

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

***CUYAHOGA COUNTY***

***REGULAR AUDIT REPORT***

***FOR THE YEARS ENDED JUNE 30, 2022 AND 2021***



OHIO AUDITOR OF STATE  
KEITH FABER



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Board of Trustees  
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, 2021 through June 30, 2022. 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

December 08, 2022

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***CUYAHOGA COMMUNITY  
COLLEGE FOUNDATION***

*(A Component Unit of  
Cuyahoga Community College)*

*Financial Statements  
Years Ended June 30, 2022 and 2021  
And Independent Auditor's Report*

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# CUYAHOGA COMMUNITY COLLEGE FOUNDATION

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## **Independent Auditor's Report**

To the Board of Directors  
Cuyahoga Community College Foundation

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

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, 2022 and 2021, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Foundation as of June 30, 2022 and 2021, 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.

#### ***Basis for Opinion***

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. 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 Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***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 Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

To the Board of Directors of  
Cuyahoga Community College Foundation

***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 generally accepted auditing standards 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 generally accepted auditing standards 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 Foundation'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 Foundation'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.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 4, 2022, 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.

*Ciuni + Panichi, Inc.*

Cleveland, Ohio  
November 4, 2022

# CUYAHOGA COMMUNITY COLLEGE FOUNDATION

## STATEMENTS OF FINANCIAL POSITION JUNE 30, 2022 AND 2021

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ASSETS	<u>2022</u>	<u>2021</u>
Cash and Cash Equivalents	\$ 3,061,428	\$ 3,042,595
Investments	87,340,159	101,444,672
Receivables:		
Interest	14,393	10,316
Pledges - Net	7,596,667	5,483,865
Due from Related Party	13,450	17,580
Beneficial Interest in Remainder Unitrust	413,663	466,017
Cash Surrender Value of Insurance	98,991	113,922
Prepaid Expenses	63,500	0
Other Assets	125,000	125,000
	<hr/>	<hr/>
TOTAL	<u>\$ 98,727,251</u>	<u>\$ 110,703,967</u>
 <b>LIABILITIES AND NET ASSETS</b>		
LIABILITIES:		
Due to Related Party	\$ 3,827,643	\$ 2,301,419
Accounts Payable	75,444	13,648
Annuities Payable	9,822	10,290
Assets held on behalf of the College	259,774	0
	<hr/>	<hr/>
Total Liabilities	4,172,683	2,325,357
 NET ASSETS:		
Without Donor Restrictions:		
Undesignated	260,236	330,582
	<hr/>	<hr/>
With Donor Restrictions:		
Purpose Restrictions	78,711,082	92,650,736
Perpetual in Nature	15,583,250	15,397,292
	<hr/>	<hr/>
Total With Donor Restrictions	94,294,332	108,048,028
	<hr/>	<hr/>
Total Net Assets	94,554,568	108,378,610
	<hr/>	<hr/>
TOTAL	<u>\$ 98,727,251</u>	<u>\$ 110,703,967</u>

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

# CUYAHOGA COMMUNITY COLLEGE FOUNDATION

## STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES AND INVESTMENT ACTIVITIES:			
Contributions of Cash and Other Financial Assets	\$ 278,426	\$ 8,187,259	\$ 8,465,685
Contributions of Nonfinancial Assets	216,340	115,050	331,390
Special Events Revenue	337,682	834,725	1,172,407
Investment Return - Net	0	(13,138,245)	(13,138,245)
Change in Value of Split-Interest Agreements	0	(52,354)	(52,354)
Net Assets Released from Restriction and Transfers	<u>9,700,131</u>	<u>(9,700,131)</u>	<u>0</u>
Total Revenues	<u>10,532,579</u>	<u>(13,753,696)</u>	<u>(3,221,117)</u>
EXPENSES:			
Program Services:			
Scholarships	3,132,161	0	3,132,161
Educational Development	<u>6,080,095</u>	<u>0</u>	<u>6,080,095</u>
Total Program Services	9,212,256	0	9,212,256
Administration and General	428,926	0	428,926
Fundraising	<u>961,743</u>	<u>0</u>	<u>961,743</u>
Total Expenses	<u>10,602,925</u>	<u>0</u>	<u>10,602,925</u>
CHANGES IN NET ASSETS	(70,346)	(13,753,696)	(13,824,042)
NET ASSETS - Beginning of year	<u>330,582</u>	<u>108,048,028</u>	<u>108,378,610</u>
NET ASSETS - End of year	<u>\$ 260,236</u>	<u>\$ 94,294,332</u>	<u>\$ 94,554,568</u>

