asked for a motion to approve the amended agenda.

Mr. DelGuzzo motioned, seconded by Mrs. Anderson, to approve the amended agenda.

All ayes; motion carried.

Approval of Minutes Mrs. Gates asked for a motion to approve the minutes of the November 2023 meeting.

Dr. Macri motioned, seconded by Mrs. Rice, to approve the minutes of the November 2023 meeting.

All ayes; motion carried.

Approval of
Consent Agenda

Mrs. Gates asked for a motion to approve the consent agenda.

Dr. Macri asked for clarification on the financial summaries. Janet Sempkowski provided the clarification asked for.

Mrs. Gates then asked for a motion to approve the consent agenda.

Mrs. Smithberger motioned seconded by Mr. Steele to approve the consent agenda.

All ayes; motion carried.

The Board discussed the new requirements to establish a Trustee Executive Committee. This committee was established and voted on during the November 2023 meeting. Further clarification since that meeting determined that the Board of Trustees needed to elect an Executive Committee prior to the Trustee Executive Committee.

Mrs. Gates asked for a motion to amend the minutes from November 2023, specifically Agenda Item E-2, Trustee Selection Committee, to allow the Board of Trustees to re-vote and name this committee the Executive Committee to the Board of Trustees.

Mr. Myser motioned, seconded by Mrs. Rice to amend the minutes from the November 2023 meeting, specifically Agenda Item E-2, Trustee Selection Committee, to rename this committee the Executive Committee.

All ayes; motion carried.

Mrs. Gates then asked for a motion for nominations for the Executive Committee.

Mrs. Rice nominated Mr. DelGuzzo, Mrs. Anderson and Mr. Steele seconded by Mr. Myser to elect Mr. DelGuzzo, Mrs. Anderson and Mr. Steel as the Executive Committee to the Board of Trustees.

All ayes; motion carried.

The Executive Committee will appoint three or five community members to serve as the Trustee Selection Committee, pursuant to the requirements in R.C. 3357.05(B)(2). The Trustee Selection Committee will select new trustees from those nominated by the Board of Trustees or other applicants, pursuant to R.C. 3357.05(B)(2).

- President’s Report** Dr. Gasparro provided an automated tour of the proposed layout of the Industrial Trades building.
- Dr. Jesse Gipko provided updates on Human Resources and IT.
- Bridgette Dawson provided an enrollment update.
- Dr. Heather Davis provide an update on the proposed drone program, the CDL testing pad, the International Nursing program and the Massage Therapy program.
- Comments from the Chair** Mrs. Gates reminded the Board members of their annual Financial Disclosure responsibility.
- Spring Break for the College is March 11 – 15, 2024.
- Next Regular Meeting** March 21, 2024
Belmont College Board Room
6:00 p.m.
- Adjournment** Mrs. Gates asked for a motion to adjourn the meeting.
- Mr. Steele motioned seconded by Dr. Macri to adjourn the meeting.
All ayes; motion passed.
Meeting adjourned at 7:08 p.m.

Elizabeth F. Gates, Chair

Paul F. Gasparro, President

Date Approved: _____ / _____ / _____

CONSENT AGENDA

TAB B

CONSENT AGENDA

Monitoring Activities

TAB B-1

CONSENT AGENDA

Monitoring Activities

January 2024 Financials

AGENDA ITEM B-1: JANUARY 2024 FINANCIALS
Board of Trustees Meeting Date: March 21, 2024

FINANCIAL REPORTS:

The cash position of the College as of January 31, 2024 is as follows:

* Checking Account Balance	\$	803,957.07
Certificates of Deposit	\$	2,631,704.63
STAR Ohio	\$	2,994,284.59
Savings	\$	249,435.35
Total Temporary Investments	\$	5,875,424.57
Total Cash and Temporary Investments	\$	6,679,381.64

* Checking account balance includes:

General, Auxiliary, Restricted, Development, Endowment, and Plant Funds

The revenues and expenditures are as follows:

	<u>This Year % Recorded</u>	<u>% Year Completed</u>
Budgeted Revenues	74.7%	58.3%
Budgeted Expenditures	61.4%	58.3%

=====
The Appropriated Fund Balances are as follows:

1. The General Fund Board Appropriated Fund Balances are \$199,423.19.
2. The General Fund Board Appropriated Start Up Fund Balance is \$89,805.83.
3. The Unexpended Plant Board Appropriated Fund Balance is \$181,661.73.

RECOMMENDATION: Recommended that the Board accept the financial information for January 2024 as presented.

SUBMITTED BY: Janet Sempkowski, Director of Finance & CFO

TAB B-2

CONSENT AGENDA

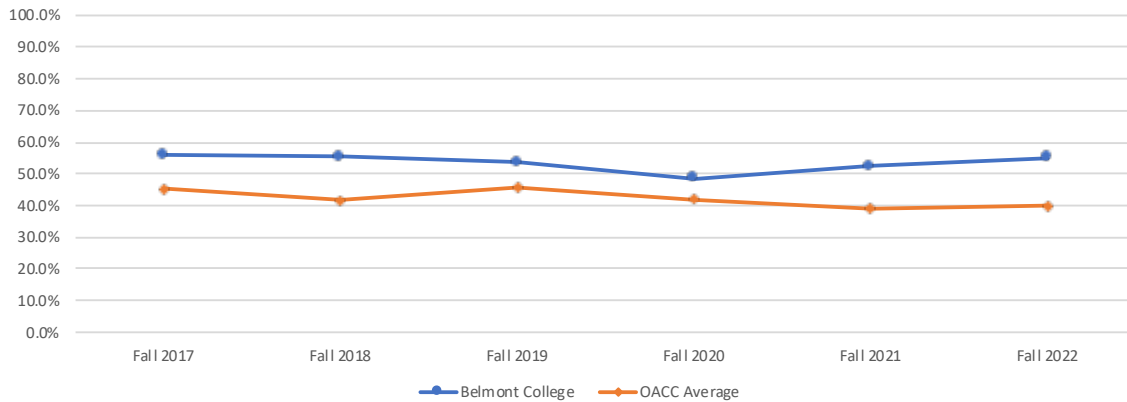
Monitoring Activities

Gateway Math and English KPI's

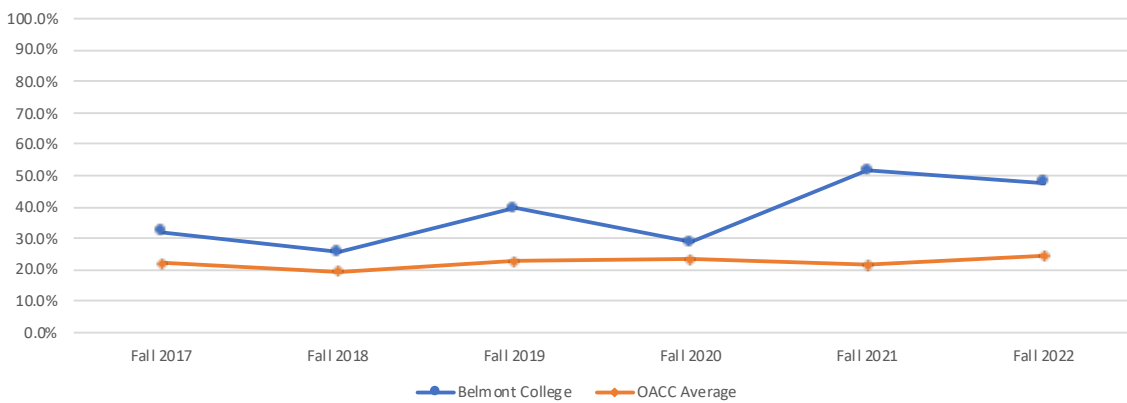
Gateway Math and English KPIs

	Fall 2017	Fall 2018	Fall 2019	Fall 2020	Fall 2021	Fall 2022
Belmont College						
Total FTEIC Students	168	148	162	126	143	138
Passed College English in Year 1	56.0%	55.4%	53.7%	48.4%	52.4%	55.1%
Passed College Math in Year 1	32.1%	25.7%	39.5%	28.6%	51.7%	47.8%
Passed College English & Math in Year 1	30.4%	23.0%	34.6%	23.8%	42.7%	38.4%
OACC Average						
Passed College English in Year 1	45.2%	41.6%	45.7%	41.9%	39.0%	39.9%
Passed College Math in Year 1	22.1%	19.3%	22.8%	23.3%	21.4%	24.5%
Passed College English & Math in Year 1	17.1%	14.9%	18.1%	17.5%	16.3%	18.1%

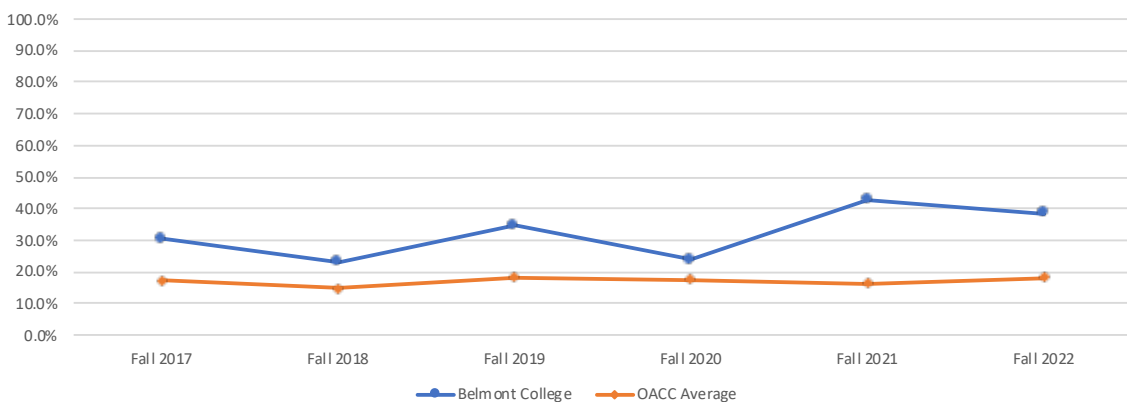
FTEIC Students Completing College English in 1st Year



FTEIC Students Completing College Math in 1st Year



FTEIC Students Completing College English & Math in 1st Year



TAB B-3

CONSENT AGENDA

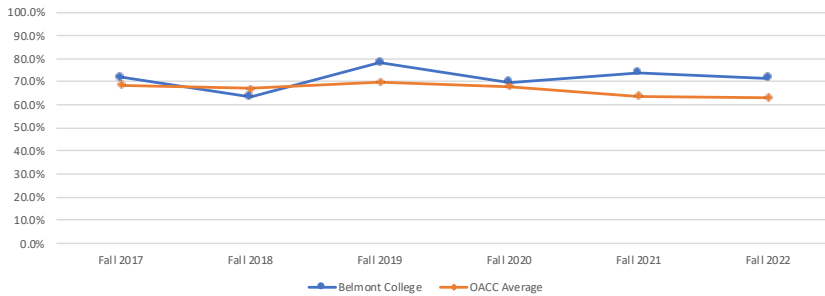
Monitoring Activities

Persistence and College Course Completion KPI's

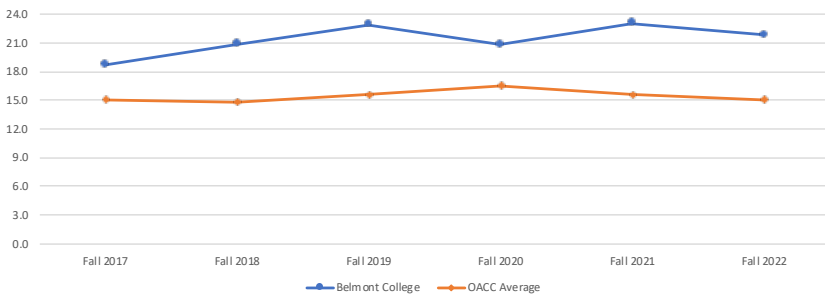
Persistence and College Course Completion KPIs

	Fall 2017	Fall 2018	Fall 2019	Fall 2020	Fall 2021	Fall 2022
Belmont College						
Total FTEIC Students	168	148	162	126	143	138
Persisted from term 1 to term 2	72.0%	63.5%	78.4%	69.8%	74.1%	71.7%
Total College Credits Attempted	3,148	3,088	3,714	2,615	3,286	3,012
Total College Credits Completed	2,530	2,409	2,878	1,912	2,487	2,387
Total Credits Attempted per FTEIC	18.7	20.9	22.9	20.8	23.0	21.8
Total Credits Earned per FTEIC	15.1	16.3	17.8	15.2	17.4	17.3
Credit Pass Rate	80.4%	78.0%	77.5%	73.1%	75.7%	79.2%
OACC Average						
Persisted from term 1 to term 2	68.7%	67.0%	69.9%	68.0%	63.9%	63.1%
Total College Credits Attempted	311,787	375,290	337,183	518,123	444,037	310,176
Total College Credits Completed	230,928	278,122	250,614	408,101	338,727	238,330
Total Credits Attempted per FTEIC	15	15	16	17	16	15
Total Credits Earned per FTEIC	11	11	12	13	12	12
Credit Pass Rate	74.1%	74.1%	74.3%	78.8%	76.3%	76.8%

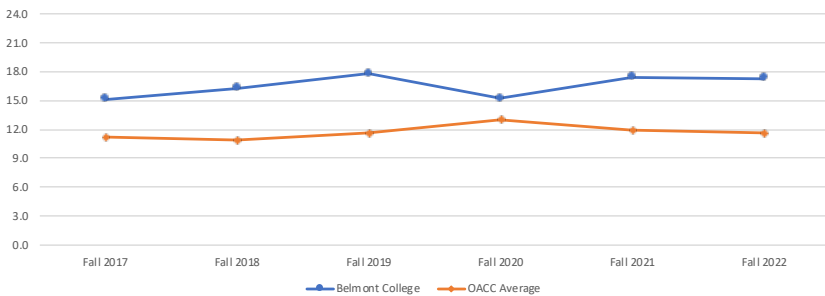
FTEIC Students Persisting from Term 1 to Term 2



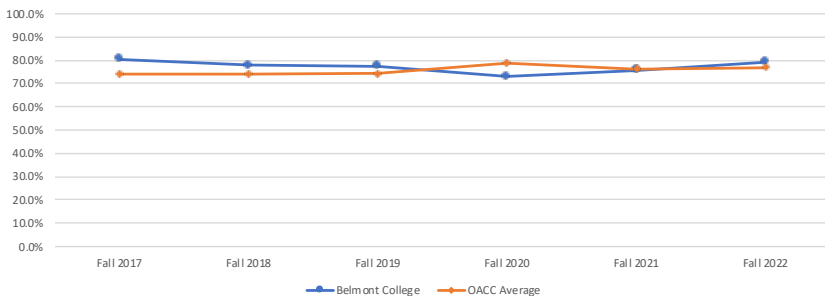
Total College Credits Attempted in Year 1 per FTEIC Student



Total College Credits Earned in Year 1 per FTEIC Student



FTEIC Students Credit Pass Rate



TAB C

CONSENT AGENDA

Administrative Items

TAB C-1

CONSENT AGENDA

Administrative Items

FY 2022-2023 Audit Report

**AGENDA ITEM C-1: AUDIT REPORT FY
2022-2023 Board of Trustees Meeting Date:**

March 21, 2024

Belmont College received an unmodified opinion on both the financial statements and the major federal programs (PELL, Work-study, Direct Loans, SEOG) for fiscal year 2022-2023. An unmodified opinion means the auditing firm expresses an opinion that financial statements are presented, in all material respects, in accordance with applicable financial reporting framework. Copies of the 2022-2023 Audited Financial Statements are included in the Board Packet for review. No management letter was issued.

