

**CUYAHOGA COMMUNITY COLLEGE FOUNDATION**

**(A COMPONENT UNIT OF CUYAHOGA COMMUNITY COLLEGE)**

**CUYAHOGA COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**



OHIO AUDITOR OF STATE  
KEITH FABER



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Board of Directors  
Cuyahoga Community College Foundation  
700 Carnegie Avenue  
Cleveland, Ohio 44115

We have reviewed the *Independent Auditor's Report* of the Cuyahoga Community College Foundation, Cuyahoga County, prepared by Ciuni & Panichi, Inc., for the audit period July 1, 2019 through June 30, 2020. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio

January 09, 2021

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# CUYAHOGA COMMUNITY COLLEGE FOUNDATION

## TABLE OF CONTENTS

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	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1-2
FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2020 and 2019:	
Statements of Financial Position	3
Statements of Activities	4-5
Statements of Cash Flows	6
Notes to the Financial Statements	7-25
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	26-27

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## Independent Auditor's Report

To the Board of Directors  
Cuyahoga Community College Foundation

### Report on the Financial Statements

We have audited the accompanying financial statements of Cuyahoga Community College Foundation (the "Foundation," a nonprofit corporation), a component unit of Cuyahoga Community College, which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

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

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

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

To the Board of Directors  
Cuyahoga Community College Foundation

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of June 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 6, 2020, on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation'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 Foundation's internal control over financial reporting and compliance.

*Cimini & Panichi, PC*

Cleveland, Ohio  
November 6, 2020



# CUYAHOGA COMMUNITY COLLEGE FOUNDATION

## STATEMENTS OF FINANCIAL POSITION JUNE 30, 2020 AND 2019

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ASSETS	<u>2020</u>	<u>2019</u>
Cash and Cash Equivalents	\$ 3,536,462	\$ 5,253,566
Investments	81,450,899	77,951,654
Receivables:		
Interest	50,377	12,207
Pledges - Net	3,629,390	2,503,877
Due from Related Party	0	49,501
Beneficial Interest in Remainder Unitrust	438,249	449,061
Cash Surrender Value of Insurance	126,239	132,910
Prepaid Expenses	76,000	23,951
Other Assets	125,000	125,000
	<hr/>	<hr/>
TOTAL	<u>\$ 89,432,616</u>	<u>\$ 86,501,727</u>
 <b>LIABILITIES AND NET ASSETS</b>		
LIABILITIES:		
Due to Related Party	\$ 2,957,468	\$ 3,174,958
Accounts Payable	32,536	26,877
Annuities Payable	10,766	11,250
	<hr/>	<hr/>
Total Liabilities	<u>3,000,770</u>	<u>3,213,085</u>
 NET ASSETS:		
Without Donor Restrictions:		
Undesignated	241,912	300,062
	<hr/>	<hr/>
With Donor Restrictions:		
Purpose Restrictions	70,873,549	67,875,731
Perpetual in Nature	15,316,385	15,112,849
	<hr/>	<hr/>
Total With Donor Restrictions	<u>86,189,934</u>	<u>82,988,580</u>
	<hr/>	<hr/>
Total Net Assets	<u>86,431,846</u>	<u>83,288,642</u>
	<hr/>	<hr/>
TOTAL	<u>\$ 89,432,616</u>	<u>\$ 86,501,727</u>

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

# CUYAHOGA COMMUNITY COLLEGE FOUNDATION

## STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES AND INVESTMENT ACTIVITIES:			
Contributions and Grants	\$ 639,821	\$ 6,490,894	\$ 7,130,715
Special Events Revenue	292,438	960,292	1,252,730
Investment Return - Net	0	2,804,383	2,804,383
Change in Value of Split-Interest Agreements	0	(10,520)	(10,520)
Net Assets Released from Restriction and Transfers	<u>7,043,695</u>	<u>(7,043,695)</u>	<u>0</u>
Total Revenues	<u>7,975,954</u>	<u>3,201,354</u>	<u>11,177,308</u>
EXPENSES:			
Program Services:			
Scholarships	3,232,192	0	3,232,192
Educational Development	3,621,538	0	3,621,538
Total Program Services	<u>6,853,730</u>	<u>0</u>	<u>6,853,730</u>
Administration and General	290,240	0	290,240
Fundraising	<u>890,134</u>	<u>0</u>	<u>890,134</u>
Total Expenses	<u>8,034,104</u>	<u>0</u>	<u>8,034,104</u>
CHANGES IN NET ASSETS	(58,150)	3,201,354	3,143,204
NET ASSETS - Beginning of year	<u>300,062</u>	<u>82,988,580</u>	<u>83,288,642</u>
NET ASSETS - End of year	<u>\$ 241,912</u>	<u>\$ 86,189,934</u>	<u>\$ 86,431,846</u>