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

# CUYAHOGA COMMUNITY COLLEGE FOUNDATION

## STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES AND INVESTMENT ACTIVITIES:			
Contributions of Cash and Other Financial Assets	\$ 397,032	\$ 8,154,312	\$ 8,551,344
Contributions of Nonfinancial Assets	220,876	559,643	780,519
Special Events Revenue	70,875	551,550	622,425
Investment Return - Net	0	21,228,799	21,228,799
Change in Value of Split-Interest Agreements	0	32,381	32,381
Net Assets Released from Restriction and Transfers	<u>8,668,591</u>	<u>(8,668,591)</u>	<u>0</u>
Total Revenues	<u>9,357,374</u>	<u>21,858,094</u>	<u>31,215,468</u>
EXPENSES:			
Program Services:			
Scholarships	2,614,581	0	2,614,581
Educational Development	<u>5,658,607</u>	<u>0</u>	<u>5,658,607</u>
Total Program Services	8,273,188	0	8,273,188
Administration and General	321,734	0	321,734
Fundraising	<u>673,782</u>	<u>0</u>	<u>673,782</u>
Total Expenses	<u>9,268,704</u>	<u>0</u>	<u>9,268,704</u>
CHANGES IN NET ASSETS	88,670	21,858,094	21,946,764
NET ASSETS - Beginning of year	<u>241,912</u>	<u>86,189,934</u>	<u>86,431,846</u>
NET ASSETS - End of year	<u>\$ 330,582</u>	<u>\$ 108,048,028</u>	<u>\$ 108,378,610</u>

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

# CUYAHOGA COMMUNITY COLLEGE FOUNDATION

## STATEMENTS OF CASH FLOWS YEARS ENDED JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$ (13,824,042)	\$ 21,946,764
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Contributions Restricted for Perpetual Investment	(185,958)	(80,000)
Net Change in Fair Value of Investments	14,675,650	(19,884,708)
Change in Value of Split Interest Agreements	52,354	(32,381)
Change in Allowance for Uncollectible Pledges	10,715	9,096
Change in Discounts to Net Present Value	19,462	(44,240)
(Increases) / Decreases in Assets:		
Interest Receivable	(4,077)	40,061
Pledges Receivable	(2,162,979)	(1,839,331)
Due from Related Party	4,130	(17,580)
Prepaid Expenses	(63,500)	76,000
Increases / (Decreases) in Liabilities:		
Due to Related Party	1,526,224	(656,049)
Accounts Payable	61,796	(18,888)
Assets held on behalf of the College	259,774	0
Cash Provided (Used) by Operating Activities	<u>369,549</u>	<u>(501,256)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Investments	(23,118,962)	(16,724,816)
Proceeds from Sale of Investments	22,562,288	16,632,205
Cash Used in Investing Activities	<u>(556,674)</u>	<u>(92,611)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Collection of Perpetually Restricted Contributions	<u>205,958</u>	<u>100,000</u>
Cash Provided by Financing Activities	<u>205,958</u>	<u>100,000</u>
CHANGE IN CASH AND CASH EQUIVALENTS	18,833	(493,867)
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>3,042,595</u>	<u>3,536,462</u>
CASH AND CASH EQUIVALENTS - End of Year	<u>\$ 3,061,428</u>	<u>\$ 3,042,595</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, 2022 AND 2021

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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 those 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*** — The world continues to deal with the effects of the Coronavirus pandemic (COVID-19) which began in early calendar 2020. 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.