The 2022-2023 Audited Financial Statements will be presented by Leroy Gifford CPA, with BHM CPA Group, Inc.

RECOMMENDATION: It is recommended that the Board accept the Audited Financial Statements for the 2022-2023 fiscal year.

SUBMITTED BY: Janet Sempkowski, Director of Finance & CFO



bhm cpa group, inc.
CERTIFIED PUBLIC ACCOUNTANTS

BELMONT COLLEGE
BELMONT COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2023

One East Campus View Blvd. Suite 300 • Columbus, OH 43235 • (614) 430-0590 • FAX (614) 448-4519
PO Box 875 • 129 Pinckney Street • Circleville, OH 43113 • (740) 474-5210 • FAX (740) 474-7319
PO Box 687 • 528 S. West Street • Piketon, OH 45661 • (740) 289-4131 • FAX (740) 289-3639

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BELMONT COLLEGE
BELMONT COUNTY
Fiscal Year Ended June 30, 2023

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INDEPENDENT AUDITOR'S REPORT

Belmont College
Belmont County
68094 Hammond Road
St. Clairsville, Ohio 43950

To the Board of Trustees:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and the discretely presented component unit of Belmont College, Belmont County, Ohio (the College), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the Belmont College, Belmont County, Ohio as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary information

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

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2023, on our consideration of the College's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

BHM CPA Group

BHM CPA Group, Inc.
Piketon, Ohio
December 21, 2023

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The discussion and analysis of Belmont College’s financial statements provides an overview of the College’s financial activities for the year ending June 30, 2023, with comparative information from fiscal year 2022. 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 preparers. The discussion and analysis contains financial activities of Belmont College.

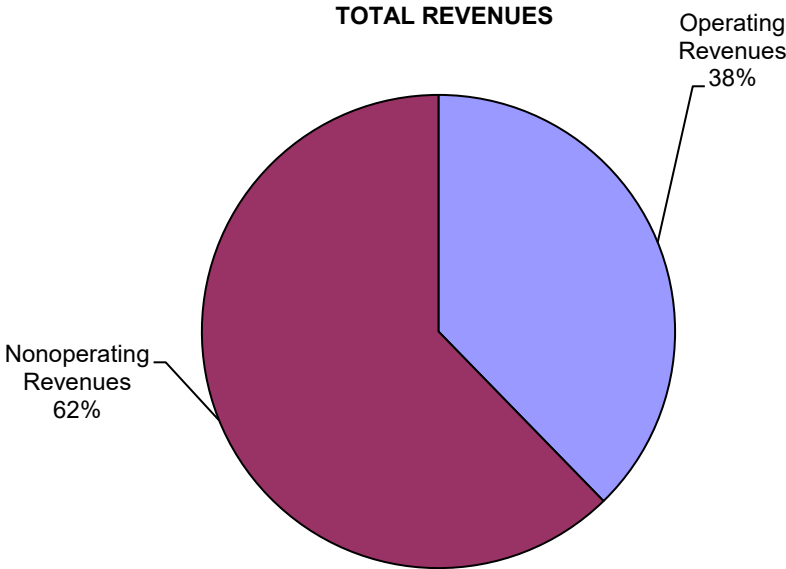
About Belmont College

Belmont College is a two year college offering programs in business, engineering, allied health, and public service technologies. The College was chartered in 1971, allowing it to serve the three county areas of Belmont, Harrison, and Monroe Counties.

Belmont College is governed by a board of nine trustees. The Governor of Ohio appoints three members, and six members are elected by a caucus of the boards of education of the Colleges in the three counties served by the College.

Financial Highlights

The following chart provides a graphic breakdown of revenues by category for the fiscal year ending June 30, 2023:



In the fiscal year ending June 30, 2023, expenses exceeded revenues and other support, creating the decrease in net position of \$343,865 (compared to a \$394,472 increase last year).

Using the Annual Report

This annual report consists of three basic financial statements, prepared in accordance with Governmental Accounting Standards Board (GASB) Statement No. 35, *Basic Financial Statements – and Management’s Discussion and Analysis – for Public Colleges and Universities* (GASB 35). The Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows, in a format similar to that used by corporations, provide information on the College as a whole and present a long-term view of the College’s finances. The following activities are included in the College’s basic financial statements:

- **Primary Institution (College):** Most of the programs and services generally associated with a university fall into this category, including instruction, research, public service, and support services.
- **Component Unit (Foundation):** The Foundation is a legally separate, tax-exempt organization supporting the College, is considered a component unit of the College, and is discretely presented in the College’s financial statements.

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 Belmont College as a whole better off or worse off as a result of the year’s activities?” One key to answering this question is the financial statements of the College. 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 Belmont College’s operating results.

These two statements report Belmont College’s net position and changes in them. Belmont College’s net position amount (the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources) is 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. However, several non-financial factors are relevant as well, such as the trend and quality of applicants, freshman class size, student retention, building condition, and campus safety, to assess the overall health of the College.

The Statement of Net Position includes all assets and liabilities. It is prepared under the accrual basis of accounting, whereby revenues and assets are recognized when the service is provided and expenses and liabilities are recognized when others provide the service, regardless of when cash is exchanged.

The Statement of Revenues, Expenses and Changes in Net Position presents the revenues earned and expenses incurred during the year. Activities are reported as either operating or nonoperating. GASB 35 requires state appropriations to be classified as nonoperating revenues. Accordingly, the College will generate a net operating loss prior to the addition of nonoperating revenues. The utilization of long-lived assets, referred to as capital assets, is reflected in the financial statements as depreciation, which amortizes the cost of an asset over its expected useful life.

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

These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows 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 Notes to the Financial Statements provide additional details on the numbers in the financial statements. In addition to the Summary of Significant Accounting Policies, the report includes notes on capital assets, long-term debt, and operating expenses by natural classification.

Condensed Financial Information
Statement of Net Position

	<u>2023</u>	<u>2022</u>
<u>Assets</u>		
Current Assets	\$ 7,488,416	\$ 8,615,341
Capital assets, net of accumulated depreciation	19,565,935	18,697,963
Other noncurrent assets	677,950	596,042
Total assets	<u>27,732,301</u>	<u>27,909,346</u>
<u>Deferred Outflows of Resources</u>		
Total deferred outflows of resources	1,832,822	2,048,261
<u>Liabilities</u>		
Current Liabilities	789,376	577,239
Noncurrent Liabilities	7,722,752	5,220,258
Total liabilities	<u>8,512,128</u>	<u>5,797,497</u>
<u>Deferred Inflows of Resources</u>		
Total deferred inflows of resources	2,809,527	5,572,777
<u>Net Position</u>		
Investment in capital assets	19,107,098	18,697,963
Restricted		
Nonexpendable	56,510	56,510
Expendable	1,744,071	1,178,798
Unrestricted	(2,664,211)	(1,345,938)
Total Net Position	<u>\$ 18,243,468</u>	<u>\$ 18,587,333</u>

The net pension liability (NPL) is the largest single liability reported by the College at June 30, 2022 and is reported pursuant to GASB Statement 68, *Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27*. In a prior period, the College also adopted GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the College’s actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB and the net OPEB asset.

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

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

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

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

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

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

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

There was a significant change in net pension/OPEB liability/asset for the College. These fluctuations are due to changes in the retirement systems unfunded liabilities that are passed through to the College's financial statements. All components of pension and OPEB accruals contribute to the fluctuations in deferred outflows/inflows and NPL/NOL/NOA and are described in more detail in their respective notes.

A review of the College's statement of net position at June 30, 2023, shows that the College continues to build a strong financial foundation.

Assets and deferred outflows of resources: As of June 30, 2023, the College's total assets and deferred outflows of resources amount to \$29,565,123. Capital assets totaled \$19,107,098, or 64 percent, cash and cash equivalents represented \$824,996, or 3 percent, of total assets and deferred outflows of resources and investments represented \$5,657,564, or 19 percent of total assets and deferred outflows of resources. Deferred outflows of resources totaled \$1,832,822, or 6 percent, of total assets and deferred outflows of resources.

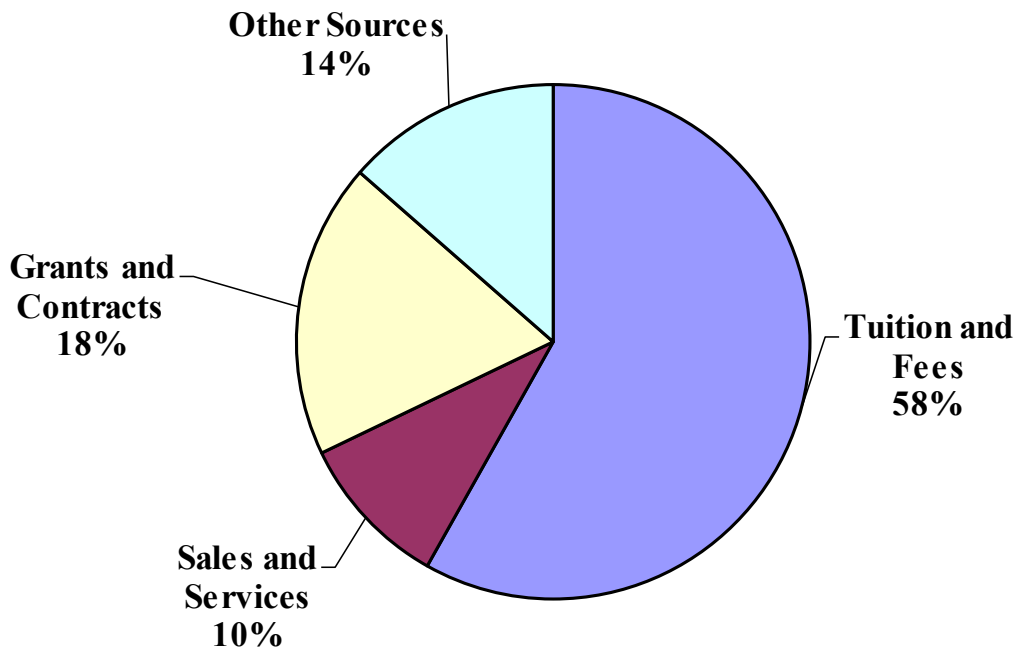
Liabilities and deferred inflows of resources: At June 30, 2023, the College's liabilities and deferred inflows of resources totaled \$11,321,655. Current liabilities represented \$789,376 or 7 percent, and net pension/OPEB liability totaled \$7,450,341 or 66 percent. Other long-term liabilities totaled \$272,411 or 2 percent and deferred inflows of resources totaled \$2,809,527 or 25 percent of total liabilities and deferred inflows of resources.

Net Position: Net position at June 30, 2023, totaled \$18,243,468. Net investment in capital assets totaled \$19,107,098, restricted net position totaled \$1,800,581 and unrestricted net position totaled (\$2,664,211).

Statement of Revenues, Expenses, and Changes in Net Assets

	<u>2023</u>	<u>2022</u>	<u>Change</u>
Operating Revenues:			
Tuition and fees	\$ 2,030,983	\$ 2,242,521	\$ (211,538)
Grants and contracts	647,849	567,492	80,357
Auxiliary services	339,613	385,850	(46,237)
Other	<u>473,575</u>	<u>326,795</u>	<u>146,780</u>
Total operating revenues	3,492,020	3,522,658	(30,638)
Operating Expenses:			
Education and General	7,970,186	10,158,373	(2,188,187)
Depreciation	1,242,340	876,286	366,054
Auxiliary enterprises	<u>390,600</u>	<u>440,111</u>	<u>(49,511)</u>
Total operating expenses	<u>9,603,126</u>	<u>11,474,770</u>	<u>(1,871,644)</u>
Net operating revenues (expenses)	(6,111,106)	(7,952,112)	1,841,006
Nonoperating Revenues (Expenses):			
State appropriations	3,585,445	3,828,391	(242,946)
Other nonoperating revenues (expenses)	<u>1,459,203</u>	<u>4,356,778</u>	<u>(2,897,575)</u>
Net nonoperating revenues (expenses)	<u>5,044,648</u>	<u>8,185,169</u>	<u>(3,140,521)</u>
Income before other revenues	(1,066,458)	233,057	(1,299,515)
Capital appropriations	161,415	161,415	0
Capital grants and gifts	<u>561,178</u>	<u>0</u>	<u>561,178</u>
Increase in net position	(343,865)	394,472	(738,337)
NET POSITION, beginning of year	<u>18,587,333</u>	<u>18,192,861</u>	<u>394,472</u>
NET POSITION, end of year	<u>\$ 18,243,468</u>	<u>\$ 18,587,333</u>	<u>\$ (343,865)</u>

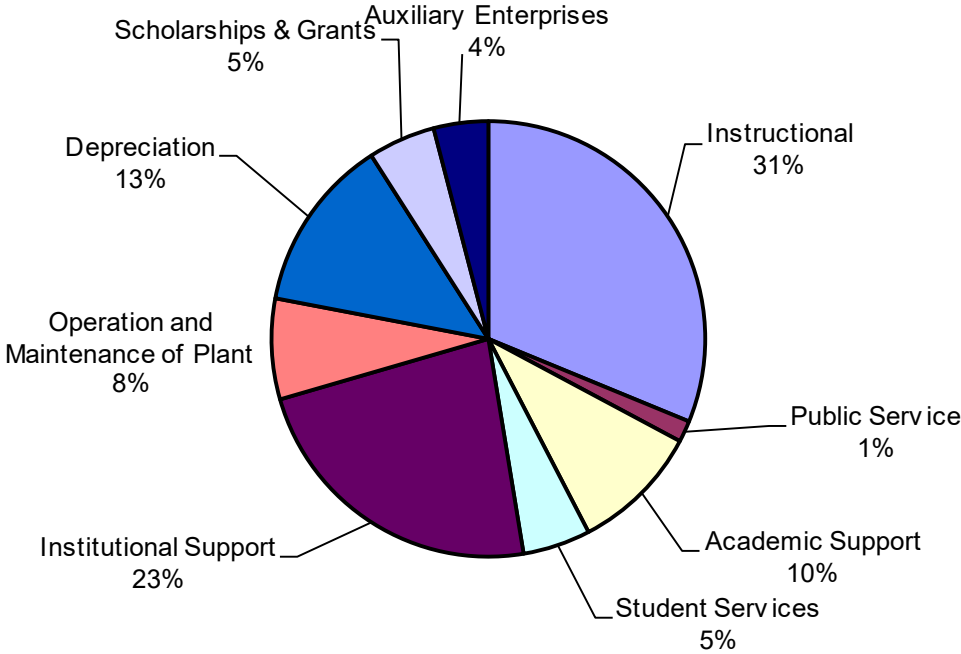
OPERATING REVENUES - FISCAL YEAR 2023



Total operating revenues were \$3,492,020 for the year ended June 30, 2023. The most significant sources of operating revenue for the College are net tuition and fees which comprise 58 percent of total operating revenues and grants and contracts comprise 18 percent of total operating revenues.