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

# CUYAHOGA COMMUNITY COLLEGE FOUNDATION

## STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES AND INVESTMENT ACTIVITIES:			
Contributions and Grants	\$ 348,091	\$ 6,536,936	\$ 6,885,027
Special Events Revenue	475,145	816,853	1,291,998
Investment Return - Net	165,954	3,676,274	3,842,228
Change in Value of Split-Interest Agreements	0	31,799	31,799
Net Assets Released from Restriction and Transfers	<u>7,458,592</u>	<u>(7,458,592)</u>	<u>0</u>
Total Revenues	<u>8,447,782</u>	<u>3,603,270</u>	<u>12,051,052</u>
EXPENSES:			
Program Services:			
Scholarships	2,973,806	0	2,973,806
Educational Development	<u>4,408,671</u>	<u>0</u>	<u>4,408,671</u>
Total Program Services	<u>7,382,477</u>	<u>0</u>	<u>7,382,477</u>
Administration and General	404,411	0	404,411
Fundraising	<u>788,949</u>	<u>0</u>	<u>788,949</u>
Total Expenses	<u>8,575,837</u>	<u>0</u>	<u>8,575,837</u>
CHANGES IN NET ASSETS	(128,055)	3,603,270	3,475,215
NET ASSETS - Beginning of year	<u>428,117</u>	<u>79,385,310</u>	<u>79,813,427</u>
NET ASSETS - End of year	<u>\$ 300,062</u>	<u>\$ 82,988,580</u>	<u>\$ 83,288,642</u>

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

# CUYAHOGA COMMUNITY COLLEGE FOUNDATION

## STATEMENTS OF CASH FLOWS YEARS ENDED JUNE 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$ 3,143,204	\$ 3,475,215
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Contributions Restricted for Perpetual Investment	(201,763)	(240,000)
Net Change in Fair Value of Investments	(1,128,391)	(2,239,822)
Change in Value of Split Interest Agreements	10,520	(31,799)
Change in Allowance for Uncollectible Pledges	(327)	0
Change in Discounts to Net Present Value	(52,599)	(15,646)
(Increases) / Decreases in Assets:		
Interest Receivable	(38,170)	4,510
Pledges Receivable	(1,092,588)	1,068,074
Due from Related Party	49,501	(9,488)
Prepaid Expenses	(52,049)	32,049
Increases / (Decreases) in Liabilities:		
Due to Related Party	(217,490)	1,770,204
Accounts Payable	5,659	(3,399)
	<u>425,507</u>	<u>3,809,898</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Investments	(13,764,245)	(11,428,247)
Proceeds from Sale of Investments	11,399,870	9,545,863
	<u>(2,364,375)</u>	<u>(1,882,384)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Collection of Perpetually Restricted Contributions	<u>221,764</u>	<u>310,000</u>
	<u>221,764</u>	<u>310,000</u>
CHANGE IN CASH AND CASH EQUIVALENTS	(1,717,104)	2,237,514
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>5,253,566</u>	<u>3,016,052</u>
CASH AND CASH EQUIVALENTS - End of Year	<u>\$ 3,536,462</u>	<u>\$ 5,253,566</u>

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

# CUYAHOGA COMMUNITY COLLEGE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2020 AND 2019

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### 1. DESCRIPTION OF ORGANIZATION

The Cuyahoga Community College Foundation (the “Foundation”) was incorporated in August 1973 as a tax-exempt, nonprofit corporation under Section 501(c)(3) of the Internal Revenue Code for the purpose of securing funding for scholarships and educational program development and enhancement for Cuyahoga Community College (the “College”). The Foundation is classified as a public charity under Code Section 170(b)(1)(A)(iv) and 509(a)(1) because of its relations with the College and is exempt from income taxes on activities related to its exempt purpose. The Foundation is a component unit of Cuyahoga Community College.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

***Basis of Accounting and Financial Statement Presentation***—The financial statements of the Foundation are prepared on the accrual basis of accounting. The accompanying financial statements of the Foundation present information regarding its net assets and activities in the following two categories:

*Without Donor Restrictions* - Net assets available for use in general operations and not subject to donor restrictions. This may include funds designated by the Board of Directors (the “Board”) for specific purposes.

*With Donor Restrictions* - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time and/or as used for donor specified purposes. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity and the income from such investments is available for general or specific use.

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

The Foundation follows authoritative guidance issued by the Financial Accounting Standards Board (FASB) which established the Accounting Standards Codification (ASC) as the single source of authoritative accounting principles generally accepted in the United States of America.

***COVID-19 Impact***— In early calendar 2020, the world began dealing with the effects of the Coronavirus pandemic (COVID-19). The Foundation has experienced disruptions to its fundraising operations. The financial markets have experienced significant volatility. Management is continually evaluating the potential effects of the pandemic on its operations and taking action where deemed necessary to minimize any negative effects on financial performance and position. However, due to the level of uncertainty related to COVID-19, management is unable to estimate a reasonable range of potential impact on its financial position or results of operations.

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

# CUYAHOGA COMMUNITY COLLEGE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2020 AND 2019

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

**Reclassification**—Certain amounts in the prior year financial statements have been reclassified to conform to the current year presentation. This reclassification did not impact net asset totals.