# CUYAHOGA COMMUNITY COLLEGE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2022 AND 2021

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

**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.

**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, deposits at financial institutions 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. Investment return – net on the statements of activities is comprised of any realized and unrealized gains and losses on investments and interest and dividend income net of any related investment fees.

**Contributions and Contributions Receivable** — Contributions received, including unconditional promises to give, bequests, special gifts, and other donations are recognized as revenue by net asset class 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.

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 as change in the value of split-interest agreements.



# CUYAHOGA COMMUNITY COLLEGE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2022 AND 2021

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

**Special Events, Revenue Recognition** — Special event revenue includes sponsorships and ticket sales. These revenues are a hybrid of contribution and exchange transactions. 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 a practical expedient, the Foundation may apply revenue recognition guidance to a portfolio of contracts with similar characteristics if the Foundation reasonably expects the effects on the financial statements of applying this guidance to the portfolio would not differ materially from applying this guidance to the individual contracts (or performance obligations) within that portfolio. The Foundation is taking the practical expedient approach with regard to the special event revenue, as all of the contracts are very similar.

The Foundation had exchange revenue related to special events that was recognized at a point in time of \$171,762 and \$83,825 for the years ended June 30, 2022, and 2021.

**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 \$20,288 and \$24,349 on June 30, 2022 and 2021 respectively and are reported as investments in the accompanying statements of financial position.

**Assets Held on Behalf of the College** — Included in the Foundation's investments are assets held for the College and managed by the Foundation under a fiscal agent agreement. The Foundation owns the assets in the investments; the College has a financial interest in the investments but does not own the underlying assets. The Foundation has recorded a liability equal to the fair market value of the assets held on behalf of the College.

# CUYAHOGA COMMUNITY COLLEGE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2022 AND 2021

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

***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 4, 2022, which is the date the financial statements were available to be issued.

***Adopted Accounting Pronouncements*** — In September 2020, the FASB issued ASU 2020-07, “Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets”. The new standard requires a nonprofit to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash and other financial assets. The standard also requires enhanced disclosures about the nature of these contributions and whether or not they were monetized or utilized during the reporting period and other disclosures. The amendments in this ASU should be applied on a retrospective basis and are effective for fiscal years beginning after June 15, 2021, with early adoption permitted. The Foundation has fully adopted the provisions of ASU 2020-07 as of June 30, 2022 and has presented the financial statements in accordance with this new pronouncement. The adoption of this standard had no effect on net asset balances.

***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, “Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842),” that deferred the effective date for the Foundation until annual periods beginning after December 15, 2021. Management does not expect a material impact upon adoption of this standard.

# CUYAHOGA COMMUNITY COLLEGE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2022 AND 2021

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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, net of investments fees, 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>2022</u>	<u>2021</u>
Cash and Cash Equivalents	\$ 787	\$ 676
Mutual Funds	61,284,559	85,417,744
Common Stock	551,727	522,411
Alternative Investments	25,503,086	15,503,841
Total	<u>\$ 87,340,159</u>	<u>\$ 101,444,672</u>

The investments are exposed to various risks such as interest rate, market, and credit risks.