There are other significant recurring sources of revenues essential to the operation of the College, including state appropriations, federal grants and contracts, and investment income, which are considered nonoperating revenues as defined by GASB 35. The College's state appropriations for the year ended June 30, 2023, amounted to \$3,585,445 and federal grant awards amounted to \$1,307,711. Federal nonoperating grants decreased significantly in fiscal year 2023 compared to the prior year due to additional funding received via the CARES Act: Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA), American Rescue Plan (ARP), and Strengthening Institutions Program (SIP).

OPERATING EXPENSES - FISCAL YEAR 2023



Operating expenses, including \$1,242,340 of depreciation (13 percent), totaled \$9,603,126. As depicted in the chart above, the majority of the College’s operating funds are expended for instructional (31 percent), institutional support (23 percent), and academic support (10 percent). One of the College’s core values is to provide students’ access to the College with the opportunity to succeed. The College’s continued investment in student financial aid programs and student support services reflects this commitment.

The Statement of Cash Flows

Another way to assess the financial health of an institution 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 user access:

- an entity's ability to generate future net cash flows
- its ability to meet its obligations as they come due
- its need for external financing

Statement of Cash Flows

	<u>2023</u>	<u>2022</u>	<u>Change</u>
Cash provided by (used by):			
Operating activities	\$ (5,228,559)	\$ (8,073,080)	\$ 2,844,521
Noncapital financing activities	4,893,156	8,164,754	(3,271,598)
Capital and related financing activities	(951,113)	37,547	(988,660)
Investing activities	<u>1,055,189</u>	<u>(630,963)</u>	<u>1,686,152</u>
Net increase (decrease) in cash	(231,327)	(501,742)	270,415
 Cash, beginning of year	 <u>1,056,323</u>	 <u>1,558,065</u>	 <u>(501,742)</u>
 Cash, end of year	 <u>\$ 824,996</u>	 <u>\$ 1,056,323</u>	 <u>\$ (231,327)</u>

Major cash sources of funds included in operating activities are student tuition and fees of \$2,063,170, grants and contracts of \$647,849 and auxiliary services of \$382,659. The largest cash payments for operating activities were to employees for wages and benefits.

The largest cash receipts in the noncapital financing activities group are federal grants and the subsidy appropriation from the State of Ohio.

Capital and Debt Administration

Capital Assets

At June 30, 2023, the College had \$19,565,935 invested in capital assets, net of accumulated depreciation of \$13,171,700. Depreciation charges totaled \$1,242,340 for the current fiscal year. Details of these assets for the two years are shown below:

	<u>2023</u>	<u>2022</u>	<u>Change</u>
<u>Capital Assets</u>			
Land and land improvements	\$ 747,137	\$ 380,545	\$ 366,592
Construction/Work in Progress	\$ 1,004,547	\$ 0	\$ 1,004,547
Buildings and improvements	\$ 16,832,690	\$ 17,492,764	\$ (660,074)
Machinery and equipment	\$ 582,299	\$ 750,663	\$ (168,364)
Subscription-based info tech right to use	\$ 332,402	\$ 0	\$ 332,402
Vehicles	\$ 66,253	\$ 71,187	\$ (4,934)
Library books and materials	\$ 607	\$ 2,804	\$ (2,197)
Totals	<u>\$ 19,565,935</u>	<u>\$ 18,697,963</u>	<u>\$ 867,972</u>

More detailed information about the College's capital assets is presented in Note 7 to the financial statements.

Economic Factors that will Affect the Future

Belmont College is committed to providing the highest quality academic opportunities possible, while simultaneously ensuring students have access to affordable higher education. As a political subdivision of the State of Ohio, Belmont receives a portion of its revenue through state support for higher education, also referred to as "state share of instruction." State funds significantly help to keep tuition rates low.

The College is continually exploring ways to provide relevant programs and instruction to serve the needs of the community. This year, five new programs were added, including:

- The Computed Tomography (CT) Certificate program was designed to provide working Radiologic Technologists with the theoretical background and documented clinical experience necessary to apply to sit for the Computed Tomography registry examination offered by the American Registry of Radiologic Technologists (ARRT). The certificate is based on the curriculum suggested by the American Society for Radiologic Technologists (ASRT) and the clinical standards required by the ARRT. Much of the curriculum is delivered online and the clinicals are completed at an affiliated clinical setting. Locally, Wheeling Hospital, Reynolds Memorial Hospital, and East Ohio Regional Hospital have all agreed to be clinical sites for the CTC certificate program. In order to enroll in the CT program, applicants must be a graduate of a JRCERT- recognized radiography program.
-

- The Heavy Equipment Technician degree program prepares students to use approved safety procedures in various work situations. Students train to correctly use basic hand tools, specialty tools and test equipment, as well as learn to interpret equipment manuals and write clear, accurate, concise, and complete service reports. The program also trains students to understand equipment parts through teardown and rebuild exercises. They also receive instruction on how to apply and demonstrate correct procedures for diagnosing and repairing hydraulic circuits and components, power train components, hydraulic and electric circuitry, and engine systems. Graduates of this program can find careers as Heavy Equipment Technicians or Heavy Equipment Maintenance & Repair Technicians.
- The Laboratory Technician degree prepares students with a variety of laboratory testing skills in order to assist a physician(s) in the diagnosis and treatment of disease. Graduates of this program can work in a variety of settings such as hospitals, clinics, industry, research, and private testing centers. In Belmont’s Laboratory Technician program, students learn and perform the current molecular diagnostic technologies in the field, including DNA testing for paternity, identification of pathogens, and inherited diseases.
- The Teacher Education program is designed to provide students with the first two years of their Education Degree, which offers them the ability to transfer credits to a four-year institution for their teaching degree, primary or secondary education. By receiving the first two years of a bachelor’s degree at Belmont, students can decrease tuition and the amount that they may need to borrow when transferring to a four-year college. In addition, students can still apply for financial aid and scholarships, further lowering attendance cost.
- The Water Quality Technician degree program offers students a broad, science-based curriculum for those interested in pursuing a career in water testing and municipal water plant operation. In this program, emphasis is placed on water testing, environmental science, fresh and wastewater plant operation, as well as automation systems. Graduates may assist in the operation of municipal water facilities and will be able to test to become a Certified Class IV Water Supply or Wastewater Treatment Operator in the State of Ohio.

Last year, Governor DeWine announced that Intel, a great American company, is partnering with the state of Ohio to bring a revolutionizing investment in semiconductor (or “chip”) manufacturing to the state—a brand new, vital industry to Ohio and the Midwest that will supercharge Ohio’s economy. This project reverses decades of offshoring of American manufacturing, which has contributed to a shortage of domestically produced chips and left the U.S. vulnerable to supply chain disruptions.

As a community and technical college, Belmont provides the training and education needed for the jobs that will be coming to the state. The job prospects created by Intel, and support industries, will need essential highly trained employees and we are prepared to assist with that training. Belmont College continues to serve as a partner institution in the Appalachian Semiconductor Education and Technical (ASCENT) Ecosystem through grant funding, awarded by Intel to the lead institution, Ohio University. The funding is part of the Intel ®Semiconductor Education and Research Program for Ohio that was announced conjunction with Intel’s groundbreaking ceremony for its leading-edge semiconductor manufacturing plant in New Albany, Ohio.

Specifically, through the Intel and the ASCENT partnership, Belmont has created a Cleanroom Technology Certificate to meet employer training needs. This certificate is on track for approvals and will be first offered Fall 2024.

Furthermore, the College completed construction on a Live Burn Training Facility this year to support the Fire/EMS (Emergency Medical Services) programs. The purpose of this facility is to provide local first responders with live fire training for structure fires, flammable gas, and flammable liquids, as well as confined space instruction, search and rescue operations and rope rescue education. This facility will provide much needed training for local fire departments, many of which are volunteer based.

Important to note, Belmont continues to maintain two nursing programs: the Associate Degree Nursing (ADN) program and the Practical Nursing (PN) certificate program. These programs are designed to provide an educational opportunity in which students develop a scientific basis of nursing practice and master technical skills. Under direct supervision of qualified instructors, Belmont College nursing students experience patient interactions, in-class lectures, and hospital clinical experiences which all foster caring and empathetic approaches to nursing care.

The College continues to offer the Commercial Driver's License (CDL) Truck Driving Academy program. The Truck Driving Academy offers students a wide-ranging curriculum and training process to prepare them to pass the CDL exam. Training consists of classroom and behind-the-wheel training from state-certified instructors, licensed by the Ohio Division of Public Safety. Belmont runs this program independently, which allows the College more flexibility with program offerings. The College owns four semi-trucks and will continue to add more equipment as the class sizes increase.

Additionally, Belmont continues to offer HVAC graduates the option to receive a "warranty," with their degree, which means their education has prepared them with the knowledge base, competencies, and skills necessary for employment in the HVAC-R field. If within 12 months of graduating from the HVAC-R program, a student has a deficiency in a specific area, they can be further instructed, in that specific area of competency, at no cost.

Belmont College is conscientious of the financial implications regarding the national and local enrollment decline. While an increase in enrollment has occurred, Belmont is still cautious and continues a strategy combining calculated risk and budget adjustments to stabilize and enhance revenue where possible, and to compensate for revenue reduction, if needed.

The overall financial health of Belmont College is strong, having more than adequate cash flow and reserves. Though the business of higher education is rapidly changing, Belmont College is strategically positioned to adapt to the emerging paradigms and continues to look at new programs to initiate, as well as outdated or low enrollment programs that have outlived their purpose.

Contacting the College's Financial Management

This financial report is designed to provide the Ohio Department of Education, our citizens, taxpayers, and 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 questions about this report, or need additional financial information, contact Janet Sempkowski, Director of Finance and Chief Financial Officer, at Belmont College, 68094 Hammond Road, St. Clairsville, Ohio 43950.

BELMONT COLLEGE
BELMONT COUNTY, OHIO
STATEMENT OF NET POSITION
June 30, 2023

	Belmont College	Component Unit Belmont College Foundation
<u>ASSETS</u>		
<i>Current Assets:</i>		
Cash equivalents	\$ 713,740	\$ 116,384
Investments	\$ 5,657,564	\$ 894,148
Interest receivable	\$ 30,489	\$ 0
Accounts receivable, net	\$ 937,961	\$ 0
Supplies inventory, at cost	\$ 148,662	\$ 0
Total current assets	\$ 7,488,416	\$ 1,010,532
<i>Noncurrent Assets:</i>		
Restricted cash and cash equivalents	\$ 111,256	\$ 0
Restricted investments	\$ 0	\$ 404,924
Net OPEB Assets (see notes)	\$ 566,694	\$ 0
Capital assets, non-depreciable	\$ 276,000	\$ 0
Capital assets, net of accumulated depreciation	\$ 19,289,935	\$ 0
Total noncurrent assets	\$ 20,243,885	\$ 404,924
TOTAL ASSETS	\$ 27,732,301	\$ 1,415,456
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
<i>Pension:</i>		
STRS	\$ 1,153,914	\$ 0
SERS	\$ 380,861	\$ 0
<i>OPEB:</i>		
STRS	\$ 42,729	\$ 0
SERS	\$ 255,318	\$ 0
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 1,832,822	\$ 0
<u>LIABILITIES</u>		
<i>Current Liabilities:</i>		
Accrued Interest Payable	\$ 2,288	\$ 0
Accrued Liabilities	\$ 293,586	\$ 0
Compensated Absences	\$ 154,790	\$ 0
Subscription-Based Information Technology Obligations	\$ 221,403	\$ 0
Deferred Fees Income	\$ 117,309	\$ 0
Total current liabilities	\$ 789,376	\$ 0
<i>Noncurrent Liabilities:</i>		
Compensated Absences	\$ 37,265	\$ 0
Subscription-Based Information Technology Obligations	\$ 235,146	\$ 0
Net Pension Liabilities (see notes)	\$ 6,922,884	\$ 0
Net OPEB Liabilities (see notes)	\$ 527,457	\$ 0
Total noncurrent liabilities	\$ 7,722,752	\$ 0
TOTAL LIABILITIES	\$ 8,512,128	\$ 0
<u>DEFERRED INFLOWS OF RESOURCES</u>		
<i>Pension:</i>		
STRS	\$ 1,376,469	\$ 0
SERS	\$ 220,171	\$ 0
<i>OPEB:</i>		
STRS	\$ 551,300	\$ 0
SERS	\$ 661,587	\$ 0
Total deferred inflows of resources	\$ 2,809,527	\$ 0
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 19,107,098	\$ 0
<i>Restricted:</i>		
<i>Nonexpendable:</i>		
Scholarships	\$ 56,510	\$ 320,755
<i>Expendable:</i>		
Scholarships	\$ 65,091	\$ 338,567
Instructional Department uses	\$ 230,438	\$ 0
Capital projects	\$ 1,448,542	\$ 0
Unrestricted	\$ (2,664,211)	\$ 756,134
TOTAL NET POSITION	\$ 18,243,468	\$ 1,415,456

The accompanying notes are in integral part of these financial statements.

BELMONT COLLEGE
BELMONT COUNTY, OHIO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the Fiscal Year Ended June 30, 2023

	<u>Belmont College</u>	<u>Component Unit Belmont College Foundation</u>
<u>REVENUE:</u>		
<i>Operating Revenues:</i>		
Student tuition and fees (net of scholarship allowances of \$352,566 & \$850,426)	\$ 2,030,983	\$ 0
State grants and contracts	\$ 283,603	\$ 0
Federal grants and contracts	\$ 364,246	\$ 0
Private gifts and contracts	\$ 0	\$ 103,955
<i>Auxiliary Enterprises:</i>		
Sales and services	\$ 339,613	\$ 0
Other sources	\$ 473,575	\$ 0
Total revenues	\$ 3,492,020	\$ 103,955
<u>EXPENSES:</u>		
<i>Operating Expenses:</i>		
<i>Educational and General:</i>		
Instructional	\$ 2,995,349	\$ 0
Public service	\$ 152,797	\$ 0
Academic support	\$ 919,939	\$ 0
Student services	\$ 484,118	\$ 0
Institutional support	\$ 2,219,868	\$ 20,652
Operation and maintenance of plant	\$ 717,398	\$ 0
Depreciation	\$ 1,242,340	\$ 0
Scholarships and grants	\$ 480,717	\$ 12,200
Total Educational and General	\$ 9,212,526	\$ 32,852
Auxiliary Enterprises	\$ 390,600	\$ 0
Total Expenses	\$ 9,603,126	\$ 32,852
Operating Loss	(6,111,106)	71,103
<u>NONOPERATING REVENUES (EXPENSES):</u>		
State appropriations	\$ 3,585,445	\$ 0
Federal Grants & Contracts	\$ 1,307,711	\$ 0
Gifts	\$ 0	\$ 0
Investment income	\$ 173,725	\$ 50,978
Unrealized gain/(loss) on Investments	\$ 0	\$ 44,143
Interest Expense on Capital Asset Related Obligations	\$ (22,233)	\$ 0
Net nonoperating revenues	\$ 5,044,648	\$ 95,121
Income before other revenues, expenses, gains or losses	(1,066,458)	166,224
Capital appropriations	\$ 161,415	\$ 0
Capital grants and gifts	\$ 561,178	\$ 0
Total other revenues	\$ 722,593	\$ 0
Increase in Net Position	\$ (343,865)	\$ 166,224
Net Position, Beginning of Year	\$ 18,587,333	\$ 1,249,232
Net Position, End of Year	\$ 18,243,468	\$ 1,415,456

The accompanying notes are in integral part of these financial statements.