**Cash and Cash Equivalents**—Cash and cash equivalents include cash in checking accounts, money market funds, and short-term investments with an original maturity of three months or less. At times, cash on hand may exceed federally insured limits.

**Investments**—Investments of the funds – both with and without donor restrictions – are pooled for making investment transactions and are carried at fair value with any realized or unrealized gains and losses reported in the statement of activities. Interest and dividend income is allocated proportionally across endowed funds each month and is awarded according to the terms and conditions of the funds. For endowed funds, interest and dividend income and capital gains are restricted for the purposes of the related funds unless otherwise specified by the donor.

**Contributions Receivable**—Contributions received, including unconditional promises to give, are recognized as revenue by net asset class when the donor’s commitment is received. Unconditional promises are recognized at the estimated present value of the future cash flows, net of allowances. The Foundation provides for uncollectible pledges receivable using the allowance method. Promises made that are designated for future periods or restricted by the donor for specific purposes are reported as support with donor restrictions. Conditional promises are recorded when donor stipulations are substantially met. It is the Foundation’s policy that an initial minimum balance of \$50,000 be required to establish an endowment fund. The policy allows for an annual review to determine if the accumulation of contributions and interest meet the minimum principal balance requirements.

**Beneficial Interest in Remainder Unitrust**—The Foundation is the beneficiary of a charitable remainder unitrust for which the Foundation is not the trustee. The Foundation recognizes the present value of the estimated future benefits to be received when the unitrust assets are distributed as an asset with changes in the estimated fair value recorded within change in the value of split-interest agreements.

**Contributions**—Contributions, including bequests, special gifts and other donations, are recorded as revenue when received or by pledge when an unconditional pledge is made. All contributions and gifts are available for use without donor restrictions unless specifically restricted by the donor. Noncash bequests, gifts, and donations, if any, would be recorded at the fair value of the asset at the date of donation.

# CUYAHOGA COMMUNITY COLLEGE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2020 AND 2019

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

***Special Events, Revenue Recognition***—Special event revenue includes sponsorships and ticket sales generated through the annual President's Scholarship Luncheon. These revenues are a hybrid of contribution and exchange transaction. The contracts with sponsors include performance obligations related to name recognition and event entry, while ticket sales have one performance obligation, event entry. The exchange portion of the transaction is the fair value of benefits received by sponsor/ticket purchaser. The revenue allocated to the name recognition performance obligation qualifies for recognition over time, however, management has determined that the effect of recognizing such revenue at a point in time along with the revenue allocated to event entry results in no difference to revenue recognized, as all performance obligations began and ended within the same year. The practical expedient method was also used for special event revenues. The Foundation had exchange revenue related to special events that was recognized at a point in time of \$814,846 and \$572,205 for the years then ended June 30, 2020, and 2019.

***In-Kind Gifts***—In-kind gifts, when received, are reflected as contributions in the accompanying financial statements at the estimated fair value as of the date of receipt. Such in-kind support is offset by like amounts in educational development, general and administrative, and fundraising expenses.

***Program Services Expenses***—All scholarships and other program services distributions are approved by the Board. Unconditional gifts to the College are recognized as educational development expense when approved. Gifts approved by the Board that are payable upon performance of specified conditions by the grantee (if any) are recognized in the statement of activities when the specified conditions are satisfied.

***Annuities Payable***—The Foundation is obligated under two charitable gift annuity contracts, whereby donors have contributed cash to the Foundation with the agreement that the donors shall be the sole recipient of quarterly annuity payments. These quarterly payments, currently totaling \$930 per year, shall terminate on the last payment date preceding the death of the donors. The discount rates used to estimate the obligations range from 1.4% to 2.4%. Assets held for the charitable gift annuities totaled \$20,213 and \$20,404 on June 30, 2020 and 2019 respectively and are reported as investments in the accompanying statements of financial position.

***Income Taxes***—The Foundation accounts for income taxes in accordance with the “Income Taxes” topic of the FASB ASC. Uncertain income tax positions are evaluated at least annually by management. The Foundation believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. The Foundation files its Form 990 in the U.S. federal jurisdiction and a charitable registration with the office of the state’s attorney general for the State of Ohio.

***Subsequent Events***—The Foundation has evaluated subsequent events through November 6, 2020, which is the date the financial statements were available to be issued.

# CUYAHOGA COMMUNITY COLLEGE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2020 AND 2019

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

**Adopted Accounting Pronouncements**—In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers, which is a comprehensive new revenue recognition standard that supersedes previously existing revenue recognition guidance. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects consideration to which the entity expects to be entitled in exchange for those goods or services. FASB issued ASU 2020-05 that deferred the effective date for the Organization until annual periods beginning after December 15, 2019. Earlier adoption of this ASU is permitted subject to certain limitations. The amendments in this update are required to be applied retrospectively to each prior reporting period presented or with the cumulative effect being recognized at the date of initial application. The Foundation has fully adopted the provisions of ASU 2014-09 as of June 30, 2020 and has presented the financial statements in accordance with this new pronouncement. There was no impact on beginning net assets as a result of this implementation. The adoption of this standard did not have a material impact on the financial statements.

