

SINCLAIR COMMUNITY COLLEGE
MONTGOMERY COUNTY
DAYTON, OHIO

FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

OHIO AUDITOR OF STATE
KEITH FABER



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Board of Trustees
Sinclair Community College
444 West Third Street
Dayton, Ohio 45402

We have reviewed the *Independent Auditor's Report* of the Sinclair Community College, Montgomery County, prepared by Plante & Moran, PLLC, 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 Sinclair Community College 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

November 28, 2022

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Independent Auditor's Report

To the Board of Trustees
Sinclair Community College

Report on the Audits of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of Sinclair Community College (the "College"), a component unit of the State of Ohio, as of and for the years ended June 30, 2022 and 2021 and the related notes to the financial statements, which collectively comprise Sinclair Community College's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of Sinclair Community College as of June 30, 2022 and 2021 and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As described in Note A to the financial statements, in 2022, the College adopted new accounting guidance under Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

To the Board of Trustees
Sinclair Community College

Auditor's Responsibilities for the Audits 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 opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that audits conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing audits in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- 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 audits in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

To the Board of Trustees
Sinclair Community College

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Sinclair Community College's basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"), is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 8, 2022 on our consideration of Sinclair Community College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 Sinclair Community College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Sinclair Community College's internal control over financial reporting and compliance.



November 8, 2022

SINCLAIR COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the years ended June 30, 2022 and 2021

Introduction

This annual report consists of three main parts - the MD&A, the financial statements and a section containing reports on the audit of federal grants and contracts received by Sinclair Community College (the "College" or "Sinclair").

Management's discussion and analysis (MD&A) of the College's financial performance provides an overview of the College's financial activities for the fiscal years ended June 30, 2022 and 2021. Please read it in conjunction with the College's financial statements, which begin on page 18.

Financial and Institutional Highlights

The COVID-19 pandemic continued to alter world conditions during fiscal year 2022. Still, Sinclair Community College realized many important achievements as related to its mission and strategic priorities. Several of these are discussed below.

- At the outset of the COVID-19 pandemic, President Johnson and his administration led emergency operating and planning efforts to ensure the safety of the students, faculty and staff while continuing the educational process. This process continued during fiscal year 2022 and additional technology and student support was deployed to ensure goals were achieved.
- In keeping with the goals of the comprehensive completion plan, the College continued to set records for student achievement, awarding over 11,000 credentials to roughly 8,700 individual students. The aforementioned plan seeks to expedite and lower the cost of students' progress toward their educational goals.
- As a result of continuous improvements in student course completions, credit accumulations and credential completions, the College received an increased share of performance-based state funding for the seventh consecutive year.
- Sinclair's financial health remains strong due to the prudent planning and vigilance of the Board of Trustees, administration and other College leaders. The College's fiscal health as measured by the Ohio Senate Bill 6 accountability scorecard was a perfect score of 5.0 for fiscal 2022.
- The College has been awarded \$63.0 million in Higher Education Emergency Relief Funds (HEERF) and Coronavirus Relief Funds (CRF) from three rounds of federal stimulus monies in connection with the COVID-19 pandemic. For fiscal year 2022, \$33.3 million in HEERF funding was used for student financial grants and to defray expenses and lost revenue resulting from the pandemic (\$26.9 million and \$2.8 million was spent in fiscal years 2021 and 2020, respectively).
- The College continued to enjoy success with the *College Credit Plus* program, a State of Ohio initiative to provide college credit courses to high school students. Approximately 8,250 students from over one hundred high schools were enrolled during fiscal 2022 representing a 1% increase from the prior year.
- Sinclair tripled its award of baccalaureate degrees in fiscal 2022 relative to 2021.
- Despite lingering supply chain challenges in the construction sector of the economy, Sinclair continued to invest in its physical plant during fiscal 2022, highlighted by new and upgraded biology and chemistry labs at Dayton and Centerville, new advanced manufacturing education spaces at Courseview, and significant lifecycle maintenance to parking facilities on the Dayton campus.
- The College continued to demonstrate an exceptional level of commitment to teaching and learning in fiscal year 2022 by devoting a significantly higher percentage of its resources to the instruction, academic, and student support functions than the average of Ohio's other public community colleges.