BELMONT COLLEGE
STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2023

	<u>Belmont College</u>	<u>Component Unit Belmont College Foundation</u>
<u>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>		
<i>Cash Flows from Operating Activities:</i>		
Tuition and fees	\$ 2,063,170	\$ 0
Grants and contracts	\$ 647,849	\$ 103,955
Payments to suppliers	\$ (1,952,755)	\$ (20,652)
Payments for utilities	\$ (209,780)	\$ 0
Payments to employees	\$ (4,820,443)	\$ 0
Payments for benefits	\$ (1,332,117)	\$ 0
Payments for scholarships and grants	\$ (480,717)	\$ (12,200)
Auxiliary Enterprises:		\$ 0
Book Store	\$ 382,659	\$ 0
Other receipts	\$ 473,575	\$ 0
Net cash used by operating activities	<u>\$ (5,228,559)</u>	<u>\$ 71,103</u>
<i>Cash Flows from Non-Capital and Related Financing Activities:</i>		
State appropriations	\$ 3,585,445	\$ 0
Federal Grants (Pell Grant - Non Operating)	\$ 1,058,523	\$ 0
Long Term Debt Proceeds	\$ 249,188	\$ 0
Net cash provided by non-capital and related financing activities	<u>\$ 4,893,156</u>	<u>\$ 0</u>
<i>Cash Flows from Capital and Related Financing Activities:</i>		
Purchase of capital assets	\$ (882,039)	\$ 0
Principal Paid on Leases	\$ (208,256)	\$ 0
Capital Appropriations	\$ 161,415	\$ 0
Net cash used by capital and related financing activities	<u>\$ (951,113)</u>	<u>\$ 0</u>
<i>Cash Flows from Investing Activities:</i>		
Interest on investments	\$ 147,078	\$ 95,121
Purchase of investments	\$ 908,111	\$ (70,835)
Net cash used by noncapital financing activities	<u>\$ 1,055,189</u>	<u>\$ 24,286</u>
Net decrease in cash and cash equivalents	(231,327)	95,389
Cash and Cash Equivalents, beginning of year	<u>\$ 1,056,323</u>	<u>\$ 20,995</u>
Cash and Cash Equivalents, end of year	<u><u>\$ 824,996</u></u>	<u><u>\$ 116,384</u></u>
<u>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</u>		
Operating loss	\$ (6,111,108)	\$ 71,103
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:		
Depreciation	\$ 1,242,340	\$ 0
(Increase)/Decrease in Assets and Deferred Outflows of Resources:		
Receivables, net	\$ 88,556	\$ 0
Inventories	\$ (64,768)	\$ 0
Deferred Outflows Pension: STRS	\$ 114,392	\$ 0
Deferred Outflows Pension: SERS	\$ 29,644	\$ 0
Deferred Outflows OPEB: STRS	\$ 4,538	\$ 0
Deferred Outflows OPEB: SERS	\$ 66,865	\$ 0
Increase/(Decrease) in Liabilities and Deferred Inflows of Resources:		
Accrued liabilities	\$ 37,962	\$ 0
Net Pension Liabilities	\$ 2,513,699	\$ 0
Net OPEB	\$ (323,676)	\$ 0
Deferred Inflows Pension: STRS	\$ (2,221,371)	\$ 0
Deferred Inflows Pension: SERS	\$ (606,349)	\$ 0
Deferred Inflows OPEB: STRS	\$ (28,125)	\$ 0
Deferred Inflows OPEB: SERS	\$ 92,595	\$ 0
Compensated absences	\$ (50,430)	\$ 0
Deferred revenue	\$ (13,323)	\$ 0
Net cash used by operating activities	<u><u>\$ (5,228,559)</u></u>	<u><u>\$ 71,103</u></u>
<u>NONCASH TRANSACTIONS:</u>		
Contribution of capital assets from Ohio Board of Regents		

The accompanying notes are in integral part of these financial statements.

NOTE 1 - DESCRIPTION OF THE REPORTING ENTITY

Belmont College is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and the laws of the State of Ohio. Belmont College is a technical college as defined by Section 3357.01 of the Ohio Revised Code. The College operates under an appointed Board of Trustees.

Management believes the financial statements included in this report represent all funds of the College over which the College has the ability to exercise direct operating control.

Belmont College Foundation (Foundation) is a legally separate, tax-exempt organization supporting the College. The Foundation acts primarily as a fundraising organization to supplement the resources that are available to the College in support of its programs. Although the College does not control the timing or number of receipts from the Foundation, the majority of resources, or incomes thereon, that the Foundation holds and invests, are restricted to the activities of the College by donors. Based upon the provisions in *Governmental Accounting Standards Board (GASB) Statement No. 14 – Reporting Entity* and subsequent amendments in various GASB Statements, the Foundation is considered a component unit of the College and is discretely presented in the College’s financial statements.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The accompanying financial statements are presented in accordance with accounting principles generally accepted in the United States of America as prescribed by the Government Accounting Standards Board (GASB). Pursuant to the provisions of GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, as amended by GASB Statement No. 35, *Basic Financial Statements – and Management’s Discussion and Analysis – For Public Colleges and Universities* the full scope of the College’s activities is considered to be a single business-type activity (BTA) and accordingly, is reported within a single column in the basic financial statements.

B. Basis of Accounting

The financial statements of the College have been prepared using the economic resource measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. In accordance with GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the College is required to follow all applicable GASB pronouncements.

C. Cash and Cash Equivalents

This classification appears on the Statement of Net Position and the Statement of Cash Flows and includes petty cash, cash on deposit with private bank accounts and savings accounts. For purposes of the statement of cash flows and for presentation of the statement of net position, investments with original maturities of three months or less at the time of purchase by the College are considered to be cash and cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Investments

Investments, when purchased, are stated at cost and, if received through gift, at market value at the date of gift if a market value is available; otherwise, they are stated at an appraisal or nominal value. The College has invested in certificates of deposit and STAR Ohio during the fiscal year.

During fiscal year 2023, the College invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio) is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, Certain External Investment Pools and Pool Participants. The College measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For the fiscal year 2023, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

E. Receivables

Receivables consist of tuition and fees and charges to students and charges for auxiliary enterprises' sales and services. Receivables also include amounts due from the Federal government, state and local governments, and private sources in connections with reimbursements of allowable expenditures made pursuant to contracts and grants, and pledges that are verifiable, measurable, and expected to be collected and available for expenditures for which the resource provider's conditions have been satisfied. Receivables are recorded net of estimated uncollectible amounts.

F. Allowance for Doubtful Accounts

The allowance for doubtful accounts is determined by management based on the College's historical losses, specific student circumstances and general economic conditions. Periodically, management reviews accounts receivable and records an allowance for specific students based on current circumstances and charges off the receivable against the allowance when all attempts to collect the receivable have failed.

G. Inventories

Inventories, consisting of expendable supplies and merchandise for resale, are stated at the lower of cost or market value using the first-in, first-out method.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Capital Assets

Capital assets are stated at cost at date of acquisition or acquisition value at date of donation in the case of gifts. The College capitalizes assets that have a value or cost in excess of \$5,000 at the date of acquisition and an expected useful life of one or more years. Library books are significant in the aggregate and are therefore also capitalized. Please see Note I below related to treatment of subscription-based information technology arrangements for capitalization and amortization of costs.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 10 to 50 years for buildings, 3 to 15 years for equipment, 10 years for vehicles and 5 years for library books and materials.

I. Subscription-Based Information Technology Arrangements

The College obtains the right to use vendors' information technology software through various long-term contracts. The College recognizes a subscription liability and an intangible right-of-use subscription asset in the statement of net position. The College recognizes subscription assets and liabilities with an initial value of \$100,000 or more. At the commencement of a subscription, the College initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, plus initial implementation costs. Subsequently, the subscription asset is depreciated on a straight-line basis over its useful life. Key estimates and judgments related to subscriptions include how the College determines the discount rate it uses to discount the expected subscription payments to present value and the subscription term. The College uses the interest rate charged by the vendor as the discount rate. When the interest rate charged by the vendor is not provided, the College generally uses its estimated incremental borrowing rate as the discount rate for subscriptions. The subscription term includes the noncancelable period of the subscription. The College monitors changes in circumstances that would require a remeasurement of its subscriptions and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

J. Restricted Assets

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

K. Compensated Absences

The College has adopted GASB No. 16.

Vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both of these conditions are met:

- a. The employee's right to receive compensation is attributable to services already rendered.
- b. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A liability sick leave and other compensated absences with similar characteristics (hereinafter referred to as “sick leave”) should be accrued using one of the following termination approaches:

- a. The sick leave liability generally would be an estimate based on governmental entity’s past experience of making termination payments for sick leave, adjusted for the effects of changes in its termination payment policy and other current factors. This approach is known as the termination payment method.
- b. The sick leave liability would be an accrual for those employees expected to become eligible in the near future based on assumptions concerning the probability that individual employees or classes or groups of employees will become eligible to receive termination benefits. This accumulation should be reduced to the maximum amount allowed as a termination benefit. This approach is known as the vesting method.

For sick leave liability, the College uses the vesting method. The College posts a liability for any employee within five years of retirement. These accumulations are reduced to the maximum amount allowed as a termination payment.

L. Noncurrent Long-Term Liabilities

Noncurrent long-term liabilities include net pension liabilities, net OPEB liabilities, subscription liabilities, and compensated absences that will not be paid within the next fiscal year.

M. Deferred Outflows/Inflows of Resources

In addition to assets, the statements of net position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expenditure) until then. For the College, deferred outflows of resources are reported on the statement of net position for pension and OPEB. The deferred outflows of resources related to pension and OPEB are explained in Note 10 and 11.

In addition to liabilities, the statements of net position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the College, deferred inflows of resources are for pension and OPEB related inflows. Deferred inflows of resources related to pension and OPEB are reported on the statement of net position and are explained in Note 10 and 11.

N. Pensions and Other Postemployment Benefits (OPEB)

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Net Position

The College's net position is classified as follows:

Net Investment in Capital Assets – This represents the College's total investment in capital assets, net of accumulated depreciation and outstanding debt obligations related to those capital assets.

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

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

Unrestricted Net Position – Unrestricted net position includes resources derived from student tuition and fees, sales and services, unrestricted gifts, and interest income.

Restricted and unrestricted resources are tracked using a fund accounting system and are spent in accordance with established fund authorities. Fund authorities provide rules for the fund activity and are separately established for restricted and unrestricted activities. When both restricted and unrestricted funds are available for expenditure, the decision for funding is transactional based within the departmental management system in place at the College.

P. Scholarship Allowances

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

Q. Operating Activity

The College defines operating activities, as reported on the statement of revenues, expenses, and changes in net position, as those that results from exchange transactions, such as payments received for providing goods and services and payments made for services and goods received. Nearly all of the College's expenses are from exchange transactions. Certain significant revenues relied upon for operations, such as state appropriations, grants, contracts, and investments income, are recorded as non-operating revenues, in accordance with GASB Statement No. 35. In addition, the GASB Implementation Guide has indicated PELL grants should be considered non-operating revenues beginning in fiscal year 2009.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. Budgetary Process

Annually, the Business Office develops a balanced budget for the College based on projected expenditures from department directors and anticipated revenue, including tuition and fees and the subsidy from the Ohio Board of Regents. The board of trustees approves the budget.

S. Income Taxes

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

T. Use of Estimates

Management of the College has made estimates and assumptions relating to the reporting of assets and liabilities to prepare these financial statements in conformity with accounting principles generally accepted in the United States of America. Actual results could differ from those estimates.

U. Implementation of New Accounting Policies

For the fiscal year ended June 30, 2023, the College implemented GASB Statement No. 91, Conduit Debt Obligations, GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, GASB Statement No. 96, Subscription-Based Information Technology Arrangements, and GASB Statement No. 99, Omnibus 2022.

GASB Statement No. 91 clarifies the definition of conduit debt and provides a single method of reporting these obligations (disclosure only). This Statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures. This statement had no effect on beginning net position.

GASB Statement No. 94 addresses the gap in current accounting guidance related to public-private and public-public partnerships (both referred to as PPPs) that do not meet the definition of a service concession arrangement. This statement had no effect on beginning net position.

GASB Statement No. 96 addresses accounting and financial reporting for subscription-based information technology arrangements (SBITAs), a type of information technology (IT) arrangement (i.e., software licensing). This Statement also defines a SBITA, establishes that a SBITA results in a right-to-use subscription asset (intangible asset) and a corresponding subscription liability, provides capitalization criteria, and requires footnote disclosure. The standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. Please refer to Note 18, Change in Accounting Principles for details on the net Position impact of GASB 96.

GASB Statement No. 99 addresses a variety of topics to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements and accounting and financial reporting for financial guarantees. This statement had no effect on beginning net position.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

V. Upcoming Accounting Pronouncements

As of the report date, the GASB issued the following statements not yet implemented by the College: GASB Statement No. 100, Accounting Changes and Error Corrections-an amendment of GASB Statement No. 62, issued June 2022. The requirements are effective for fiscal years beginning after June 15, 2023. The primary objective is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

GASB Statement No. 101, Compensated Absences, issued June 2022. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023. The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences.

The College has not yet determined the effect these Statements will have on the College's financial statements and disclosures.

NOTE 3 – STATE SUPPORT

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

In addition to the student subsidies, the State of Ohio provides the funding for the construction of major plant facilities on the College's campus. The funding is obtained from the issuance of special obligation bonds issued by the Ohio Public Facilities Commission (OPFC), which precedes in turn causes, the construction of subsequent lease of the facility to 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 special obligation bonds issued by OPFC, nor the annual debt service charges for principal and interest on the bonds are reflected in the College's financial statements. These costs are currently being funded through appropriations to the Board of Regents by the 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 State. If sufficient monies are not available from this fund, a pledge exists to assess a special student fee uniformly applicable to students in the state-assisted institutions of higher education throughout the state.

- A. Construction in progress for any portion of the facilities being financed by state agencies for use by the College should be recorded on the College's books of account until such time as the facility is completed.
- B. Outstanding debt issued by OPFC is not included on the College's balance sheet. In addition, the appropriations by the General Assembly to the Board of Regents for payment of debt service are not reflected as appropriation revenue received by the College, and the related debt service payments are not recorded in the College's accounts.

NOTE 4 – DEPOSITS AND INVESTMENTS

State statute classifies 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 withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive monies are public deposits that the Board of Trustees 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 deposits of interim monies. Interim monies are those monies 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.

Protection of the College's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions 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.