### 4. CONTRIBUTIONS RECEIVABLE

For fiscal years 2022 and 2021, the recorded value of contributions receivable is the present value of estimated future cash receipts using discount rates of 1.00% to 3.50%. Management has established an allowance of approximately 0.5% of gross contributions receivable for uncollectible promises to give. Amounts due are as follows:

	<u>2022</u>	<u>2021</u>
Less than one year	\$ 4,704,367	\$ 2,567,739
One to five years	3,013,293	2,985,942
More than five years	2,000	23,000
Totals	<u>7,719,660</u>	<u>5,576,681</u>
Unamortized Discount	(84,395)	(64,933)
Allowance for Uncollectible Pledges	<u>(38,598)</u>	<u>(27,883)</u>
Total	<u>\$ 7,596,667</u>	<u>\$ 5,483,865</u>

# CUYAHOGA COMMUNITY COLLEGE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2022 AND 2021

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### 5. BENEFICIAL INTEREST IN REMAINDER UNITRUST

The beneficial interest in the charitable remainder unitrust totaled \$413,663 and \$466,017 on June 30, 2022 and 2021, 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 \$98,991 and \$113,922 on June 30, 2022 and 2021, respectively.

### 7. RELATED PARTY TRANSACTIONS

The Foundation recognized contributions and special events revenue from the College during the years ended June 30, 2022 and 2021 of \$700,544 and \$345,082, respectively. The amounts owed to the Foundation as of June 30, 2022 and 2021 are \$13,450 and \$17,580, 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 \$216,310 and \$220,876 of contributed services as contribution revenue and as administrative, general, and fundraising expenses in fiscal years 2022 and 2021, respectively.

The Foundation is investing \$259,774 and \$0 of assets on behalf of the College for the years ended June 30, 2022 and 2021, respectively.

The Foundation received grants restricted for educational development programs and scholarships at the College from various donors of \$6,085,554 and \$5,817,164 in fiscal years 2022 and 2021, respectively. These grants are classified as part of net assets with donor restrictions until the College meets certain conditions.

Undistributed amounts for unconditional pledges to the College are \$3,827,643 and \$2,301,419 as of June 30, 2022 and 2021, respectively, and are reported as due to related party on the statements of financial position.

The Foundation recognized program service expenses of \$9,212,256 and \$8,273,188 for the years ended June 30, 2022 and 2021, respectively. All program service expenses relate to contributions to the College.

During the years ended June 30, 2022 and 2021, the Foundation recognized \$1,860,374 and \$3,067,928, respectively, of support through contribution revenue from its board members and related organizations. The Foundation had receivables of \$993,500 and \$1,544,800 at June 30, 2022 and 2021, respectively, due from its board members and related organizations.

# CUYAHOGA COMMUNITY COLLEGE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2022 AND 2021

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### 8. CONTRIBUTED NONFINANCIAL ASSETS

For the years ended June 30, 2022 and 2021, contributed nonfinancial assets recognized within the Statements of Activities included:

	<u>2022</u>	<u>2021</u>
Advertising	\$ 5,000	\$ 15,286
COVID-19 Supplies	0	309,795
Event Materials	15,000	0
Medical Equipment	49,500	17,962
Miscellaneous	1,590	2,725
Motor Vehicle Components	19,660	78,631
Motor Vehicles	24,330	135,244
Services (Administrative & General)	163,181	167,119
Services (Fundraising)	53,129	53,757
Totals	<u>\$ 331,390</u>	<u>\$ 780,519</u>

Valuation techniques:

Contributed motor vehicles and motor vehicle components are valued at their fair market value at the time of contribution as determined by the donor and evaluated by management as they are restricted for classroom instructional purposes only. Donated medical equipment, advertising, and other materials and supplies are valued using estimated US retail prices of identical or similar products considering the goods' condition and utility for use at the time of contribution. All contributed services were received from the College and were valued at the cost incurred by the College.

# CUYAHOGA COMMUNITY COLLEGE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2022 AND 2021

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### 8. CONTRIBUTED NONFINANCIAL ASSETS – continued

Donor restriction and contributed nonfinancial assets use:

All gifts were recognized in accordance with donor restrictions, when applicable.