SINCLAIR COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the years ended June 30, 2022 and 2021

Financial Management Philosophy and Accountability

Sinclair Community College utilizes a forward-thinking and systematic approach to managing financial resources that is guided by the following principles:

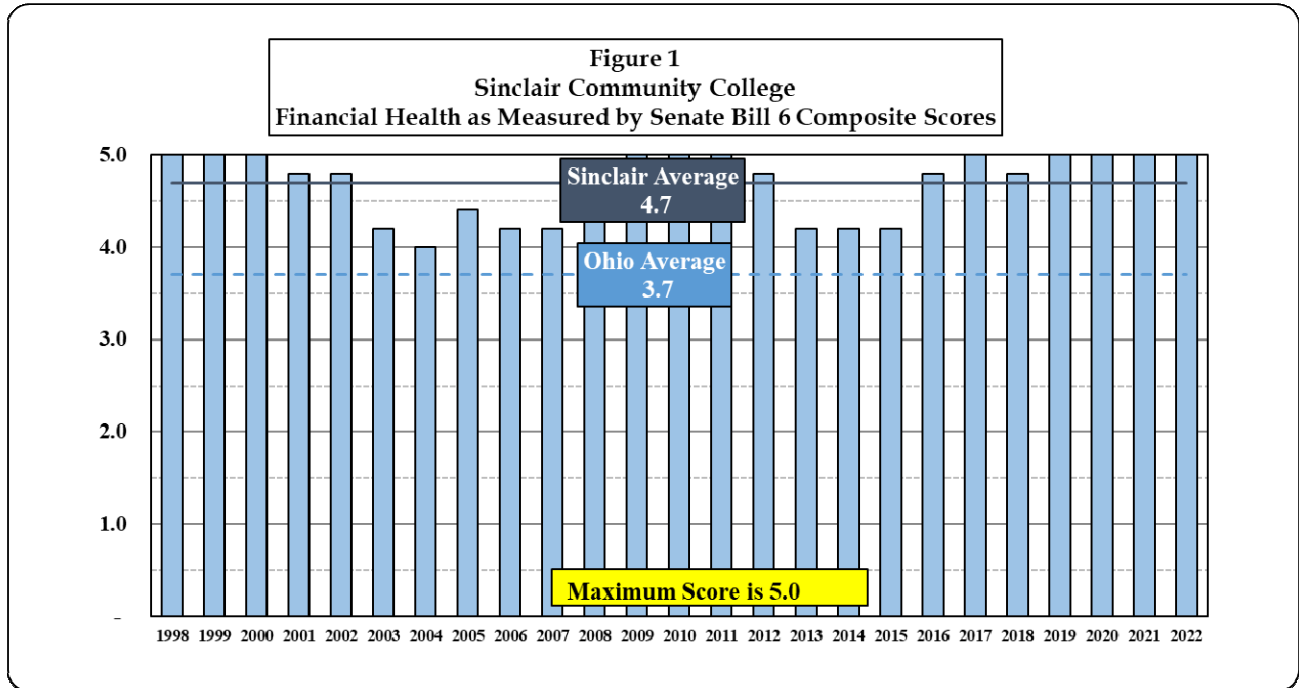
- **Use money as a tool to accomplish the mission:** Money is a tool used in fulfilling our service mission but is not an end in itself.
- **Employ results-oriented spending:** This is generally tied to an expectation of clear mission results.
- **Focus on long-term stability:** Use financial modeling and planning to help ensure the long-term sustainability and financial viability of the College.
- **Pay as you go:** Save money up front and place in allocated reserves for later use in major capital expenditures, thereby avoiding or minimizing the use of debt financing.
- **Save with a plan and purpose:** Maintain allocated reserves to provide flexibility in managing future opportunities and challenges.
- **Plan for margin:** Budget for a 3% to 5% positive margin on the annual operating budget (revenue to exceed expenses) to provide funding for facility maintenance, capital spending, and other needs.
- **Save and plan for emergencies:** Plan/budget for unforeseen emergencies and contingencies.

Inputs into the financial management and measurement process come from a variety of sources as shown in the diagram below:



SINCLAIR COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the years ended June 30, 2022 and 2021

The State of Ohio computes a fiscal accountability measure each year for all public higher education institutions pursuant to Senate Bill 6 passed in 1997. Sinclair's annual scores are depicted in Figure 1 below. The College has averaged an overall score of 4.7 since inception and again achieved a perfect 5.0 score in fiscal year 2022.



Overview of the Financial Statements

The financial statements are presented in the format required by generally accepted accounting principles and accepted by the Ohio Department of Higher Education and the Ohio Department of Budget and Management for all state-assisted two- and four-year colleges and universities in Ohio. The statements are:

- Statements of net position
- Statements of revenues, expenses, and changes in net position
- Statements of cash flows

The statements are prepared on an accrual basis and present all assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the College, both financial and capital, and short and long term. They also present all revenues and expenses of the College during the year, regardless of when cash was received or paid.

Collectively, the statements provide a complete picture of the College's financial condition as of June 30, 2022, 2021, and 2020 and the results of its operations for the fiscal years then ended.