Interim monies may be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any 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;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) 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;
6. The State Treasurer's investment pool (STAR Ohio);

NOTE 4 – DEPOSITS AND INVESTMENTS (CONTINUED)

7. Certain bankers’ acceptances and commercial paper notes for a period not to exceed one hundred and eighty and two hundred and seventy days, respectively, in an amount not to exceed forty percent of the interim moneys available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment 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.

Deposits. At year-end, \$745,177 of the College’s bank balance of \$2,751,084 was exposed to custodial credit risk. Although the securities were held by the pledging financial institutions’ trust department in the College’s name and all statutory requirements for the investment had been followed, non-compliance with Federal requirements could potentially subject the College to a successful claim by the FDIC.

Custodial Credit Risk. Custodial credit risk for deposits is the risk that in the event of a bank failure, the College will not be able to recover deposits or collateral securities that are in possession of an outside party. The College has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by:

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

Investments:

As of June 30, 2023, the College had the following investments and maturities:

S & P Global Rating	Investment Type	Investment Maturities		
		Measurement Amount	12 Months or Less	Percent of Total
	Net Asset Value (NAV):			
AAAm	STAR Ohio	2,751,084	2,751,084	48.63%
	Fair Value:			
N/A	Negotiable Certificates of Deposit	2,906,480	2,906,480	51.37%
	Total	<u>\$ 5,657,564</u>	<u>\$ 5,657,564</u>	<u>100.00%</u>

NOTE 4 – DEPOSITS AND INVESTMENTS (CONTINUED)

The College categorizes 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. The above table identifies the College's recurring fair value measurements as of June 30, 2023. The College's investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, and reference data including market research publications. Market indicators and industry and economic events are also monitored which could require the need to acquire further market data (Level 2 inputs).

Interest Rate Risk. The Ohio Revised Code generally limits security purchases to those that mature within five years of the settlement date. The College's policy indicates that the investments must be made in accordance with State statute. STAR Ohio is an investment pool operated by the Ohio State Treasurer. It is unclassified since it is not evidenced by securities that exist in physical or book entry form. Ohio law requires STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The weighted average of maturity of the portfolio held by STAR Ohio as of June 30, 2023, is 39 days.

Credit Risk. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The College has no investment policy that would further limit its investment choices.

Concentration of Credit Risk. The College places no limit on the amount that may be invested in any one issuer. Investments of the College are diversified to eliminate the risk of loss resulting from over concentration of assets in a specific maturity; a specific issue or a specific class of securities, strategies to achieve this are determined and revised periodically.

NOTE 5 - RECEIVABLES

Receivables on June 30, 2023, were as follows:

	Gross Receivables	Allowance for Doubtful Accounts	Net Receivables
Current Receivables:			
Students	\$ 1,583,794	\$ (935,793)	\$ 648,001
Interest	30,489	0	30,489
Other	289,960	0	289,960
Total Current Receivables	<u>\$ 1,904,243</u>	<u>\$ (935,793)</u>	<u>\$ 968,450</u>

NOTE 6 - DONOR RESTRICTED ENDOWMENTS

If a donor has not provided specific instructions, state law permits the Board to authorize for expenditure the new appreciation (realized and unrealized) of the investments of endowment funds. When administering its power to spend net appreciation, the Board is required to consider the College's "long- and short-term needs, present and anticipated financial requirements, expected total return on its investments, price-level trends, and general economic conditions." Any net appreciation that is spent is required to be spent for the purposes for which the endowment was established. All expenditures must be approved by the Board.

At June 30, 2023, there was no net appreciation on donor restricted assets available to be spent.

NOTE 7 – CAPITAL ASSETS

A summary of the changes in the capital assets is presented as follows:

	Balance June 30, 2022	Additions	Reductions	Balance June 30, 2023
Capital Assets, Non Depreciable:				
Land	\$ 276,000	\$ 0	\$ 0	\$ 276,000
Construction/Work in Progress	0	1,004,547	0	1,004,547
Total Non-depreciable	<u>276,000</u>	<u>1,004,547</u>	<u>0</u>	<u>1,280,547</u>
Capital Assets, Depreciable:				
Land Improvements	898,947	441,862	0	1,340,809
Buildings and Improvements	26,562,291	0	266,604	26,295,687
Machinery and Equipment	3,012,036	45,370	363,954	2,693,452
Motor Vehicles	189,344	8,249	0	197,593
Library Books and Materials	278,676		13,934	264,742
Subscription-Based Information Technology Right to Use Asset	664,805	0	0	664,805
Total Depreciable	<u>31,606,099</u>	<u>495,481</u>	<u>644,492</u>	<u>31,457,088</u>
Less Accumulated Depreciation:				
Land Improvements	794,402	75,270	0	869,672
Buildings and Improvements	9,069,527	605,552	212,083	9,462,996
Machinery and Equipment	2,261,373	213,734	363,954	2,111,153
Motor Vehicles	118,157	13,184	0	131,341
Library Books and Materials	275,872	2,197	13,934	264,135
Subscription-Based Information Technology Right to Use Asset	0	332,403	0	332,403
Total Accumulated Depreciation	<u>12,519,331</u>	<u>1,242,340</u>	<u>589,971</u>	<u>13,171,700</u>
Total Capital Assets, Depreciable, net	<u>19,086,768</u>	<u>(746,859)</u>	<u>54,521</u>	<u>18,285,388</u>
Capital Assets, net	<u>\$ 19,362,768</u>	<u>\$ 257,688</u>	<u>\$ 54,521</u>	<u>\$ 19,565,935</u>

NOTE 8 – LONG-TERM LIABILITIES

A summary of changes in long-term liabilities is as follows:

	Balance July 1, 2022	Additions	Reductions	Balance June 30, 2023	Current Portion
Net Pension Liability:					
SERS	\$ 1,527,861	\$ 529,800	\$ 0	\$ 2,057,661	\$ 0
STRS	2,881,324	1,983,899	0	4,865,223	0
Total Net Pension Liability	4,409,185	2,513,699	0	6,922,884	0
Net OPEB Liability:					
SERS	759,571	0	232,114	527,457	0
Total Net OPEB Liability	759,571	0	232,114	527,457	0
Compensated Absences	242,485	0	50,430	192,055	154,790
Subscription-Based Information Technology Obligations	664,805	0	208,256	456,549	221,403
Total Long-Term Liabilities	<u>\$ 6,076,046</u>	<u>\$ 2,513,699</u>	<u>\$ 490,800</u>	<u>\$ 8,098,945</u>	<u>\$ 376,193</u>

(a) OPEB for STRS has a Net OPEB asset in the amount of \$566,694 as of June 30, 2023.

Principal and interest requirements to retire subscription-based information technology obligations outstanding at June 30, 2023, are as follows:

Fiscal Year Ending June 30	Technology Obligations	
	Principal	Interest
2024	\$ 221,403	\$ 13,969
2025	\$ 235,146	\$ 7,054
	<u>\$ 456,549</u>	<u>\$ 21,023</u>

NOTE 9 – OPERATING EXPENSES BY FUNCTION AND NATURAL CLASS

	Salaries and Benefits	Scholarships and Fellowships	Utilities	Supplies and Other Services	Depreciation	Total
Instruction & departmental research	\$ 2,599,153	\$ 0	\$ 0	\$ 396,196	\$ 0	\$ 2,995,349
Public service	104,764	0	0	48,033	0	152,797
Academic support	754,250	0	0	165,689	0	919,939
Student services	462,485	0	0	21,633	0	484,118
Institutional support	1,537,211	0	0	682,657	0	2,219,868
Operations and maintenance	236,365	0	209,780	271,253	0	717,398
Scholarships & grants	0	480,717	0	0	0	480,717
Auxiliary enterprises	33,025	0	0	357,575	0	390,600
Depreciation	0	0	0	0	1,242,340	1,242,340
Totals	<u>\$ 5,727,253</u>	<u>\$ 480,717</u>	<u>\$ 209,780</u>	<u>\$ 1,943,036</u>	<u>\$ 1,242,340</u>	<u>\$ 9,603,126</u>

NOTE 10 – DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability/Net OPEB Liability (Asset)

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

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

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

GASB Statements No. 68/75 assume the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for the OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio Revised Code permits but does not require the retirement systems to provide healthcare to eligible benefit recipients.

The remainder of this note includes the required pension disclosures. See Note 11 for the required OPEB disclosures.

Plan Description - School Employees Retirement System (SERS)

Plan Description – College non-teaching employees participate in SERS, a cost-sharing multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability and survivor benefits, 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.

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

Age and service requirements for retirement are as follows:

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

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

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

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost of living adjustment (COLA) on the first anniversary date of the benefit. New benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. The COLA is indexed to the percentage increase in the CPI-W, not to exceed 2.5 percent and with a floor of 0 percent. A three-year COLA suspension was in effect for all benefit recipients for the years 2018, 2019, and 2020. In 2022, the Retirement Board approved a 0.5 percent COLA for eligible retirees and beneficiaries in 2023.

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, 2023, 14.0% was designated to pension, death benefits, and Medicare B. There was no amount allocated to the Health Care Fund for fiscal year 2023.

The College’s contractually required contribution to SERS was \$210,715 for fiscal year 2023.

Plan Description - State Teachers Retirement System (STRS)

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

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

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

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 Aug. 1, 2015, the calculation is 2.2% of final average salary for the five highest years of earnings multiplied by all years of service. Eligibility changes will be phased in until Aug. 1, 2023, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit at any age.

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

The DC Plan allows members to place all of their member contributions and 9.53% of the 14% employer contributions into an investment account. The member determines how to allocate the member and employer money among various investment choices offered by STRS Ohio. The remaining 4.47% of the 14% employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

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

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 12 percent of the 14 percent member rate goes to the DC Plan and the remaining 2 percent goes to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity 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 68 reporting purposes.

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. Eligible survivors of members who die before service retirement may qualify for monthly benefits. New members on or after July 1, 2013, must have at least 10 years of qualifying service credit to apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. 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.

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

Funding Policy – Employer and member contribution rates are established by the Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The statutory employer rate is 14% and the statutory member rate is 14% of covered payroll. The College was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2023 contribution rates were equal to the statutory maximum rates.

The College’s contractually required contribution to STRS Ohio was \$340,112 for fiscal year 2023.

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

The net pension liability disclosed as current year below was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The College’s proportion of the net pension liability was based on the College’s share of contributions to the pension plan relative to the projected contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability - Current Year	0.0380430%	0.02188572%	
Proportionate Share of the Net Pension Liability - Prior Year	<u>0.0414087%</u>	<u>0.02253517%</u>	
Change in Proportionate Share Proportion of the Net Pension Liability	<u>-0.0033657%</u>	<u>-0.00064945%</u>	
Liability	\$2,057,661	\$4,865,223	\$6,922,884
Pension Expense (Gain)	\$163,810	\$217,032	\$380,842

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NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

At June 30, 2023, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Outflows of Resources	SERS	STRS	Total
Differences between expected and actual economic experience	\$83,337	\$62,281	\$145,618
Difference from a change in proportion and differences between College contributions and proportionate share of contributions	66,506		66,506
Changes of assumptions	20,303	582,221	602,524
Differences between projected and actual investment earnings	-	169,300	169,300
College contributions subsequent to the measurement date	210,715	340,112	550,827
Total	\$380,861	\$1,153,914	\$1,534,775

Deferred Inflows of Resources	SERS	STRS	Total
Differences between expected and actual economic experience	\$13,508	\$18,611	\$32,119
Differences between projected and actual investment earnings	71,803	0	71,803
Changes of assumptions	0	438,245	
Difference from a change in proportion and differences between College contributions and proportionate share of contributions	134,860	919,613	1,054,473
Total	\$220,171	\$1,376,469	\$1,158,395

\$550,827 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, 2024. 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:			
2024	\$6,558	(\$293,919)	(\$287,361)
2025	(73,335)	(322,606)	(395,941)
2026	(102,572)	(439,554)	(542,126)
2027	119,324	493,412	612,736
Total	(\$50,025)	(\$562,667)	(\$612,692)

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.

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

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

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2022, compared with June 30, 2021, are presented below:

	June 30, 2022	June 30, 2021
Inflation	2.4 percent	2.4 percent
Future Salary Increases, including inflation COLA or Ad Hoc COLA	3.25 percent to 13.58 percent 2.0 percent, on or after April 1, 2018, COLAs for future retirees will be delayed for three years following commencement	3.25 percent to 13.58 percent 2.0 percent, on or after April 1, 2018, COLAs for future retirees will be delayed for three years following commencement
Investment Rate of Return	7.00 percent net of system expenses	7.00 percent net of system expenses
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)	Entry Age Normal (Level Percent of Payroll)

Mortality rates for 2021 were based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

Mortality rates for 2020 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 disabled 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 completed for the five-year period ended June 30, 2020.

The long-term return expectation for the Pension Plan Investments has been determined by using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy.

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00 %	-0.45%
US Equity	24.75	5.37
Non-US Equity Developed	13.50	6.22
Non-US Equity Emerging	6.75	8.22
Fixed Income/Global Bonds	19.00	1.20
Private Equity	11.00	10.05
Real Estate/Real Assets	16.00	4.87
Multi-Asset Strategy	4.00	3.39
Private Debt/Private Credit	3.00	5.38
Total	100.00 %	

Discount Rate The total pension liability for 2022 was calculated using the discount rate of 7.00 percent. The discount rate for 2021 was 7.0 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 earnings were calculated using the long-term assumed investment rate of return (7.00 percent). Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
College's proportionate share of the net pension liability	\$3,028,779	\$2,057,661	\$1,239,508

Assumptions and Benefit Changes Since the Prior Measurement Date - There were no changes in assumptions or benefits since the prior measurement date.

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

Actuarial Assumptions - STRS

Key methods and assumptions used in the June 30, 2022, actuarial valuation compared to those used in the June 30, 2021, actuarial valuation is presented below:

	June 30, 2022	June 30, 2021
Inflation	2.50 %	2.50 %
Projected Salary Increases	Varies by service from 2.5 % to 8.50 %	12.50 % at age 20 to 2.50% at age 65
Payroll increases	3.00 %	3.00 %
COLA or Ad Hoc COLA	0.00 %	0.00 %
Discount rate of return	7.00 %	7.00 %
Investment Rate of Return	7.00 percent net of investment expenses, including inflation	7.00 percent net of investment expenses, including inflation
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)	Entry Age Normal (Level Percent of Payroll)

For the June 30, 2022, actuarial valuation, post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disable Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

For the June 30, 2021, actuarial valuations, post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates, thereafter, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP- 2014 Disabled Mortality Table with 90% of rates for males and 100% of rates for females, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the June 30, 2022, valuation is based on the results of an actuarial experience study for the period July 1, 2015, through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

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

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

Asset Class	Target Allocation *	Long-Term Expected Rate of Return**
Domestic Equity	26.00 %	6.60 %
International Equity	22.00	6.80 %
Alternatives	19.00	7.38 %
Fixed Income	22.00	1.75 %
Real Estate	10.00	5.75 %
Liquidity Reserves	1.00	1.00 %
Total	100.00 %	

* Target allocation percentage is effective as of July 1, 2022.