In June 2018, the FASB issued ASU 2018-08, Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made to assist entities in evaluating whether transactions should be accounted for as contributions (nonreciprocal) or as exchange transactions subject to other revenue recognition guidance. This ASU gives further guidance related to when a contribution is deemed to be conditional such that recognition of revenue should be delayed until conditions are substantially met. On July 1, 2019, the Foundation adopted this ASU, as it relates to contributions received. The Foundation's financial statements have been updated to reflect the implementation of this standard on a modified-prospective basis. There was no impact on beginning net assets as a result of this implementation. The Foundation has adopted the provisions of ASU 2018-08 for contributions received as of June 30, 2020 and has presented the financial statements in accordance with this new pronouncement. Management will fully adopt this ASU next year for contributions made as of June 30, 2021.

**Recent Accounting Pronouncements**—In February 2016, the FASB issued ASU 2016-02, Leases (ASU 2016-02). The new standard establishes a right-of-use model that requires a lessee to record a right-of-use asset and a lease liability on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. FASB issued ASU 2020-05 that deferred the effective date for the Foundation until annual periods beginning after December 15, 2021. Management is currently evaluating the impact of this ASU on its financial statements.



# CUYAHOGA COMMUNITY COLLEGE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2020 AND 2019

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### 3. INVESTMENTS

For investment purposes, assets are pooled for both funds with donor restrictions and funds without donor restrictions. Realized and unrealized gains and losses and investment income are allocated according to the net asset classifications of the individual funds until appropriated and disbursed in accordance with the agreements of the donors.

	<u>2020</u>	<u>2019</u>
Cash and Cash Equivalents	\$ 527	\$ 1,282
Mutual Funds	68,212,619	69,646,084
Common Stock	357,932	352,998
Alternative Investments	12,879,821	7,951,290
Total	<u>\$ 81,450,899</u>	<u>\$ 77,951,654</u>

The investments are exposed to various risks such as interest rate, market, and credit risks. The Foundation is required to give up to 6 months advance notice of its intent to withdraw from the alternative investments.

### 4. CONTRIBUTIONS RECEIVABLE

For fiscal years 2020 and 2019, the recorded value of contributions receivable is the present value of estimated future cash receipts using a discount rate of 4.75%. Management has established an allowance of approximately 0.5% of gross contributions receivable for uncollectible promises to give. Amounts due are as follows:

	<u>2020</u>	<u>2019</u>
Less than one year	\$ 2,616,751	\$ 1,190,999
One to five years	1,120,599	1,493,764
More than five years	20,000	0
Totals	<u>3,757,350</u>	<u>2,684,763</u>
Unamortized Discount	(109,173)	(161,772)
Allowance for		
Uncollectible Pledges	<u>(18,787)</u>	<u>(19,114)</u>
Total	<u>\$ 3,629,390</u>	<u>\$ 2,503,877</u>

# CUYAHOGA COMMUNITY COLLEGE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2020 AND 2019

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### 5. BENEFICIAL INTEREST IN REMAINDER UNITRUST

The beneficial interest in the charitable remainder unitrust totaled \$438,249 and \$449,061 on June 30, 2020 and 2019, respectively, representing the estimated portion of the unitrust for which the Foundation is the designated beneficiary.

### 6. CASH SURRENDER VALUE OF INSURANCE

The Foundation is the owner of certain life insurance policies on various donors who have named the Foundation as beneficiary. These policies are valued at their cash surrender values. The cash surrender value of these policies totaled \$126,239 and \$132,910 on June 30, 2020 and 2019, respectively.

### 7. RELATED PARTY TRANSACTIONS

The Foundation recognized contributions and special events revenue from the College during the years ended June 30, 2020 and 2019 of \$615,908 and \$735,595, respectively. The amounts owed to the Foundation as of June 30, 2020 and 2019 are \$0 and \$49,501, respectively, which are reported as due from related party on the statements of financial position.

The Foundation recognizes contributed services received from the College when those services (a) create or enhance non-financial assets, or (b) require specialized skills, are provided by College employees possessing those skills, and would typically need to be purchased if not provided by the donation. The Foundation recognized \$199,536 and \$265,242 of contributed services as contribution revenue and as administrative, general, and fundraising expenses in fiscal years 2020 and 2019, respectively.

The Foundation received grants restricted for educational development programs and scholarships at the College from various donors of \$2,724,039 and \$3,398,667 in fiscal years 2020 and 2019, respectively. These grants are classified as part of net assets with donor restrictions until the College meets certain conditions. The undistributed amounts for which the College has met the conditions are \$2,957,468 and \$3,174,958 as of June 30, 2020 and 2019, respectively, and are reported as due to related party on the statements of financial position. The Foundation recognized program service expenses of \$6,853,730 and \$7,382,477 for the years ended June 30, 2020 and 2019, respectively. All program service expenses payable to the College.