SINCLAIR COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the years ended June 30, 2022 and 2021

Governmental Accounting Standards Board (GASB) Statements No. 68 and 75

GASB 68, *Accounting and Financial Reporting for Pensions*, requires the College to report a share of the unfunded liabilities of Ohio's state retirement systems, in its statements of net position in 2022, 2021 and 2020, and its impact in 2022, 2021 and 2020 on the statements of revenues, expense and changes in net position. The amount of net pension liability reported on the statements of net position equals the College's proportionate share of the unfunded pension liabilities of the state systems that are associated with current, former, and retired College employees and their beneficiaries. **However, under Ohio law, there is no legal means to enforce the State systems' pension liabilities reported under GASB 68 against the College or any other Ohio public employer. Consequently, the reader should keep that in mind when reviewing the financial statements and considering Sinclair's real financial position and operational results.**

Effective July 1, 2017, GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, requires the College to report a share of the unfunded liabilities of the Ohio's state retirement systems, related to the other postemployment benefits (OPEB) other than pension, in its statements of net position in 2022, 2021 and 2020 and its impact in 2022, 2021 and 2020 on the statements of revenues, expenses and changes in net position. The amount of the OPEB liability reported on the statements of net position equals the College's proportionate share of the unfunded OPEB liabilities of the state systems that are associated with the current, former and retired College employees and their beneficiaries. **However, under Ohio law, there is no legal means to enforce the State systems' OPEB liabilities reported under GASB 75 against the College or any other Ohio public employer. Consequently, the reader should keep that in mind when reviewing the financial statements and considering Sinclair's real financial position and operational results.**

Net Position

Table 1 below is a condensed version of the balance sheet and net position. The components of net position that relate to the results of College operations, exclusive of the pension and OPEB accounting, are shown in Table 1A. A discussion of the underlying factors impacting the change in net position is provided below.

The College's total net position can be viewed as being comprised of five components: 1) capital assets, 2) externally restricted net position, 3) unrestricted net position resulting from College operations, 4) unrestricted net position related to pension activity, and 5) unrestricted net position related to OPEB activity. In the discussion that follows, it will be helpful to keep in mind that two major types of transactions do not change the value of total net position. These are:

- A transfer of net position from one net position category to another.
- Capital asset acquisitions, for which payment reduces either unrestricted or restricted net position, while increasing capital assets by the same amount.

SINCLAIR COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the years ended June 30, 2022 and 2021

TABLE 1
CONDENSED STATEMENTS OF NET POSITION
(in millions of dollars)

	June 30,		
	2022	2021, As Restated	2020
Assets:			
Current assets	\$ 71.8	\$ 63.2	\$ 70.8
Investments	150.7	150.6	115.9
Capital assets, net	199.0	194.2	195.8
Right to use assets, net	4.3	5.0	-
Net other postemployment benefit asset *	15.0	10.4	5.8
Total assets	440.8	423.4	388.3
Deferred outflows of resources - pension activity *	26.8	18.9	22.6
Deferred outflows of resources - other postemployment benefit activity *	1.3	4.0	6.8
Total assets and deferred outflows	468.9	446.3	417.7
Liabilities:			
Current liabilities	24.9	22.8	22.3
Long-term liabilities	9.2	9.3	5.2
Net pension liability *	60.2	114.0	124.7
Net other postemployment benefit liability *	-	-	36.1
Total liabilities	94.3	146.1	188.3
Deferred inflows of resources:			
Property tax levy	38.2	38.0	38.6
Pension activity *	67.9	23.2	19.5
Other postemployment benefit activity *	15.8	21.3	12.3
Total deferred inflows	121.9	82.5	70.4
Total liabilities and deferred inflows	216.2	228.6	258.7
Net position:			
Investment in capital assets	199.0	194.4	195.8
Restricted - expendable, grants and contracts	1.9	1.7	1.8
Unrestricted - operations	152.6	146.7	118.8
Unrestricted - pension activity *	(101.3)	(118.2)	(121.6)
Unrestricted - other postemployment benefit activity *	0.5	(6.9)	(35.8)
Total net position	252.7	217.7	159.0
Total liabilities, deferred inflows and net position	\$ 468.9	\$ 446.3	\$ 417.7

* Line item related to pension or OPEB accounting

TABLE 1A
NET POSITION EXCLUDING PENSION AND OPEB ACCOUNTING
(in millions of dollars)

	June 30,		
	2022	2021, As Restated	2020
Investment in capital assets	\$ 199.0	\$ 194.4	\$ 195.8
Restricted - expendable, grants and contracts	1.9	1.7	1.8
Unrestricted - operations	152.6	146.7	118.8
Total net position excluding pension & OPEB	\$ 353.5	\$ 342.8	\$ 316.4