Target weights were phased in over a 3-month period concluding on October 1, 2022.

**10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25% and is net of 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 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with the rates described previously. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS Ohio's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2021. Therefore, the long-term expected rate of return on pension plan investments of 7.00% was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2022.

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
College's proportionate share of the net pension liability	\$7,349,581	\$4,865,223	\$2,764,226

Changes Between the Measurement Date and the Reporting date STRS approved a one-time 1.00% cost-of-living adjustment to eligible benefit recipients effective July 1, 2023. It is unknown what effect this change will have on the net pension liability.

NOTE 11 – DEFINED BENEFIT OPEB PLANS

See Note 10 for a description of the net OPEB liability (asset). The College reports on the cash basis of accounting, so there is no net OPEB liability(asset) recorded in the accompanying financial statements.

School Employees Retirement System

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

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Active employee members do not contribute to the Health Care Plan. The SERS Retirement Board established the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2023, 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 2023, this amount was \$25,000. 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 2023, the College's surcharge obligation was \$19,023.

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. No portion of covered payroll was allocated to the Health Care Fund in 2023. The College's contractually required contribution to SERS was \$19,023 for fiscal year 2023.

NOTE 11 – DEFINED BENEFIT OPEB PLANS (Continued)

State Teachers Retirement System of Ohio

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. The Medicare Part B premium reimbursement elimination was postponed indefinitely. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. All health care plan enrollees 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, 2023, STRS did not allocate any employer contributions to post-employment health care.

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

The net OPEB (asset) liability was measured as of June 30, 2022, and the total OPEB (asset) liability used to calculate the net OPEB (asset) liability was determined by an actuarial valuation as of that date. The College’s proportion of the net OPEB (asset) liability 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 (gain):

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportionate Share of the Net OPEB Liability (Asset) - Current Year	0.03756790%	0.02188572%	
Proportionate Share of the Net OPEB Liability (Asset) - Prior Year	<u>0.04013400%</u>	<u>0.02253500%</u>	
Change in Proportionate Share	<u>0.00256610%</u>	<u>0.00064928%</u>	
Proportion Share of the Net OPEB Liability	\$527,457	\$0	\$527,457
Proportion Share of the Net OPEB (Asset)	\$0	(\$566,694)	(\$566,694)
OPEB Expense (Gain)	(\$53,629)	(\$115,149)	(\$168,778)

NOTE 11 – DEFINED BENEFIT OPEB PLANS (Continued)

At June 30, 2023, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Deferred Outflows of Resources	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Differences between expected and actual economic experience	\$4,434	\$8,215	\$12,649
Difference from a change in proportion and differences between College contributions and proportionate share of contributions	145,219	510	145,729
Changes of assumptions	83,899	24,139	108,038
Differences between projected and actual investment earnings	2,743	9,865	12,608
College contributions subsequent to the measurement date	19,023	0	19,023
Total	<u>\$255,318</u>	<u>\$42,729</u>	<u>\$298,047</u>
Deferred Inflows of Resources	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Differences between expected and actual economic experience	\$337,399	\$85,107	\$422,506
Differences between projected and actual investment earnings	0	0	0
Changes of assumptions	216,524	401,841	618,365
Difference from a change in proportion and differences between College contributions and proportionate share of contributions	107,664	64,352	172,016
Total	<u>\$661,587</u>	<u>\$551,300</u>	<u>\$1,212,887</u>

\$19,023 reported as deferred outflows of resources related to OPEB resulting from college contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (adjustment to net OPEB asset) in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30:	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
2024	(\$93,141)	(\$143,002)	(\$236,143)
2025	(92,256)	(141,023)	(233,279)
2026	(79,724)	(73,594)	(153,318)
2027	(47,145)	(38,103)	(85,248)
2028	(36,393)	(45,913)	(82,306)
Thereafter	(76,633)	(66,936)	(143,569)
Total	<u>(\$425,292)</u>	<u>(\$508,571)</u>	<u>(\$933,863)</u>

NOTE 11 – DEFINED BENEFIT OPEB PLANS (Continued)

Actuarial Assumptions - SERS

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

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

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

Key methods and assumptions used in calculating the total OPEB liability in the latest two actuarial valuations are presented below:

	June 30, 2022	June 30, 2021
Inflation	2.4 percent	2.4 percent
Future Salary Increases, including inflation	3.25 percent to 13.58 percent	3.25 percent to 13.58 percent
Investment Rate of Return	7.00 percent net of system expenses	7.00 percent net of system expenses
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)	Entry Age Normal (Level Percent of Payroll)
Municipal Bond Index Rate:	3.69 %	1.92 %
Single Equivalent Interest Rate, Net of Plan Investment Expense, Including		
Price Inflation	4.08 %	2.27 %
Medical Trend Assumption	7.00 to 4.40 %	
Medicare		5.125 to 4.400 %
Pre-Medicare		6.750 to 4.400 %

For 2022 and 2021, mortality rates among healthy retirees were based on the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females. Mortality rates for contingent survivors were based on PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5 percent for males and

NOTE 11 – DEFINED BENEFIT OPEB PLANS (Continued)

adjusted 122.5 percent for females. Mortality rates for actives is based on PUB-2010 General Amount Weighted Below Median Employee mortality table.

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

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2016 through 2020 and was adopted by the Board in 2021. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a 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, 7.00 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer time frame. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00 %	-0.45%
US Equity	24.75	5.37
Non-US Equity Developed	13.50	6.22
Non-US Equity Emerging	6.75	8.22
Fixed Income/Global Bonds	19.00	1.20
Private Equity	11.00	10.05
Real Estate/Real Assets	16.00	4.87
Multi-Asset Strategy	4.00	3.39
Private Debt/Private Credit	3.00	5.38
Total	100.00 %	

Discount Rate The discount rate used to measure the total OPEB liability at June 30, 2022, was 4.08 percent. The discount rate used to measure total OPEB liability prior to June 30, 2022, was 2.27 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the contribution rate of 1.50 percent of projected covered payroll each year, which includes a 1.50 percent payroll surcharge and no contributions from the basic benefits plan. Based on these assumptions, the OPEB plan’s fiduciary net position was projected to become insufficient to make all projected future benefit payments of current System members by SERS actuaries. The Municipal Bond Index Rate is used in the determination of the SEIR for both the June 30, 2022, and the June 30, 2021, total OPEB liability. The Municipal Bond Index rate is the single rate that will generate a present value of benefit payments equal to the sum of the present value determined by the long-term expected rate of return, and the present value determined by discounting those benefits after the date of depletion. The Municipal Bond Index Rate is 3.69 percent at June 30, 2022, and 1.92 percent at June 30, 2021.

NOTE 11 – DEFINED BENEFIT OPEB PLANS (Continued)

Sensitivity of the College’s Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.08%) and higher (5.08%) than the current discount rate (4.08%).

	1% Decrease (3.08%)	Current Discount Rate (4.08%)	1% Increase (5.08%)
College's proportionate share of the net OPEB liability	\$655,110	\$527,457	\$424,407

The following table presents the OPEB liability of SERS, what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.00% decreasing to 3.40%) and higher (8.00% decreasing to 5.40%) than the current rate (7.00% decreasing to 4.40%).

	1% Decrease in Trend Rates	Current Trend Rate	1% Increase in Trend Rates
College's proportionate share of the net OPEB liability	\$406,764	\$527,457	\$685,102

Actuarial Assumptions - STRS

Key methods and assumptions used in the June 30, 2022, actuarial valuation and the June 30, 2021, actuarial valuation are presented below:

	June 30, 2022		June 30, 2021	
Inflation	2.50 %		2.50 %	
Projected Salary Increases	Varies by service from 2.5 % to 8.50 %		12.50 % at age 20 to 2.50% at age 65	
Payroll increases	3.00 %		3.00 %	
Cost-of-living adjustments (COLA)	0.00 %		0.00 %	
Discount rate of return	7.00 %		7.00 %	
Investment Rate of Return	7.00 percent net of investment expenses, including inflation		7.00 percent net of investment expenses, including inflation	
Health care cost trends				
	Initial	Ultimate	Initial	Ultimate
Medical				
Pre-Medicare	7.50%	3.94%	5.00%	4.00%
Medicare	-68.78%	3.94%	-16.18%	4.00%
Prescription Drug				
Pre-Medicare	9.00%	3.94%	6.50%	4.00%
Medicare	-5.47%	3.94%	29.98%	4.00%

NOTE 11 – DEFINED BENEFIT OPEB PLANS (Continued)

For the June 30, 2022, actuarial valuation, post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disable Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

For the June 30, 2021, actuarial valuations, post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates, thereafter, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP- 2014 Disabled Mortality Table with 90% of rates for males and 100% of rates for females, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the June 30, 2022, valuation are based on the results of an actuarial experience study for the period July 1, 2015, through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

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

Asset Class	Target Allocation *	Long-Term Expected Rate of Return**
Domestic Equity	26.00 %	6.60 %
International Equity	22.00	6.80 %
Alternatives	19.00	7.38 %
Fixed Income	22.00	1.75 %
Real Estate	10.00	5.75 %
Liquidity Reserves	1.00	1.00 %
Total	100.00 %	

* Target allocation percentage is effective as of July 1, 2022. Target weights were phased in over a 3-month period concluding on October 1, 2022.

**10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25% and is net of 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 11 – DEFINED BENEFIT OPEB PLANS (Continued)

Discount Rate The discount rate used to measure the total OPEB liability was 7.00% as of June 30, 2022, and was 7.45% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan’s fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2022. Therefore, the long-term expected rate of return on health care fund investments of 7.00% was applied to all periods of projected health care costs to determine the total OPEB liability as of June 30, 2022.

Sensitivity of the College’s Proportionate Share of the Net OPEB (Asset) Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates The following table represents the net OPEB liability as of June 30, 2022, calculated using the current period discount rate assumption of 7.00%, as well as what the net OEPB (asset) liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current assumption. Also shown is the net OPEB (asset) liability as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease in Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
College's proportionate share of the net OPEB (asset) liability	(\$523,894)	(\$566,694)	(\$603,356)

	1% Decrease in Trend Rates	Current Trend Rate	1% Increase in Trend Rates
College's proportionate share of the net OPEB (asset) liability	(\$587,800)	(\$566,694)	(\$540,054)

Assumption Changes Since the Prior Measurement Date - The discount rate remained unchanged at 7.00% for the June 30, 2022, valuation.

Benefit Term Changes Since the Prior Measurement Date - Salary increase rates were updated based on the actuarial experience study for the period July 1, 2015, through June 30, 2021, and were changed from age based to service based.

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. During fiscal year 2023, the College contracted with Marsh USA Inc.as part of the OACC insurance consortium. Commercial property insurance is contracted with Travelers Indemnity Company. The policy includes a \$25,000 deductible.

Professional and general liability is protected by American Family Home Insurance Company with a \$1,000,000 single occurrence limit, \$3,000,000 annual aggregate limit and no deductible. Vehicles are also covered by American Family Home Insurance Company and hold a \$500 deductible for comprehensive and collision. Automobile liability has a \$1,000,000 combined single limit of liability, with no annual aggregate. An excess liability policy contracted with United Educators provides an additional \$15,000,000 in excess of the \$1,000,000 limits over all other liability coverage.

NOTE 12 – RISK MANAGEMENT (Continued)

Ancillary coverage for cyber liability breach response is provided by Lloyd's via CFC Underwriting Ltd. (Wright Specialty) with a \$2,000,000 single occurrence limit and a \$5,000 deductible.

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

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

NOTE 13 – CONTRACTUAL COMMITMENTS

As of June 30, 2023, the College has no contractual commitments.

NOTE 14 – CONTINGENCIES

The College received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and a condition 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 of 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, 2023.

NOTE 15 – COMPONENT UNIT DISCLOSURES

The Belmont College Foundation (Foundation) is a legally separate, tax-exempt component unit of Belmont College (College).

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

Contributions to the Foundation are recognized and reported as revenue at fair value upon the earlier of the period in which a pledge becomes unconditional or the period in which the contribution is received. Contributions with donor-imposed restrictions are reported as temporarily or permanently restricted support while contributions without donor-imposed restrictions are reported as unrestricted support.

Equity in Pooled Cash and Cash Equivalents and Investments:

Deposits - Custodial credit risk is the risk of the inability to recover the value of deposits, investments, or collateral securities in the possession of an outside party in the event of a depository financial institution or counterparty failure to a transaction. The Foundation has not established a policy for deposits at this time.

As of June 30, 2023, the carrying amount of the Foundation's deposits was \$116,384 and this bank balance was covered by FDIC.

NOTE 15 – COMPONENT UNIT DISCLOSURES (Continued)

Investments – Foundation investments are stated at fair value with changes in market value being recognized as gains and losses during the period in which they occur. The following summarizes the fair value of investments of the Foundation as of June 30, 2023:

<u>Investment Type</u>	<u>Fair Value</u>
Cash and Money Market Funds	\$ 47,230
Equities	746,521
Fixed Income	505,321
Total	<u>\$ 1,299,072</u>

The Foundation categorizes 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. The above chart identifies the Foundation’s recurring fair value measurements as of June 30, 2023. All of the Foundation’s investments are valued using quoted market prices (Level 1 inputs).

Support Provided to the College:

During the year ended June 30, 2023, the Foundation provided \$12,200 to or on behalf of the College for scholarships and other purposes.

NOTE 16 – COVID-19

During fiscal year 2023, the College received Coronavirus Aid, Relief, and Economic Security (CARES) Act funding: Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA), American Rescue Plan (ARP), and Strengthening Institutions Program (SIP) due to the COVID-19 pandemic.

NOTE 17 – CHANGES IN ACCOUNTING PRINCIPLES

As more fully described in Note 2 – U, the College implemented GASB Statement No. 96. The implementation of this statement resulted in the following changes to the College’s assets and liabilities as of July 1, 2022. There was no net effect on deferred outflows of resources, deferred inflows of resources, and net position as of July 1, 2022.

	June 30, 2022 as Originally <u>Reported</u>	GASB 96 <u>Adoption</u>	July 1, 2022 as Restated
Current Assets	\$8,615,341	\$ -	\$8,615,341
Noncurrent Assets	<u>19,294,005</u>	<u>664,805</u>	<u>19,958,810</u>
Total Assets	27,909,346	664,805	28,574,151
Current Liabilities	577,239	208,256	785,495
Noncurrent Liabilities	<u>5,220,258</u>	<u>456,549</u>	<u>5,676,807</u>
Total Liabilities	5,797,497	664,805	6,462,302
Net Position	<u>\$18,587,333</u>	<u>\$ -</u>	<u>\$18,587,333</u>

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
College's proportion of the net pension liability	0.0380430%	0.0414087%	0.0391020%	0.0322637%	0.0342588%	0.0358386%	0.0396922%	0.0489690%	0.0595300%	0.0595300%
College's proportionate share of the net pension liability	\$ 2,057,661	\$ 1,527,861	\$ 2,586,289	\$ 1,930,394	\$ 1,962,065	\$ 2,141,277	\$ 2,905,103	\$ 2,794,219	\$ 3,012,779	\$ 3,540,058
College's covered payroll	\$ 1,421,121	\$ 1,429,321	\$ 1,421,600	\$ 1,106,830	\$ 1,122,104	\$ 1,181,993	\$ 1,229,171	\$ 1,565,941	\$ 1,839,646	\$ 1,997,637
College's proportionate share of the net pension liability as a percentage of its covered payroll	144.79%	106.89%	181.93%	174.41%	174.86%	181.16%	236.35%	178.44%	163.77%	177.21%
Plan fiduciary net position as a percentage of the total pension liability	75.82%	82.86%	68.55%	70.85%	71.36%	69.50%	62.98%	69.16%	71.70%	65.52%

(1) Information prior to 2013 is not available.
Amounts presented as of the College's measurement date which is the prior fiscal year.