	<u>2022</u>	<u>2021</u>
COVID-19 Support	\$ 0	\$ 309,795
Other	1,560	2,725
Program Support	98,490	247,123
Special Events	15,000	0
Unrestricted	<u>216,340</u>	<u>220,876</u>
Totals	<u>\$ 331,390</u>	<u>\$ 780,519</u>

Contributed motor vehicles and motor vehicle components were provided to the College's Automotive Technology program for classroom instruction only and cannot be monetized per donor agreement. Other donated items were utilized by the Foundation or College to further support the donor purpose and were not monetized.

# CUYAHOGA COMMUNITY COLLEGE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2022 AND 2021

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### 9. 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, 2022 and 2021, are comprised of the following:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 412,981	\$ 318,098
Due from related party	<u>13,450</u>	<u>17,580</u>
Total available for general expenditure within one year	<u>\$ 426,431</u>	<u>\$ 335,678</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 scholarships, 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, 2022 AND 2021

### 10. 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, 2022 is as follows:

	<u>Program</u>	<u>Administration &amp; General</u>	<u>Fundraising</u>
Scholarships	\$ 3,132,161	\$ 0	\$ 0
Educational Development	6,080,095	0	0
Professional Fees	0	159,023	0
Conferences & Meetings	0	93,830	0
Miscellaneous	0	12,892	0
Personnel	0	163,181	53,129
Lobbying	0	0	150,000
Special Events	0	0	350,614
Donor Cultivation/Stewardship	0	0	408,000
<b>Total</b>	<u>\$ 9,212,256</u>	<u>\$ 428,926</u>	<u>\$ 961,743</u>

Expense allocation for the year ended June 30, 2021 is as follows:

	<u>Program</u>	<u>Administration &amp; General</u>	<u>Fundraising</u>
Scholarships	\$ 2,614,581	\$ 0	\$ 0
Educational Development	5,658,607	0	0
Professional Fees	0	88,339	0
Conferences & Meetings	0	50,856	0
Miscellaneous	0	15,420	0
Personnel	0	167,119	53,757
Lobbying	0	0	155,000
Special Events	0	0	83,825
Donor Cultivation/Stewardship	0	0	381,200
<b>Total</b>	<u>\$ 8,273,188</u>	<u>\$ 321,734</u>	<u>\$ 673,782</u>



# CUYAHOGA COMMUNITY COLLEGE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2022 AND 2021

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### 11. NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2022</u>	<u>2021</u>
Subject to expenditure for specified purposes:		
Scholarships	\$ 68,030,564	\$ 80,083,648
Educational Development	10,316,054	12,460,517
Special Events	364,464	106,571
	<u>\$ 78,711,082</u>	<u>\$ 92,650,736</u>
Perpetual in nature, subject to endowment spending policy and appropriation:		
Scholarships	\$ 4,083,250	\$ 3,877,292
Educational Development	11,500,000	11,500,000
Pledges receivable, net - permanently restricted to endowment	<u>0</u>	<u>20,000</u>
	<u>\$ 15,583,250</u>	<u>\$ 15,397,292</u>
Total Net Assets with Donor Restrictions	<u><u>\$ 94,294,332</u></u>	<u><u>\$ 108,048,028</u></u>

Net assets and transfers were released from donor restrictions by incurring expenses which satisfied the following purpose restrictions during the years ended June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Scholarships	\$ 3,841,663	\$ 2,981,831
Educational Development	5,832,226	5,588,775
Special Events	26,242	83,825
Other	<u>0</u>	<u>14,160</u>
Totals	<u><u>\$ 9,700,131</u></u>	<u><u>\$ 8,668,591</u></u>

# CUYAHOGA COMMUNITY COLLEGE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2022 AND 2021

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### 12. 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, which 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, 2022 AND 2021

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### 12. 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 2022 or 2021.

The UPMIFA establishes that 5% of the value of the permanent and term endowment funds is a safe harbor prudent spending limit. This 5% limitation must be determined on the basis of market values that are determined at least quarterly and averaged over a period not less than three years immediately preceding the year in which the appropriation for expenditure is made. If a fund has been in existence less than three years, the fair market value of the endowment fund shall be calculated for the period the endowment fund has been in existence. The Foundation’s spending policy is generally limited to 5% but a spending rate in excess of 5% can be approved by the Executive Committee of the Foundation’s Board of Directors.