SINCLAIR COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the years ended June 30, 2022 and 2021

Fiscal 2022

Total net position at June 30, 2022 was \$252.7 million (Table 1). Liabilities of \$34.1 million, exclusive of the net pension and OPEB liabilities, were only 8% of total assets of \$425.8 million, exclusive of the OPEB asset, primarily due to the fact that the College has purposely avoided long-term debt by strategically using various funding sources, including state capital appropriations, to manage growth and maintain a low level of deferred infrastructure maintenance. The College reported OPEB asset of \$15.0 million and net pension liability of \$60.2 million, pension and OPEB deferred outflows of resources of \$28.1 million, and pension and OPEB deferred inflows of resources of \$83.7 million. A fuller discussion of pension reporting can be found in Notes A and H of this report. Deferred inflows of resources also include future property tax levy receipts of \$38.2 million - see Notes A and F for a discussion.

Net position exclusive of pension and OPEB activity (Table 1A) improved by \$10.7 million (from \$342.8 million to \$353.5 million) in fiscal 2022. The increase had these components:

- A net increase from operations of \$22.2 million after depreciation and lease amortization expenses of \$13.6 million, but exclusive of the change in the fair value of investments. This included the net impact from federal Higher Education Emergency Relief Funds (HEERF) spent in fiscal year 2022.
- An decrease in the fair value of investments of \$11.5 million; that is, the net unrealized gain in the investment portfolio decreased from \$7.9 million at June 30, 2021 to a loss of \$3.6 million at June 30, 2022.

Also, in fiscal 2022, capital asset acquisitions consumed approximately \$17.4 million of unrestricted and restricted net position and added a corresponding amount to capital assets.

Fiscal 2021

Total net position at June 30, 2021 was \$217.7 million (Table 1). Liabilities of \$32.1 million, exclusive of the net pension and OPEB liabilities, were only 7.8% of total assets of \$413.0 million, exclusive of the OPEB asset, primarily due to the fact that the College has purposely avoided long-term debt by strategically using various funding sources, including state capital appropriations, to manage growth and maintain a low level of deferred infrastructure maintenance. The College reported OPEB asset of \$10.4 million and net pension and OPEB liabilities of \$114.0 million, pension and OPEB deferred outflows of resources of \$22.9 million, and pension and OPEB deferred inflows of resources of \$44.5 million. A fuller discussion of pension reporting can be found in Notes A and H of this report. Deferred inflows of resources also include future property tax levy receipts of \$38.0 million - see Notes A and F for a discussion.

Net position exclusive of pension and OPEB activity (Table 1A) improved by \$26.4 million (from \$316.4 million to \$342.8 million) in fiscal 2021. The increase had these components:

- A net increase from operations of \$23.8 million after depreciation and lease amortization expenses of \$13.4 million, but exclusive of the change in the fair value of investments. This included the net impact from federal Higher Education Emergency Relief Funds (HEERF) spent in fiscal year 2021.
- An increase in the fair value of investments of \$2.6 million; that is, net unrealized gains in the investment portfolio increased from \$5.3 million at June 30, 2020 to \$7.9 million at June 30, 2021

Also, in fiscal 2021, capital asset acquisitions consumed approximately \$10.9 million of unrestricted and restricted net position and added a corresponding amount to capital assets.

SINCLAIR COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the years ended June 30, 2022 and 2021

Statements of Revenues, Expenses, and Changes in Net Position

The Statements of Revenues, Expenses, and Changes in Net Position (SRECNP) shown in Table 2 present the College's operating results for fiscal years 2022, 2021, and 2020. Table 2A presents a summary of the statements excluding the impact of pension and OPEB accounting. The following narrative provides an overview of the key elements in the SRECNP.

Revenues (Operating, Nonoperating)