# CUYAHOGA COMMUNITY COLLEGE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2020 AND 2019

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### 8. LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available for general expenditure, without donor or other restrictions limiting their use, within one year of June 30, 2020 and 2019, are comprised of the following:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 273,184	\$ 249,984
Due from related party	<u>0</u>	<u>49,501</u>
Total available for general expenditure within one year	<u>\$ 273,184</u>	<u>\$ 299,485</u>

The Foundation funds its operations primarily through administrative fees charged to endowed restricted funds and from contributions and special events revenue without donor restrictions.

To support the Foundation's mission and operations, an administrative fee of up to 1% of the value of the endowment may be transferred to net assets without donor restrictions. The administrative fee will be calculated annually based on the three-year rolling quarterly average of the endowment's fair market value.

Endowment funds consist of donor-restricted endowments which are restricted as either perpetual in nature or for specific purposes. Donor-restricted endowment funds are not available for general expenditures.

The Foundation maintains funds restricted for educational development and special events. These funds are classified as net assets with donor restrictions and are not available for general expenditures.

Total available for general expenditure within one year excludes financial assets restricted to fund program service expenses which are almost entirely funded with donor-restricted net assets.

# CUYAHOGA COMMUNITY COLLEGE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2020 AND 2019

### 9. FUNCTIONAL EXPENSES

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated are salaries and benefits recognized as contributed services from the College. The College maintains a federally negotiated facilities and administrative rate agreement that is applied to the contributed services. These expenses are allocated based on estimates of time and effort.

Expense allocation for the year ended June 30, 2020 is as follows:

	<u>Program</u>	<u>Administration &amp; General</u>	<u>Fundraising</u>
Scholarships	\$ 3,232,192	\$ 0	\$ 0
Educational Development	3,621,538	0	0
Professional Fees	0	42,859	0
Conferences & Meetings	0	86,461	0
Miscellaneous	0	13,843	0
Personnel	0	147,077	52,459
Lobbying	0	0	323,500
Special Events	0	0	81,449
Donor Cultivation/Stewardship	0	0	432,726
<b>Total</b>	<u>\$ 6,853,730</u>	<u>\$ 290,240</u>	<u>\$ 890,134</u>

Expense allocation for the year ended June 30, 2019 is as follows:

	<u>Program</u>	<u>Administration &amp; General</u>	<u>Fundraising</u>
Scholarships	\$ 2,973,806	\$ 0	\$ 0
Educational Development	4,408,671	0	0
Professional Fees	0	148,684	0
Conferences & Meetings	0	48,433	0
Miscellaneous	0	15,721	0
Personnel	0	191,573	73,669
Lobbying	0	0	316,000
Special Events	0	0	221,213
Donor Cultivation/Stewardship	0	0	178,067
<b>Total</b>	<u>\$ 7,382,477</u>	<u>\$ 404,411</u>	<u>\$ 788,949</u>

# CUYAHOGA COMMUNITY COLLEGE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2020 AND 2019

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### 10. NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2020</u>	<u>2019</u>
Subject to expenditure for specified purposes:		
Scholarships	\$ 63,511,048	\$ 61,031,538
Educational Development	7,105,541	6,559,840
Special Events	256,960	284,353
	<u>\$ 70,873,549</u>	<u>\$ 67,875,731</u>
Perpetual in nature, subject to endowment spending policy and appropriation:		
Scholarships	\$ 3,777,292	\$ 3,555,528
Educational Development	11,500,000	11,500,000
Pledges receivable, net - permanently restricted to endowment	39,093	57,321
	<u>\$ 15,316,385</u>	<u>\$ 15,112,849</u>
Total Net Assets with Donor Restrictions	<u>\$ 86,189,934</u>	<u>\$ 82,988,580</u>

Net assets were released from donor restrictions by incurring expenses which satisfied the following purpose restrictions during the years ended June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Scholarships	\$ 3,523,026	\$ 3,006,889
Educational Development	3,442,814	4,313,296
Special Events	77,855	138,407
Totals	<u>\$ 7,043,695</u>	<u>\$ 7,458,592</u>

# CUYAHOGA COMMUNITY COLLEGE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2020 AND 2019

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### 11. INVESTMENT OBJECTIVES AND ENDOWMENT FUNDS

The Foundation places great importance on risk reduction through asset allocation and style diversification. Investment results are measured using a rolling five to seven-year period or a full market cycle. The following are the investment performance objectives, in order of importance, for the portfolio:

- To generate a minimum annual real rate of return of approximately 5.0% after deducting for advisory, money management, custodial fees, and total transaction costs.
- To obtain a total return on the portfolio, net of all investment related fees, that exceeds the total return of the policy benchmark.
- Performance will be evaluated versus achievement of spending policy and comparisons to a similar set of investments.