# CUYAHOGA COMMUNITY COLLEGE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2022 AND 2021

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

Endowment net asset composition by fund type consists of the following as of June 30, 2022:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor Restricted Endowment Funds:			
Purpose Restrictions	\$ 0	\$ 66,044,372	\$ 66,044,372
Original donor-restricted gifts and amounts requires to be maintained in perpetuity by donor	0	15,583,250	15,583,250
Accumulated investment return	<u>0</u>	<u>4,642,368</u>	<u>4,642,368</u>
Total Endowment Funds	<u>\$ 0</u>	<u>\$ 86,269,990</u>	<u>\$ 86,269,990</u>

Changes in endowment net assets was as follows for the year ended June 30, 2022:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 0	\$ 100,705,550	\$ 100,705,550
Investment return - net	0	(12,944,779)	(12,944,779)
Contributions and transfers	0	1,733,599	1,733,599
Appropriation of endowment assets for expenditure	<u>0</u>	<u>(3,224,380)</u>	<u>(3,224,380)</u>
Endowment net assets, end of year	<u>\$ 0</u>	<u>\$ 86,269,990</u>	<u>\$ 86,269,990</u>

# CUYAHOGA COMMUNITY COLLEGE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2022 AND 2021

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

Endowment net asset composition by fund type consists of the following as of June 30, 2021:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor Restricted Endowment Funds:			
Purpose Restrictions	\$ 0	\$ 76,677,727	\$ 76,677,727
Original donor-restricted gifts and amounts requires to be maintained in perpetuity by donor	0	15,377,292	15,377,292
Accumulated investment return	<u>0</u>	<u>8,650,531</u>	<u>8,650,531</u>
Total Endowment Funds	<u>\$ 0</u>	<u>\$ 100,705,550</u>	<u>\$ 100,705,550</u>

Changes in endowment net assets was as follows for the year ended June 30, 2021:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 0	\$ 80,855,005	\$ 80,855,005
Investment return - net	0	20,861,949	20,861,949
Contributions and transfers	0	2,416,742	2,416,742
Appropriation of endowment assets for expenditure	<u>0</u>	<u>(3,428,146)</u>	<u>(3,428,146)</u>
Endowment net assets, end of year	<u>\$ 0</u>	<u>\$ 100,705,550</u>	<u>\$ 100,705,550</u>

# CUYAHOGA COMMUNITY COLLEGE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2022 AND 2021

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### 13. 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, 2022 AND 2021

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### 13. 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, 2022 AND 2021

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

Financial assets measured at fair value on a recurring basis consisted of the following at June 30, 2022:

#### Measured at Fair Value

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments:				
Cash and Cash Equivalents	\$ 787	0	0	\$ 787
Common Stock	551,727	0	0	551,727
Equity Mutual Funds	43,711,754	0	0	43,711,754
Fixed Income Mutual Funds	17,572,805	0	0	17,572,805
Total Investments	<u>\$ 61,837,073</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 61,837,073</u>
Beneficial Interest in Remainder Unitrust	0	0	413,663	413,663
Cash Surrender Value of Insurance	0	0	98,991	98,991
Total Measured at Fair Value	<u>\$ 61,837,073</u>	<u>\$ 0</u>	<u>\$ 512,654</u>	<u>\$ 62,349,727</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	\$ 4,129,686
GLASfunds SPC	850,934	n/a	n/a	625,627
Harrison Street Core Property Fund, L.P.	0	45 days	Quarterly	4,190,645
Maverick Stable Fund, Ltd.	0	95 days	Quarterly	4,247,358
Mondrian Global All Countries World Equity Fund, L.P.	0	by 15th day of prior month	Monthly	4,449,170
Ninety One Global Franchise Fund	0	1 day	Daily	4,170,536
White Oak Fixed Income C, L.P.	0	6 months	Quarterly	<u>3,690,064</u>
Total Measured at Net Asset Value				<u>\$ 25,503,086</u>
Total Financial Assets Measured at Fair Value and Net Asset Value				<u>\$ 87,852,813</u>