- Operating revenue of the College is defined as payments received for goods and services provided, and is composed mainly of tuition and fees, federal and state grants, and income from auxiliary operations. *(Note: In accordance with the required reporting display, gross tuition and fees on the condensed SRECNP are reduced by grants and scholarships used to help pay those charges, resulting in net tuition revenue).*
 - In fiscal 2022, operating revenue increased \$7.9 million compared to the prior year. This was driven by other revenue, tuition and fees and federal grants and contracts. Tuition increased \$1.8 million due to an increase in tuition rate, and federal grants increased \$2.2 million. Other revenue increased \$2.9 million, primarily due to the sale of excess IP addresses, and increase in pass-through revenues generated by the Ohio Means Jobs initiative. All other operating revenues were comparable to fiscal year 2021.
 - In fiscal 2021, operating revenue decreased \$4.0 million compared to the prior year. This was primarily due to auxiliary enterprises, net of grants and scholarships, and other revenue decreasing \$2.2 million and \$1.4 million, respectively, due to the impact of COVID-19 on the bookstore, food service, parking operations, workforce development and the conference center. All other operating revenues were comparable to prior year.
- Nonoperating revenue includes state appropriations, county property tax levy receipts, certain government grants, investment income, and state capital grants.
 - In fiscal 2022, nonoperating revenue decreased \$4.0 million or 3% versus the previous year due to the following:
 - State appropriations increased \$2.4 million or 4.5% as the College continued to achieve better than average results in the state's performance-based funding formula.
 - As related to the COVID-19 federal economic recovery response, HEERF and CRF grant revenues of \$33.3 million were recognized in fiscal year 2022.
 - The fair value of investments decreased by \$11.5 million over the prior year. These amounts mainly reflect changes in the net unrealized gains/losses associated with investments held by the College. At June 30, 2022, the portfolio included \$3.6 million in net unrealized losses.
 - In fiscal 2021, nonoperating revenue increased \$18.5 million or 14% versus the previous year due to the following:
 - State appropriations increased \$3.6 million or 7.3% as the College continued to achieve better than average results in the state's performance-based funding formula.
 - As related to the COVID-19 federal economic recovery response, HEERF and CRF grant revenues of \$26.9 million was recognized in fiscal year 2021.
 - The fair value of investments increased by \$2.6 million over the prior year. These amounts mainly reflect changes in the net unrealized gains/losses associated with investments held by the College. Those changes are primarily the result of price movements in the fixed income securities year over year. At June 30, 2021, the portfolio includes \$7.9 million in net unrealized gains.

SINCLAIR COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the years ended June 30, 2022 and 2021

TABLE 2
CONDENSED STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
(in millions of dollars)

	Year ended June 30,		
	2022	2021, As Restated	2020
Operating revenues:			
Student tuition and fees, net of grants and scholarships	\$ 32.5	\$ 30.7	\$ 30.7
Federal grants and contracts	6.2	4.0	4.2
State and local grants and contracts	1.6	1.4	1.4
Nongovernmental grants and contracts	3.1	3.4	3.5
Sales and services of educational departments	1.2	0.4	0.5
Auxiliary enterprises, net of grants and scholarships	2.6	2.5	4.7
Other	4.7	1.6	3.0
Total operating revenues	<u>51.9</u>	<u>44.0</u>	<u>48.0</u>
Operating expenses:			
Instruction	63.9	67.7	74.7
Public service	2.6	2.1	2.2
Academic support	10.6	6.8	13.0
Student services	15.4	10.4	19.6
Institutional support	13.8	5.0	20.9
Plant operations and maintenance	14.0	11.5	13.9
Depreciation & Amortization	13.6	13.4	12.1
Student aid	23.9	13.1	7.4
Auxiliary enterprises	3.6	3.8	6.5
Total operating expenses	<u>161.4</u>	<u>133.8</u>	<u>170.3</u>
Nonoperating and other revenues (expenses):			
State appropriations	55.5	53.1	49.5
County tax levy	39.1	38.6	38.4
HEERF and CRF grant revenues	33.3	26.9	2.8
Federal student aid grant programs	18.4	19.1	22.2
State student aid grant programs	2.2	1.5	1.3
Investment income	3.2	3.1	3.6
Net change in the fair value of investments	(11.5)	2.6	2.7
Capital grants	4.3	3.6	9.5
Total nonoperating and other revenues	<u>144.5</u>	<u>148.5</u>	<u>130.0</u>
Change in net position	35.0	58.7	7.7
Net position:			
Beginning of year	<u>217.7</u>	<u>159.0</u>	<u>151.3</u>
End of year	<u>\$ 252.7</u>	<u>\$ 217.7</u>	<u>\$ 159.0</u>