The goals of the strategic asset allocation policy are to establish a long-term asset allocation plan for the Foundation's portfolio that is consistent with objectives and guidelines contained in this policy and carried out in an efficient manner. To that end, this policy establishes an acceptable range, defined to be any percentage above a minimum and below a maximum percentage of the portfolio allocated to a particular asset class, and a target percentage, defined to be the percentage goal for the investment of the portfolio in that asset class.

Market value fluctuations and operational needs may cause variations from the strategic asset allocation policy ranges stated in this policy. Depending upon market conditions, the percentage allocation to each asset class may vary as much as plus or minus 5.0%. The Foundation does not deem it acceptable to time the market with tactical allocation shifts. Asset mixes and the possibilities for rebalancing are considered on a monthly basis. The intention of this policy is to avoid short-term judgments that introduce significant unplanned risk.

Distributions from endowment funds are spent in compliance with the donor's restrictions applicable to the funds being distributed. The Foundation classifies net assets with donor restrictions that are perpetual in nature as: (a) the original value of the gifts donated to the perpetual endowment, (b) the original value of subsequent gifts to the perpetual endowment, and (c) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

# CUYAHOGA COMMUNITY COLLEGE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2020 AND 2019

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### 11. INVESTMENT OBJECTIVES AND ENDOWMENT FUNDS – continued

The remaining portion of the donor-restricted endowment fund that is not classified as perpetual in nature is classified as net assets with purpose restrictions until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by the Uniform Prudent Management of Institutional Funds Act (UPMIFA). In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

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

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration (“underwater endowments”). UPMIFA legally allows the Foundation to make distributions from an underwater endowment in accordance with prudent measures prescribed under the law. There were no deficits of this nature in fiscal years 2020 or 2019.

# CUYAHOGA COMMUNITY COLLEGE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2020 AND 2019

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### 11. INVESTMENT OBJECTIVES AND ENDOWMENT FUNDS – continued

Endowment net asset composition by fund type consists of the following as of June 30, 2020:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor Restricted Endowment Funds:			
Purpose Restrictions	\$ 0	\$ 61,222,371	\$ 61,222,371
Original donor-restricted gifts and amounts requires to be maintained in perpetuity by donor	0	15,277,292	15,277,292
Accumulated investment return	<u>0</u>	<u>4,355,342</u>	<u>4,355,342</u>
Total Endowment Funds	<u>\$ 0</u>	<u>\$ 80,855,005</u>	<u>\$ 80,855,005</u>

Changes in endowment net assets was as follows for the year ended June 30, 2020:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 0	\$ 77,754,935	\$ 77,754,935
Investment return - net	0	2,688,263	2,688,263
Contributions and transfers	0	2,404,064	2,404,064
Appropriation of endowment assets for expenditure	<u>0</u>	<u>(1,992,257)</u>	<u>(1,992,257)</u>
Endowment net assets, end of year	<u>\$ 0</u>	<u>\$ 80,855,005</u>	<u>\$ 80,855,005</u>



# CUYAHOGA COMMUNITY COLLEGE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2020 AND 2019

### 11. INVESTMENT OBJECTIVES AND ENDOWMENT FUNDS – continued

Endowment net asset composition by fund type consists of the following as of June 30, 2019:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor Restricted Endowment Funds:			
Purpose Restrictions	\$ 0	\$ 58,698,559	\$ 58,698,559
Original donor-restricted gifts and amounts requires to be maintained in perpetuity by donor	0	15,055,528	15,055,528
Accumulated investment return	<u>0</u>	<u>4,000,848</u>	<u>4,000,848</u>
Total Endowment Funds	<u>\$ 0</u>	<u>\$ 77,754,935</u>	<u>\$ 77,754,935</u>

Changes in endowment net assets was as follows for the year ended June 30, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 0	\$ 73,078,222	\$ 73,078,222
Investment return - net	0	3,617,422	3,617,422
Contributions and transfers	0	2,995,209	2,995,209
Appropriation of endowment assets for expenditure	<u>0</u>	<u>(1,935,918)</u>	<u>(1,935,918)</u>
Endowment net assets, end of year	<u>\$ 0</u>	<u>\$ 77,754,935</u>	<u>\$ 77,754,935</u>

# CUYAHOGA COMMUNITY COLLEGE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2020 AND 2019

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### 12. INVESTMENTS AND FAIR VALUE MEASUREMENTS

Generally accepted accounting principles provide a framework for measuring fair value, require disclosure about fair value measurements, and establish a three-level hierarchy for disclosure to show the extent and the level of judgment used to estimate fair value measurements:

*Level 1* – Uses unadjusted quoted prices that are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

*Level 2* – Uses inputs other than Level 1 that are either directly or indirectly observable as of the reporting date through correlation with market data, including quoted prices for similar assets or liabilities in active markets and quoted prices in markets that are not active. Level 2 also includes assets and liabilities that are valued using models or other pricing methodologies that do not require significant judgment since the input assumptions used in the models, such as interest rates and volatility factors, are corroborated by readily observable data.