# CUYAHOGA COMMUNITY COLLEGE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2022 AND 2021

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

Financial assets measured at fair value on a recurring basis consisted of the following at June 30, 2021:

#### Measured at Fair Value

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments:				
Cash and Cash Equivalents	\$ 676	0	0	\$ 676
Common Stock	522,411	0	0	522,411
Equity Mutual Funds	60,715,840	0	0	60,715,840
Fixed Income Mutual Funds	<u>24,701,904</u>	<u>0</u>	<u>0</u>	<u>24,701,904</u>
Total Investments	<u>\$ 85,940,831</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 85,940,831</u>
Beneficial Interest in Remainder Unitrust	0	0	466,017	466,017
Cash Surrender Value of Insurance	0	0	113,922	113,922
Total Measured at Fair Value	<u>\$ 85,940,831</u>	<u>\$ 0</u>	<u>\$ 579,939</u>	<u>\$ 86,520,770</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	\$ 4,042,502
GLASfunds SPC	259,132	n/a	n/a	153,454
Harrison Street Core Property Fund, L.P.	0	45 days	Quarterly	2,682,389
Maverick Stable Fund, Ltd.	0	95 days	Quarterly	4,921,916
White Oak Fixed Income C, L.P.	0	6 months	Quarterly	<u>3,703,580</u>
Total Measured at Net Asset Value				<u>\$ 15,503,841</u>
Total Financial Assets Measured at Fair Value and Net Asset Value				<u>\$102,024,611</u>

# CUYAHOGA COMMUNITY COLLEGE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2022 AND 2021

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

For the years ending June 30, 2022 and 2021, the Foundation did not have any purchases, issuances, or transfers in or out of the Level 3 assets.

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.

GLASfunds SPC (“GLASfunds”) is a Cayman Islands exempted company incorporated with limited liability to operate as a private investment fund. GLASfunds seeks to provide consistently superior access to institutional hedge fund and private capital managers through the use of a multimanager investment vehicle. The proceeds from the sale of its shares are to one or more of GLASfunds eight primary investment strategies, each of which is represented by a segregated portfolio which focuses on investments in hedge funds and private equity funds.

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.

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.

Mondrian Global All Countries World Equity Fund, L.P. (“Mondrian”) is a commingled investment fund managed by Mondrian Investment Group. Mondrian is a focused portfolio of approximately 35-50 securities of both U.S. and non-U.S. issuers, including the securities of emerging market companies. Mondrian follows a value-oriented approach focusing on dividend growth with a goal of providing strong downside protection and less volatility than the overall market with low turnover.

# CUYAHOGA COMMUNITY COLLEGE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2022 AND 2021

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

Ninety One Global Franchise Fund (“Ninety One”) is a high-conviction portfolio managed by Ninety One, an independent global asset manager with sizeable employee ownership and professionals across four continents. Ninety One’s strategy is to look for leading companies from around the globe with strong free cash flow and entrenched competitive positions. The portfolio consists of 25-40 stocks with strong downside protection, low-turnover, and a quality growth orientation.

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. 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.

**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 organization and a component unit of Cuyahoga Community College), which comprise the statement of financial position as of June 30, 2022, 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 4, 2022.

**Report on 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 or significant deficiencies may exist that were not identified.

To the Board of Directors  
Cuyahoga Community College Foundation

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the 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 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 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.

*Ciuni + Panichi, Inc.*

Cleveland, Ohio  
November 4, 2022

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# 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 12/20/2022**

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)