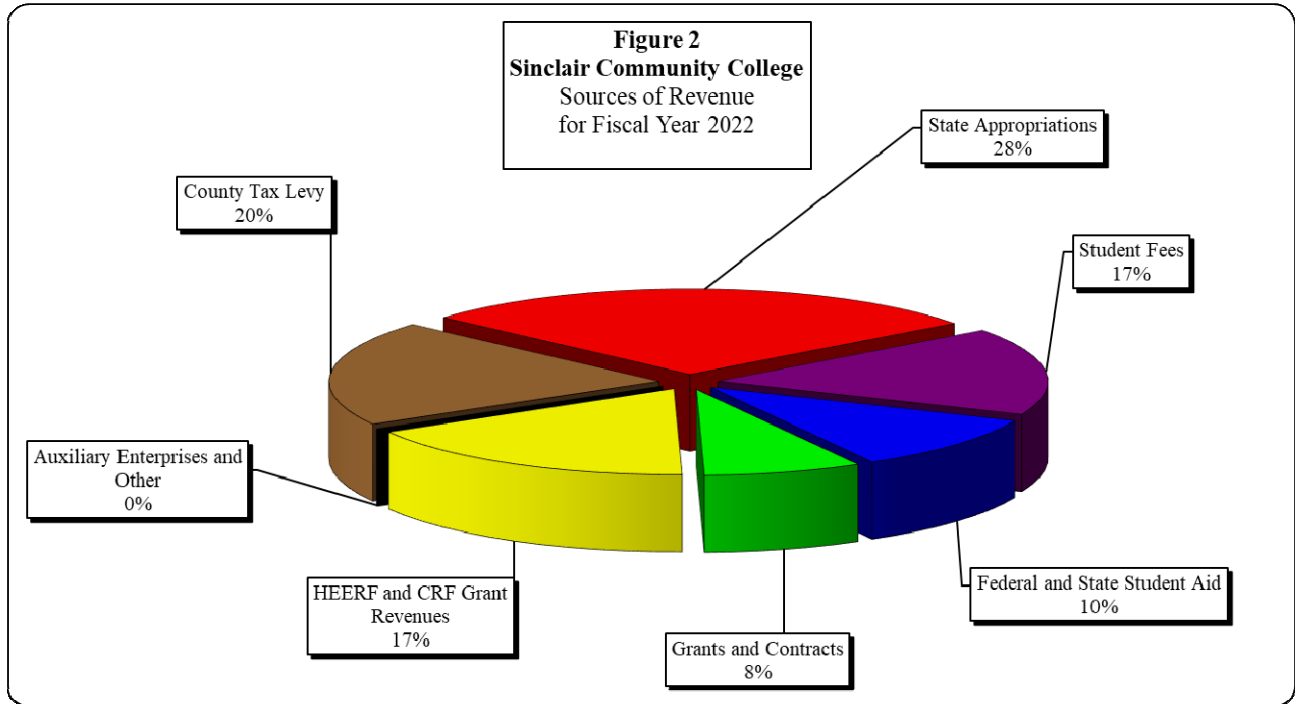
SINCLAIR COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the years ended June 30, 2022 and 2021

TABLE 2A
CONDENSED STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
EXCLUDING PENSION AND OPEB ACCOUNTING
(in millions of dollars)

	2022	2021, As Restated	2020
Operating revenues:			
Student tuition and fees, net of grants and scholarships	\$ 32.5	\$ 30.7	\$ 30.7
Federal grants and contracts	6.2	4.0	4.2
State and local grants and contracts	1.6	1.4	1.4
Nongovernmental grants and contracts	3.1	3.4	3.5
Sales and services of educational departments	1.2	0.4	0.5
Auxiliary enterprises, net of grants and scholarships	2.6	2.5	4.7
Other	4.7	1.6	3.0
Total operating revenues	51.9	44.0	48.0
Operating expenses:			
Instruction	75.7	74.4	72.3
Public service	2.6	2.3	2.2
Academic support	12.9	11.3	12.1
Student services	19.2	17.9	18.2
Institutional support	19.4	16.8	18.2
Plant operations and maintenance	14.8	13.1	13.5
Depreciation & Amortization	13.6	13.4	12.1
Student aid	23.9	13.1	7.4
Auxiliary enterprises	3.6	3.8	6.5
Total operating expenses	185.7	166.1	162.5
Nonoperating and other revenues (expenses):			
State appropriations	55.5	53.1	49.5
County tax levy	39.1	38.6	38.4
HEERF and CRF grant revenues	33.3	26.9	2.8
Federal student aid grant programs	18.4	19.1	22.2
State student aid grant programs	2.2	1.5	1.3
Investment income	3.2	3.1	3.6
Net change in the fair value of investments	(11.5)	2.6	2.7
Capital grants	4.3	3.6	9.5
Total nonoperating and other revenues	144.5	148.5	130.0
Change in net position	10.7	26.4	15.5
Net position:			
Beginning of year	342.8	316.4	300.9
End of year	\$ 353.5	\$ 342.8	\$ 316.4

SINCLAIR COMMUNITY COLLEGE
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 For the years ended June 30, 2022 and 2021

Figure 2 below presents the composition of Sinclair's revenue streams.