*Level 3* – Uses inputs that are unobservable and are supported by little or no market activity and reflect the use of significant management judgment. These values are generally determined using pricing models and market assumptions.

Financial assets are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Foundation's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of fair value assets and their placement within the fair value hierarchy levels.

The following is a description of the valuation methodologies used for instruments measured at fair value:

***Common Stock***—Common stock is valued at the closing price reported on the active markets in which the individual securities are traded and therefore is classified as Level 1.

***Equity Mutual Funds***—Equity mutual funds primarily invest in common stock of domestic and international corporations in a variety of industries. Quoted prices in active markets are used to value the equity mutual funds and therefore are classified as Level 1.

***Fixed Income Mutual Funds***—Fixed income mutual funds primarily invest in U.S. Treasuries and corporate bonds. Quoted prices in active markets are used to value the fixed income mutual funds and therefore are classified as Level 1.

# CUYAHOGA COMMUNITY COLLEGE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2020 AND 2019

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### 12. INVESTMENTS AND FAIR VALUE MEASUREMENTS – continued

**Alternative Investments**—Alternative investments do not have readily determined fair values as they are not listed on national exchanges or over-the-counter markets. Fair value has been determined based on the individual fund’s net asset valuation provided by the investment managers, based on the guidelines established by those investment managers. As a result, the Foundation has not classified these investments within the fair value hierarchy. The Foundation obtains and considers the audited financial statements of these investments when evaluating the overall reasonableness of the carrying value. The fund’s annual financial statements are prepared in accordance with accounting principles generally accepted in the United States of America and the underlying investments are reported at fair value.

**Beneficial Interest in Charitable Remainder Unitrust**—The fair value of the beneficial interest in the charitable remainder unitrust is estimated at the present value of the projected proceeds that will be received from the unitrust as calculated annually according to IRS Publication 1458, *Actuarial Valuations*. As such, the fair value of the beneficial interest is considered to be determined based on Level 3 inputs.

**Cash Surrender Value of Insurance**—The cash surrender value of insurance is presented at fair value based on the amount in cash upon cancellation of the insurance policy before maturity as of the reporting period. The fair value is determined by the insurer and represents the exit price from the perspective of the Foundation. Since the valuation is unobservable, the cash surrender value calculation is considered a Level 3 input.

# CUYAHOGA COMMUNITY COLLEGE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2020 AND 2019

### 12. INVESTMENTS AND FAIR VALUE MEASUREMENTS – continued

Financial assets consisted of the following at June 30, 2020:

#### Measured at Fair Value

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments:				
Cash and Cash Equivalents	\$ 527	0	0	\$ 527
Common Stock	357,932	0	0	357,932
Equity Mutual Funds				
Domestic Large-Cap	24,001,135	0	0	24,001,135
Domestic Mid-Cap	3,888,395	0	0	3,888,395
Domestic Small-Cap	2,400,461	0	0	2,400,461
Global	2,708,763	0	0	2,708,763
International	15,653,218	0	0	15,653,218
Fixed Income Mutual Funds	19,560,647	0	0	19,560,647
Total Investments	<u>\$ 68,571,078</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 68,571,078</u>
Beneficial Interest in Remainder Unitrust	0	0	438,249	438,249
Cash Surrender Value of Insurance	0	0	126,239	126,239
Total Measured at Fair Value	<u>\$ 68,571,078</u>	<u>\$ 0</u>	<u>\$ 564,488</u>	<u>\$ 69,135,566</u>

#### Measured at Net Asset Value

	<u>Unfunded Commitments</u>	<u>Redemption Notice Period</u>	<u>Redemption Frequency</u>	<u>Net Asset Value</u>
Black Diamond Arbitrage, Ltd.	0	45 days	Monthly	\$ 3,749,317
Harrison Street Core Property Fund, L.P.	0	45 days	Quarterly	2,514,997
Maverick Stable Fund, Ltd.	0	95 days	Quarterly	4,134,802
White Oak Fixed Income C, L.P.	0	6 months	Quarterly	2,480,705
Total Measured at Net Asset Value				<u>\$ 12,879,821</u>
Total Financial Assets Measured at Fair Value and Net Asset Value				<u>\$ 82,015,387</u>

# CUYAHOGA COMMUNITY COLLEGE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2020 AND 2019

### 12. INVESTMENTS AND FAIR VALUE MEASUREMENTS – continued

Financial assets consisted of the following at June 30, 2019:

#### Measured at Fair Value

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments:				
Cash and Cash Equivalents	\$ 1,282	0	0	\$ 1,282
Common Stock	352,998	0	0	352,998
Equity Mutual Funds				
Domestic Large-Cap	21,440,414	0	0	21,440,414
Domestic Mid-Cap	3,282,819	0	0	3,282,819
Domestic Small-Cap	2,693,298	0	0	2,693,298
Long-Short Equity	4,136,910	0	0	4,136,910
Global	3,930,941	0	0	3,930,941
International	15,207,848	0	0	15,207,848
Fixed Income Mutual Funds	18,953,854	0	0	18,953,854
Total Investments	<u>\$ 70,000,364</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 70,000,364</u>
Beneficial Interest in Remainder Unitrust	0	0	449,061	449,061
Cash Surrender Value of Insurance	0	0	132,910	132,910
Total Measured at Fair Value	<u>\$ 70,000,364</u>	<u>\$ 0</u>	<u>\$ 581,971</u>	<u>\$ 70,582,335</u>