See accompanying notes to required supplementary information.

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
College's proportion of the net pension liability	0.0375679%	0.0391020%	0.0322637%	0.0342588%	0.0342588%	0.0358386%	0.0396922%	0.0489690%	0.0595300%	0.0595300%
College's proportionate share of the net pension liability	\$ 4,865,223	\$ 2,881,324	\$ 5,953,106	\$ 5,973,227	\$ 6,987,159	\$ 7,749,597	\$ 11,509,693	\$ 10,670,561	\$ 11,157,354	\$ 13,290,567
College's covered payroll	\$ 2,713,971	\$ 2,660,500	\$ 2,841,571	\$ 3,024,886	\$ 3,452,879	\$ 3,475,229	\$ 3,850,879	\$ 3,943,907	\$ 4,991,715	\$ 5,530,862
College's proportionate share of the net pension liability as a percentage of its covered payroll	179.27%	108.30%	209.50%	197.47%	202.36%	223.00%	298.88%	270.56%	223.52%	240.30%
Plan fiduciary net position as a percentage of the total pension liability	78.88%	87.78%	77.50%	77.40%	77.31%	75.30%	66.80%	72.10%	74.70%	69.30%

(1) Information prior to 2013 is not available.
Amounts presented as of the College's measurement date which is the prior fiscal year.

See accompanying notes to required supplementary information.

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 210,715	\$ 198,957	\$ 200,105	\$ 191,916	\$ 149,422	\$ 151,484	\$ 165,479	\$ 172,084	\$ 206,391	\$ 254,975
Contributions in relation to the contractually required contribution	<u>(210,715)</u>	<u>(198,957)</u>	<u>(200,105)</u>	<u>(191,916)</u>	<u>(149,422)</u>	<u>(151,484)</u>	<u>(165,479)</u>	<u>(172,084)</u>	<u>(206,391)</u>	<u>(254,975)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
College's covered payroll	\$ 1,505,107	\$ 1,421,121	\$ 1,429,321	\$ 1,421,600	\$ 1,106,830	\$ 1,122,104	\$ 1,181,993	\$ 1,229,171	\$ 1,565,941	\$ 1,839,646
Contributions as a percentage of covered payroll	14.00%	14.00% #	14.00%	13.50%	13.50%	13.50%	14.00%	13.18%	13.86%	13.84%

See accompanying notes to required supplementary information.

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 340,112	\$ 379,956	\$ 372,470	\$ 397,820	\$ 423,484	\$ 483,403	\$ 486,532	\$ 539,123	\$ 552,147	\$ 648,923
Contributions in relation to the contractually required contribution	<u>(340,112)</u>	<u>(379,956)</u>	<u>(372,470)</u>	<u>(397,820)</u>	<u>(423,484)</u>	<u>(483,403)</u>	<u>(486,532)</u>	<u>(539,123)</u>	<u>(552,147)</u>	<u>(648,923)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
College covered payroll	\$ 2,429,371	\$ 2,713,971	\$ 2,660,500	\$ 2,841,571	\$ 3,024,886	\$ 3,452,879	\$ 3,475,229	\$ 3,850,879	\$ 3,943,907	\$ 4,991,715
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	13.00%

See accompanying notes to required supplementary information.

Belmont College
Required Supplementary Information
Schedule of the College's Proportionate Share of the Net OPEB Liability
School Employees Retirement System of Ohio
Last Seven Years (1)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
College's proportion of the net OPEB liability	0.03756790%	0.04013400%	0.03740920%	0.03106200%	0.03406310%	0.03554160%	0.03906673%
College's proportionate share of the net OPEB liability	\$ 527,457	\$ 759,571	\$ 813,024	\$ 781,154	\$ 945,002	\$ 953,843	\$ 1,113,546
College's covered payroll	\$ 1,421,121	\$ 1,429,321	\$ 1,421,600	\$ 1,106,830	\$ 1,122,104	\$ 1,181,993	\$ 1,229,171
College's proportionate share of the net OPEB liability as a percentage of its covered payroll	37.12%	53.14%	57.19%	70.58%	84.22%	80.70%	90.59%
Plan fiduciary net position as a percentage of the total OPEB liability	30.34%	24.08%	18.17%	15.57%	13.57%	12.46%	11.49%

(1) Information prior to 2017 is not available.
Amounts presented as of the College's measurement date which is the prior fiscal year.

See accompanying notes to required supplementary information.

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
College's proportion of the net OPEB liability (asset)	0.02188572%	0.03114454%	0.03267199%	0.03645953%	0.03977556%	0.04487159%	0.05011378%
College's proportionate share of the net OPEB liability (asset)	\$ (566,694)	\$ (475,132)	\$ (432,397)	\$ (447,367)	\$ (510,632)	\$ 1,272,818	\$ 1,838,918
College's covered payroll	\$ 2,713,971	\$ 2,660,500	\$ 2,841,571	\$ 3,024,886	\$ 3,452,897	\$ 3,475,229	\$ 3,850,879
College's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	-20.88%	-17.86%	-15.22%	-14.79%	-14.79%	36.63%	47.75%
Plan fiduciary net position as a percentage of the total OPEB liability	230.73%	174.73%	182.13%	174.74%	176.00%	47.11%	37.33%

(1) Information prior to 2017 is not available.
Amounts presented as of the College's measurement date which is the prior fiscal year.

See accompanying notes to required supplementary information.

Belmont College
Required Supplementary Information
Schedule of College Contributions for OPEB
School Employees Retirement System of Ohio
Last Ten Years (1)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 19,023	\$ 17,724	\$ 13,946	\$ 9,054	\$ 15,113	\$ 21,160	\$ 15,549	\$ 14,804
Contributions in relation to the contractually required contribution	<u>(19,023)</u>	<u>(17,724)</u>	<u>(13,946)</u>	<u>(9,054)</u>	<u>(15,113)</u>	<u>(21,160)</u>	<u>(15,549)</u>	<u>(14,804)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
College's covered payroll	\$ 1,505,107	\$ 1,421,121	\$ 1,429,321	\$ 1,421,600	\$ 1,106,830	\$ 1,122,104	\$ 1,181,993	\$ 1,229,171
Contributions as a percentage of covered payroll	1.26%	1.25%	0.98%	0.64%	1.37%	1.89%	1.32%	1.20%

See accompanying notes to required supplementary information.

Belmont College
Required Supplementary Information
Schedule of College Contributions for OPEB
State Teachers Retirement System of Ohio
Last Ten Years (1)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
College covered payroll	\$ 2,429,371	\$ 2,713,971	\$ 2,660,500	\$ 2,841,571	\$ 3,024,886	\$ 3,452,897	\$ 3,475,229	\$ 3,850,879
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

See accompanying notes to required supplementary information.

Pension

School Employees Retirement System (SERS)

Changes in benefit terms

2023: There were no changes in benefit terms from the amounts reported for this fiscal year.

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

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

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

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

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

Changes in assumptions

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

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

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

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

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

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

Pension (continued)

State Teachers Retirement System (STRS)

Changes in benefit terms

2019-2023: There were no changes in benefit terms from the amounts reported for these fiscal years.

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

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

Changes in assumptions

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

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

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

- (1) The long term expected rate of return was reduced from 7.45% to 7.00%,
- (2) The discount rate of return was reduced from 7.45% to 7.00%,

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

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

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

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

OPEB

School Employees Retirement System (SERS)

Changes in benefit terms

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

Changes in assumptions

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

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

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

- (1) Wage inflation decreased from 3.00% to 2.40%
- (2) Future salary increases changed from 3.50%-18.20% to 3.25%-13.58%
- (3) Investment rate of return decreased from 7.50% to 7.00%
- (4) The discount rate decreased from 7.50% to 7.00%
- (5) Municipal Bond Index Rate:

Prior Measurement Date	2.45%
Measurement Date	1.92%
- (6) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:

Prior Measurement Date	2.63%
Measurement Date	2.27%
- (7) Mortality tables changes from the RP=2014 Blue Collar mortality table to the PUB-2010 General Employee Amount Weighted Below median Health Retiree mortality table.

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

- (1) The discount rate was changed from 3.22% to 2.63%
- (2) Municipal Bond Index Rate:

Prior Measurement Date	3.13%
Measurement Date	2.45%

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

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

- (1) The discount rate was changed from 3.63% to 3.70%
- (2) Municipal Bond Index Rate:

Prior Measurement Date	3.56%
Measurement Date	3.62%
- (3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:

Prior Measurement Date	3.63%
Measurement Date	3.70%

OPEB (continued)

School Employees Retirement System (SERS) (continued)

Changes in assumptions (continued)

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

- (1) Discount Rate:

Fiscal Year 2018	3.63%
Fiscal Year 2017	2.98%
- (2) Municipal Bond Index Rate:

Fiscal Year 2018	3.56%
Fiscal Year 2017	2.92%
- (3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:

Fiscal Year 2018	3.63%
Fiscal Year 2017	2.98%

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

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

State Teachers Retirement System (STRS)

Changes in benefit terms

2023: There were no changes in benefit terms from the amounts reported for this fiscal year.

2022: There was no change to the claims costs process. The non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055 percent to 2.1 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D Subsidy was updated to reflect it is expected to be negative in CY 2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

2021: There was no change to the claims costs process. Claim curves were updated to reflect the projected FYE 2021 premium based on June 30, 2020 enrollment distribution. The non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984% to 2.055% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy

OPEB (continued)

State Teachers Retirement System (STRS) (Continued)

Changes in benefit terms (continued)

percentages were adjusted effective January 1, 2021 to 2.1% for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

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

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

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

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

Changes in assumptions

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

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

OPEB (continued)

State Teachers Retirement System (STRS) (Continued)

Changes in benefit terms (continued)

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

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

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

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

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

BELMONT COLLEGE
BELMONT COUNTY, OHIO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For Fiscal Year Ended June 30, 2023

	Assistance Listing Number	Federal Disbursements	Passed Through to Subrecipients
<u>U.S. Department of Education</u>			
<i>Direct Awards</i>			
Student Financial Aid Cluster			
Federal Pell Grant	84.063	\$ 1,058,523	\$ 0
Federal Work Study	84.033	10,197	0
Federal Direct Student Loan	84.268	645,517	0
Supplemental Educational Opportunity Grant	84.007	81,190	0
Total Student Financial Aid Cluster		1,795,427	0
Education Stabilization Fund			
COVID 19: Higher Education Emergency Relief Fund - Institution	84.425F	19,717	0
COVID 19: Higher Education Emergency Relief Fund - SIP	84.425M	39,898	0
COVID 19: Higher Education Emergency Relief Fund - SSARP	84.425T	189,573	0
Total Education Stabilization Fund		249,188	0
<i>Passed through Ohio Department of Higher Education:</i>			
<i>Passed through Washington State Community College:</i>			
Vocational Education - Basic Grants to State	84.048	38,095	0
Total U.S. Department of Education		2,082,710	0
Total Federal Awards		\$ 2,082,710	\$ 0

See accompanying notes to the schedule of expenditures of federal awards

BELMONT COLLEGE
BELMONT COUNTY OHIO
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510 (B)(6)
For Fiscal Year Ended June 30, 2023

NOTE 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes federal grant activity of Belmont College (the College) includes the federal award activity of the federal government for the year ended June 30, 2022. 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 POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The College has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3: FEDERAL DIRECT LOAN PROGRAM

The College participates in the William D. Ford Federal Direct Loan Program. The College originates the loans which are then funded through the U.S. Department of Education.

Federal Subsidized Loans	\$ 213,602
Federal Unsubsidized Loans	<u>431,915</u>
Total Federal Direct Student Loans	<u><u>\$ 645,517</u></u>

NOTE 4: IMMATERIAL PRIOR YEAR ITEM

The College received \$8,323 in Coronavirus Relief Fund Mental Health in the fiscal year 2021-2022 that were not reported in the fiscal year 2022 Schedule of Expenditures of Federal Awards.

U.S. Department of Treasury	ALN	
Passed through the Ohio Department of Higher Education		
Coronavirus Relief Fund Mental Health	21.019	\$ 8,323



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

Belmont College
Belmont County
68094 Hammond Road
St. Clairsville, Ohio 43950

To the Board of Trustees:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the business-type activities, and the discretely presented component unit of Belmont College, Belmont County, (the College) as of and for the year ended June 30, 2023, 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 21, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

BHM CPA Group

BHM CPA Group Inc.
Piketon, Ohio
December 21, 2023



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

Belmont College
Belmont County
68094 Hammond Road
St. Clairsville, Ohio 43950

To the Board of Trustees:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Belmont College's, Belmont County, (College) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on Belmont College's major federal program for the year ended June 30, 2023. Belmont College's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, Belmont College complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2023.

Basis for Opinion on the Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the College's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the College's compliance with the requirements of the major federal program as a whole.

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

A handwritten signature in black ink that reads "BHM CPA Group". The letters are cursive and somewhat stylized.

BHM CPA Group Inc.
Piketon, Ohio
December 21, 2023

**Belmont College
Belmont County, Ohio**

**Schedule of Findings
2 CFR § 200.515
June 30, 2023**

1. SUMMARY OF AUDITOR'S RESULTS

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

**Belmont College
Belmont County, Ohio**

**Schedule of Findings
2 CFR § 200.515
June 30, 2023**

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

None noted

3. FINDINGS FOR FEDERAL AWARDS

None noted

Belmont College
Belmont County, Ohio

Schedule of Prior Audit Findings
2 CFR §200.511(b)
June 30, 2023

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2022-001	Significant Deficiency: Internal Controls Over Payroll	Yes	

TAB C-2

CONSENT AGENDA

Administrative Items

Transfer of Unexpended Plant Fund

Appropriated Balance

AGENDA ITEM C-2: TRANSFER OF UNEXPENDED PLANT FUND APPROPRIATED
FUND BALANCE

BOARD OF TRUSTEES MEETING DATE: MARCH 21, 2024

The Board is requested to approve the transfer from the Unexpended Plant Fund Appropriated Fund Balance Live Burn Building to the Unexpended Plant Fund Un-Appropriated Fund Balance in the amount of \$181,661.73.

RECOMMENDATION: The administration is recommending the Board approve the Unexpended Plant Fund Appropriated Fund Balance Live Burn Building transfer in the amount of \$181,661.73 to the Unexpended Plant Fund Un-Appropriated Fund Balance.