Operating Expenses

- Operating expenses are those expenditures related to the College's educational programs and services. **Note that pension and OPEB accounting related expense impacts are included in operating expenses (\$24.3 million decrease in 2022 and \$32.3 million decrease in 2021).**

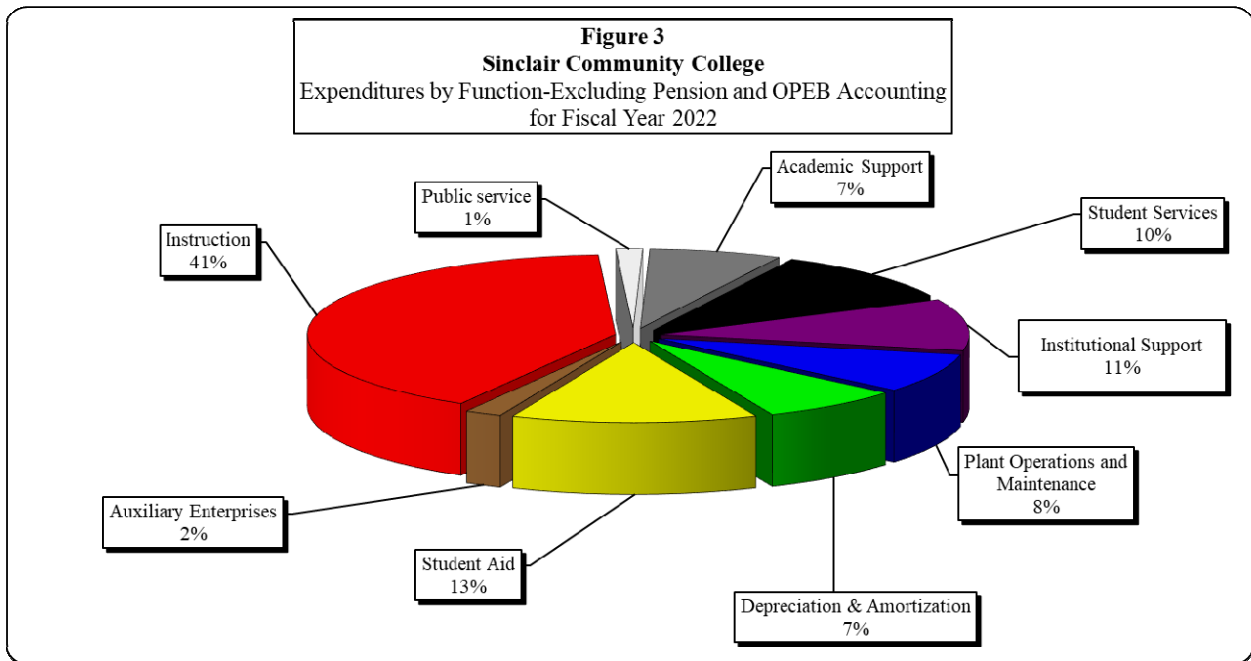
- Total operating expenses increased by \$27.6 million or 20.6% in 2022 due to the aforementioned net impacts of pension and OPEB accounting changes. The net impact of pension and OPEB accounting changes was a decrease in expense of \$24.3 million in 2022 compared to an decrease in expense of \$32.3 million in 2021. Exclusive of the pension and OPEB expenses, operating expenses in 2022 increased by \$19.6 million due to increases in student aid of \$10.8 million, primarily associated with COVID-19 and HEERF spending, and an increase to institutional support of \$2.7 million, much of which was dedicated to mitigating the effects of the pandemic. All other functional operating expenses were comparable to prior year.

The College continues to be proactive in controlling costs through efficiency and restructuring initiatives while investing new resources for supporting student access and success, even during a pandemic.

SINCLAIR COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the years ended June 30, 2022 and 2021

- Total operating expenses decreased by \$36.5 million or 21.4% in 2021 due to the aforementioned net impacts of pension and OPEB accounting changes. The net impact of pension and OPEB accounting changes was a decrease in expense of \$32.3 million in 2021 compared to an increase in expense of \$7.8 million in 2020. Exclusive of the pension and OPEB expenses, operating expenses in 2021 increased by \$3.6 million due to increases in student aid of \$5.7 million, all associated with COVID-19 and HEERF spending, offset by a decrease in auxiliary enterprises of \$2.7 million. All other functional operating expenses were comparable to prior year. The College continues to be proactive in controlling costs through efficiency and restructuring initiatives while investing new resources for supporting student access and success, even during a pandemic.

Figure 3 breaks out Sinclair's total operating expenses by functional category excluding the impacts of pension and OPEB accounting.



SINCLAIR COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the years ended June 30, 2022 and 2021

Cash Flows

The statements of cash flows present information related to the cash inflows and outflows that result from the operating, noncapital and capital financing, and investing activities of the College. In each of the years shown in Table 3, the major cash inflows were from student tuition and fees, grants and contracts, auxiliary enterprise charges, state appropriations, county tax levy receipts, federal Pell Grant and Direct Loan Program receipts, and investment maturities. The major cash outflows were payments to employees and vendors, payments of Pell Grant and Direct Loan funds to students, and the purchase of capital assets and new investments.