#### Measured at Net Asset Value

	<u>Unfunded Commitments</u>	<u>Redemption Notice Period</u>	<u>Redemption Frequency</u>	<u>Net Asset Value</u>
Black Diamond Arbitrage, Ltd.	0	45 days	Monthly	\$ 3,682,139
Maverick Stable Fund, Ltd.	0	95 days	Quarterly	4,269,151
Total Measured at Net Asset Value				<u>\$ 7,951,290</u>
Total Financial Assets Measured at Fair Value and Net Asset Value				<u>\$ 78,533,625</u>

# CUYAHOGA COMMUNITY COLLEGE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2020 AND 2019

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### 12. INVESTMENTS AND FAIR VALUE MEASUREMENTS – continued

For the years ended June 30, 2020 and 2019, the changes in assets measured using significant unobservable inputs (Level 3) were as follows:

	<u>2020</u>	<u>2019</u>
Beginning Balance	\$ 581,971	\$ 555,480
Purchases	0	0
Sales	0	0
Unrealized Gains (Losses)	<u>(17,483)</u>	<u>26,491</u>
Ending Balance	<u>\$ 564,488</u>	<u>\$ 581,971</u>

Black Diamond Arbitrage, Ltd. (the “Fund”) is a Cayman Islands exempted company with limited liability that was organized in March 1999. The Fund holds all or substantially all of its assets through Black Diamond Arbitrage Intermediate Ltd., which in turn invests all or substantially all of its assets in Black Diamond Arbitrage Offshore Ltd. (the “Master Fund”). The objective of the Master Fund is to invest in securities of companies that are the target of a merger with another company and companies that are facing a major corporate event and are traded on United States and principal foreign exchanges and markets. Such events may include a significant restructuring, spin-off of operations, bankruptcy, or major litigation. The Master Fund may also pursue investments in distressed securities. There are currently no redemption restrictions other than the required notice period.

Harrison Street Core Property Fund, L.P. (“HSCPF”) is an open-ended core strategy fund which focuses on lower risk, income-oriented investments in student housing, senior housing, medical office, and self-storage. HSCPF seeks to generate a gross annualized return of 9-10% through complete market cycles (7-10 years), with the majority to be derived from current income. HSCPF is managed by Harrison Street Real Estate Capital, LLC, a private real estate investment management firm based in Chicago, Illinois founded in 2005. There are currently no redemption restrictions other than the required notice period.

Maverick Stable Fund, Ltd. (“Maverick”) is a Cayman Islands exempted company with limited liability that was organized in May 2002. Maverick’s objective is to preserve and grow capital by identifying high-quality investment managers with above-average investment histories and investing assets in private investment vehicles managed by such portfolio managers. There are currently no redemption restrictions other than the required notice period.

# CUYAHOGA COMMUNITY COLLEGE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2020 AND 2019

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### 12. INVESTMENTS AND FAIR VALUE MEASUREMENTS – continued

White Oak Fixed Income Fund C, L.P. (“White Oak”) is a hedge fund operated by White Oak Global Advisors, LLC which is a is an SEC-registered investment advisor and private credit firm that provides small and middle market businesses with term loans, asset-based loans, invoice factoring, trade finance, equipment financing and treasury management. White Oak is open-ended and was established to principally originate tailored senior secured financing solutions to non-sponsor U.S. lower middle market companies with total enterprise values generally between \$50 and \$1,000 million. White Oak’s objective is to earn substantial current income by originating, underwriting and investing in a diversified portfolio of fixed income securities, including, but not limited to Regulation D/Rule144A bonds, and directly originated term and asset-backed loans, and corporate high yield bonds and bank debt. There are currently no redemption restrictions other than the required notice period.

**Independent Auditor’s Report on Internal Control over Financial Reporting  
and on Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards***

To the Board of Directors  
Cuyahoga Community College Foundation

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Cuyahoga Community College Foundation (the “Foundation,” a nonprofit corporation and a component unit of Cuyahoga Community College), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 6, 2020.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Foundation’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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation’s internal control.

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

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



To the Board of Directors  
Cuyahoga Community College Foundation

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Foundation'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 determination of financial statement amounts. 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 Foundation'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 Foundation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Cimini + Panichi, PC*

Cleveland, Ohio  
November 6, 2020

# OHIO AUDITOR OF STATE KEITH FABER



**CUYAHOGA COMMUNITY COLLEGE FOUNDATION**

**CUYAHOGA COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 1/21/2021**

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

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)