SUBMITTED BY: Janet Sempkowski, Director of Finance & CFO

TAB C-3

CONSENT AGENDA

Administrative Items

Re-Appropriation of Unexpended Plant
Fund Balance

AGENDA ITEM C-3: RE-APPROPRIATION OF UNEXPENDED PLANT FUND BALANCE
BOARD OF TRUSTEES MEETING DATE: MARCH 21, 2024

The Board is requested to approve the transfer from the Unexpended Plant Fund Un-Appropriated Fund Balance to the General Fund Appropriated Fund Balance Deferred Maintenance in the amount of \$181,661.73.

RECOMMENDATION: The administration is recommending the Board approve the transfer in the amount of \$181,661.73 from the Unexpended Plant Fund Un-Appropriated Fund Balance to the General Fund Appropriated Fund Balance Deferred Maintenance.

SUBMITTED BY: Janet Sempkowski, Director of Finance & CFO

TAB C-4

CONSENT AGENDA

Administrative Items

Course Fee Adjustments

AGENDA ITEM C-4: COURSE FEE ADJUSTMENTS
Board of Trustees Meeting Date: March 21, 2024

Every year program course fees are assessed to determine whether the fee recovers the cost of supplies and materials necessary to implement the curriculum.

The Emergency Medical course fee increases are necessary to recover the increase in testing and certification fees for the program. The Heating, Ventilation, and Air Conditioning (HVAC) program course fee increases are needed to recover expenses for credentialing exams through HVAC Excellence. HVAC Excellence provides our HVAC program a guarantee that our students have learned the requirements to work in the industry with a warranty for retraining if needed to become successful. The Welding program course fee increases are due to the rising costs for materials, such as: steel, gasses, and welding rods.

The following course fee adjustments are recommended effective Fall Semester 2024:

Course	Course Title	Current Fee	Proposed Fee
EMT 1110	Emergency Medical Technician	\$175	\$200
EMT 1150	Advanced EMT	\$200	\$225
EMT 2250	ALS Team Lead Seminar Intern	\$125	\$150
HAC 1100	Welding Fundamentals	\$80	\$90
HAC 1110	Heating & Cooling Fundamentals	\$120	\$135
HAC 1113	Basic Electricity, Power Systems, & Motors	\$105	\$120
HAC 1120	Theory of Refrig & Refrigerant Handling	\$120	\$130
HAC 1123	Heating Systems I	\$120	\$125
HAC 2130	A/C Systems Maintenance	\$50	\$65
HAC 2136	Forced Air & Sheet Metal	\$90	\$105
HAC 2141	Refrigeration Service & Repair	\$50	\$65
HAC 2146	Design Project HVAC	\$20	\$40
HAC 2148	Capstone HVAC	\$50	\$65
WAF 1120	MIG I	\$190	\$200
WAF 2140	Welding Fabrication	\$135	\$150
WAF 2148	Welding Capstone	\$50	\$100
WAF 2288	WAF Internship	\$30	\$75
WAF 2289	WAF Seminar	\$30	\$75

RECOMMENDATION: Recommend the Board approve the course fee adjustments as indicated above effective Fall Semester of the 2024-2025 academic year.

SUBMITTED BY: Janet Sempkowski, Director of Finance & CFO

TAB C-5

CONSENT AGENDA

Administrative Items

CCP Adjustment

AGENDA ITEM C-5: CCP ADJUSTMENT
Board of Trustees Meeting Date: March 21, 2024

The College Credit Plus program default funding structure is established by Ohio Revised Code 3365.07. The default rates defined in ORC Section 3355.07 are dependent on the delivery method of the course.

- a. For a participant enrolled in a college course delivered on the college campus, at another location operated by the college, or online, the lesser of the default ceiling amount or the college's standard rate.
- b. Courses offered at the high school by a CCP-credentialed high school teacher
 For a participant enrolled in a college course delivered at the participant's secondary school but taught by college faculty, the lesser of fifty percent of the default ceiling amount or the college's standard rate.
- c. Courses taught by a high school teacher who has met the credential requirements established for purposes of the program in rules adopted by the chancellor, the default floor amount.

	Ceiling Rate (C) Online or Course delivered on the college campus	Mid-Level Rate (B) Course delivered at the high school with faculty instruction (50% of ceiling rate)	Floor Rate (A) Course delivered at the high school, with credentialed teacher (25% of ceiling rate)
Current Default Rates	\$166.55	\$83.28	\$41.64
Current Belmont College Rates	\$155.75 \$125.75 \$30.00 (General Fee)	\$77.88	\$41.64
Proposed Belmont College Rates	\$125.75 (including textbooks)	\$62.88 (classes taught online and at a high school by a Belmont College faculty member (including textbooks)	\$41.64 (including textbooks)

Rationale: To fortify the CCP program at Belmont College, a strategic proposal for adjusting rates for online, on-campus, and off-campus courses is advocated. This adjustment aims to broaden access to our programs within the region. The inclusion of textbooks in the rate ensures Belmont College's competitiveness with other educational institutions.

RECOMMENDATION: It is recommended that the Board approve the proposed Belmont College rates for College Credit Plus courses, becoming effective Academic Year 2024-2025.

SUBMITTED BY: Bridgette Dawson, AVP Student Affairs

TAB D

CONSENT AGENDA

Board Items

TAB D-1

CONSENT AGENDA

Board Items

Board of Trustees Meeting Schedule 2024-2025

AGENDA ITEM D-1: BOARD OF TRUSTEES MEETING SCHEDULE 2024-2025
Board of Trustees Meeting Date: March 21, 2024

The Board will create the annual schedule of meetings for the Fiscal Year beginning July 2024 through June 2025.

<u>Recommended 2024-2025</u> <u>Board of Trustees Meeting Schedule</u>
August 2024 - (Date TBD) – Board Retreat
September 26, 2024 – Heritage Tree/Emeritus
November 21, 2024
January 23, 2025
March 27, 2025
May 22, 2025
June 26, 2025

RECOMMENDATION: It is recommended that the Board of Trustees approve the schedule for the Fiscal Year beginning July 2024 through June 2025.

SUBMITTED BY: Elizabeth F. Gates, Chair

TAB D-2

CONSENT AGENDA

Board Items

Board of Trustees Elections

AGENDA ITEM D-2: BOARD OF TRUSTEES Appointments

Board of Trustees Meeting Date: March 21, 2024

HB 33 of the 135th General Assembly changed the process under ORC Section 3357.05 on how non-gubernatorial (“local”) trustees are appointed to the Boards of Trustees for Ohio’s technical colleges effective January 1, 2024. Under the new process, a trustee selection committee shall review and appoint trustees and the appointments are subject to the advice and consent of the Ohio Senate.

The Executive Committee of the college’s board of trustees appointed three local business leaders as members of a selection committee, who in turn provided the two following recommendations to the Executive Committee for nomination and election to the Board of Trustees, for terms beginning April 19, 2024 – April 18, 2027.

Dr. Mark Macri, Belmont County Ohio

Mrs. Melissa Smithberger, Monroe County Ohio

RECOMMENDATION: It is recommended that the Board of Trustees accept the appointments of Dr. Mark Macri and Mrs. Melissa Smithberger to the Board of Trustees for a term beginning April 19, 2024 – April 18, 2027.

SUBMITTED BY: Mr. Cory DelGuzzo, Mrs. Allison Anderson and Mr. Matt Steele, Belmont College Board of Trustees Executive Committee.

BELMONT COLLEGE BOARD OF TRUSTEES



**BELMONT
COLLEGE**

RESOLUTION 2024-1

RESOLUTION TO APPOINT TRUSTEE

WHEREAS, HB 33 of the 135th General Assembly changed the process under ORC Section 3357.05 on how non-gubernatorial (“local”) trustees are appointed to the Boards of Trustees for Ohio’s technical colleges effective January 1, 2024. Under the new process, a trustee selection committee shall review and appoint trustees and the appointments are subject to the advice and consent of the Ohio Senate; and

WHEREAS, the Executive Committee of the college’s board of trustees appointed three local business leaders as members of a selection committee, who in turn provided the recommendation of Dr. Mark Macri, Belmont County, Ohio, to the Executive Committee for nomination and election to the Board of Trustees for a term beginning April 19, 2024 – April 18, 2027, and

THEREFORE BE IT RESOLVED, that the Board of Trustees of Belmont College hereby approves the appointment of Dr. Mark Macri to the Board of Trustees for a term beginning April 19, 2024 – April 18, 2027, and directs the President of Belmont College to submit a copy of this resolution to the Ohio Senate.

Elizabeth F. Gates, Chair
Board of Trustees

Paul F. Gasparro, President
Secretary to the Board of Trustees

Adopted

BELMONT COLLEGE BOARD OF TRUSTEES



**BELMONT
COLLEGE**

RESOLUTION 2024-2

RESOLUTION TO APPOINT TRUSTEE

WHEREAS, HB 33 of the 135th General Assembly changed the process under ORC Section 3357.05 on how non-gubernatorial ("local") trustees are appointed to the Boards of Trustees for Ohio's technical colleges effective January 1, 2024. Under the new process, a trustee selection committee shall review and appoint trustees and the appointments are subject to the advice and consent of the Ohio Senate; and

WHEREAS, the Executive Committee of the college's board of trustees appointed three local business leaders as members of a selection committee, who in turn provided the recommendation of Mrs. Melissa Smithberger, Monroe County, Ohio, to the Executive Committee for nomination and election to the Board of Trustees for a term beginning April 19, 2024 – April 18, 2027, and

THEREFORE BE IT RESOLVED, that the Board of Trustees of Belmont College hereby approves the appointment of Mrs. Melissa Smithberger to the Board of Trustees for a term beginning April 19, 2024 – April 18, 2027 and directs the President of Belmont College to submit a copy of this resolution to the Ohio Senate.

Elizabeth F. Gates, Chair
Board of Trustees

Paul F. Gasparro, President
Secretary to the Board of Trustees

Adopted

TAB D-3

CONSENT AGENDA

Board Items

Temporary Location Lease

AGENDA ITEM D-3: TEMPORARY LOCATION LEASE
Board of Trustees Meeting Date: March 21, 2024

Belmont College has been provided with an opportunity to expand educational offerings in Martins Ferry, Ohio. Belmont College has secured a temporary location at 611 Walnut Street, Martins Ferry, Ohio 43935, on a month-to-month lease. Courses are expected to begin this summer semester, beginning May 28th of 2024.

It is our hope that this additional location can service potential students in that area and assist potential students that are paused from registration at Eastern Gateway Community College.

RECOMMENDATION: It is recommended that the Board approve the month-to-month lease and opening of a temporary location in Martins Ferry, Ohio.

SUBMITTED BY: Dr. Heather Davis, VP of Academic Affairs

TAB D-4

CONSENT AGENDA

Board Items

Bridge to Success Scholarship

AGENDA ITEM D-4: BRIDGE TO SUCCES SCHOLARSHIP
Board of Trustees Meeting Date: March 21, 2024

The Trustees Scholarship is currently available to all high school seniors who reside in Belmont, Harrison, or Monroe Counties in Ohio. The Trustees Scholarship covers tuition charges only after other grants have been applied. Fees, books, and materials are not covered.

Eastern Gateway Community College offered a similar opportunity with their Horizon (Jefferson County) and Gateway Grants, (Columbiana, Mahoning, Portage and Trumbull). In an effort to provide access to educational opportunities for students who will be attending EGCC due to the enrollment pause, the creation of a “Bridge to Success” Scholarship should be established.

Eligibility guidelines for the proposed scholarship are:

- Eligible recipients must enroll at Belmont College within the 2024-2025 academic year if they were previously receiving the Horizon or Gateway Grant through EGCC.
- Students must apply for the Federal Pell Grant through the Free Application for Federal Student Aid (FAFSA) during their enrollment.
- Scholarship eligibility will continue as long as a grade point average of 2.0 and progress toward an intended program of study is maintained.
- Scholarship eligibility ends upon completion of the student’s first degree or six consecutive semesters, whichever comes first.

This scholarship will be in the form of a last-dollar tuition waiver, where the tuition line item for an eligible student would be considered covered if not already paid for by grants.

RECOMMENDATION: It is recommended that the Board approve the establishment and implementation of the Bridge to Success Scholarship.

SUBMITTED BY: Bridgette Dawson, AVP Student Affairs

Danielle Moore, Director of Financial Aid

TAB D-5

CONSENT AGENDA

Board Items

CCP to Degree Scholarship

AGENDA ITEM D-5: CCP TO DEGREE SCHOLARSHIP

Board of Trustees Meeting Date: March 21, 2024

Belmont College recognizes the benefits of encouraging enrollment of capable high school graduates. To support enrollment of this population, Belmont College recommends the approval of a new scholarship opportunity, the CCP to Degree Scholarship. This scholarship will be in the form of a last-dollar tuition waiver, where the tuition line item for an eligible student would be considered covered if not already paid for by grants. This mirrors the funding model for the current Trustee's Scholarship.

Eligibility guidelines for the proposed scholarship are:

- Eligible students must have earned credit in the College Credit Plus (CCP) program at Belmont College.
- Eligible recipients must enroll at Belmont College within the academic year following their high school graduation or equivalent.
- Students must apply for the Federal Pell Grant through the Free Application for Federal Student Aid (FAFSA) during their enrollment.
- Scholarship eligibility will continue as long as a grade point average of 2.0 and progress toward an intended program of study is maintained.
- Scholarship eligibility ends upon completion of the student's first degree or six consecutive semesters, whichever comes first.

This scholarship intends to increase enrollment in our CCP program and within areas outside of our immediate service area that otherwise would not have eligibility for the Belmont College's Trustees Scholarship. Additionally, the state share of instruction (SSI) funding model incentivizes student progress metrics, including success points and completion milestones, which will increase with enrollment growth and increased SSI.

The Ohio Department of Education and Workforce (ODEW) indicates there are 772 high school Seniors in neighboring counties (Jefferson, 452) (Guernsey 230), (Noble, 90) outside of Belmont College's service area. There are 708 high school Seniors currently in our three-county service area. In our Spring 2024 semester, Belmont College has 77 enrolled CCP students who reside outside of the established service area. We believe the proposed CCP to Degree Scholarship will increase enrollment, and SSI, from these viable markets.

RECOMMENDATION: It is recommended that the Board approve the establishment and implementation of the CCP to Degree Scholarship.

SUBMITTED BY: Bridgette Dawson, AVP, Student Affairs
Danielle Moore, Director of Financial Aid

TAB D-6

CONSENT AGENDA

Board Items

Academic Technical Center
Improvements

AGENDA ITEM D-6: ACADEMIC TECHNICAL CENTER IMPROVEMENTS
Board of Trustees Meeting Date: March 21, 2024

The Administration seeks approval to utilize funds from the unexpended plant fund to secure the services of the architecture firm SōL Harris/Day Architecture for a Academic Technical Center improvements. The firm will assist in the renovation of the former Campus Shop/Bookstore for a cost not to exceed \$250,000. This renovation will allow for a private executive and Board of Trustees office/meeting area.

RECOMMENDATION: The administration recommends that the Board grant approval for the use of unexpended plant funds, not to exceed \$250,000, for the purpose of renovating the former Campus Shop/Bookstore to allow for a more private executive and Board of Trustees office/meeting area.

SUBMITTED BY: Paul F. Gasparro, President & CEO