TABLE 3
CONDENSED STATEMENT OF CASH FLOWS
(in millions of dollars)

	Years Ended June 30,		
	2022	2021, As Restated	2020
Cash (used in) provided by:			
Operating activities	\$ (123.0)	\$ (107.3)	\$ (103.3)
Non-capital financing activities	148.5	138.4	113.2
Capital and related financing activities	(14.8)	(8.7)	(15.8)
Investing activities	(7.3)	(28.6)	17.0
Net (decrease) increase in cash and cash equivalents	3.4	(6.2)	11.1
Cash and cash equivalents, beginning of year	13.0	19.2	8.1
Cash and cash equivalents, end of year	\$ 16.4	\$ 13.0	\$ 19.2

Capital Assets

Highlights of the College's capital program in Table 4 below, include the following:

- Sinclair purchased Building A at the Mason Campus during FY 2022.
- Building improvement projects on the Dayton campus in 2022 included renovation to the Fourth and Fifth Streets campus entry points, creation of a parking deck and elevator, refurbishing the pathway through campus from the parking garage and front entrance, installing a plaza elevator cube with access to the library and other projects.
- Additions to equipment inventory in 2022 and 2021 included replacement of information technology system and various equipment for several academic programs.

SINCLAIR COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the years ended June 30, 2022 and 2021

TABLE 4
CAPITAL ASSETS

(net of depreciation, in millions of dollars)

	2022	2021	2020
Land and improvements	19.9	19.0	18.2
Buildings and improvements	158.9	158.5	151.5
Equipment and fixtures	10.8	8.7	8.6
Library materials	0.2	0.2	0.2
Construction in progress	9.2	7.8	17.3
Total capital assets	199.0	194.2	195.8

Factors Impacting Future Periods

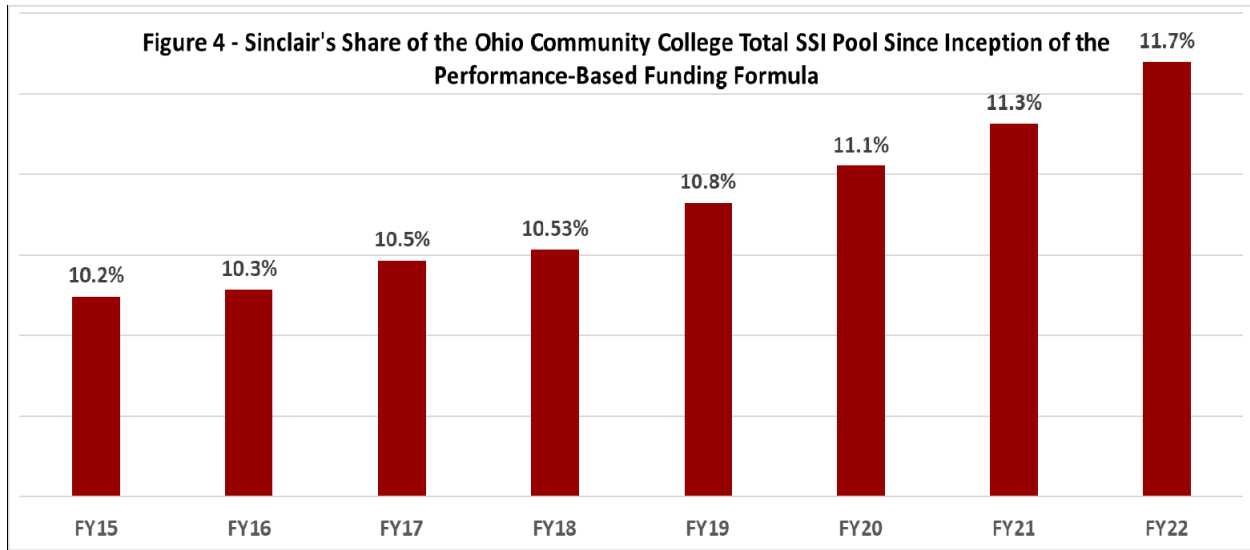
COVID-19: The ongoing global pandemic and its impact on the economy are the most obvious factors impacting future periods. At the outset of the situation in March 2020, the traditional budget process was suspended, and the College administration quickly moved into a process of macro financial scenario planning. Sinclair's financial structure and guiding principles are built for long-term sustainability including weathering economic downturns. Long-range projection scenarios are constantly updated and tested to inform and drive proactive planning actions to anticipate and adjust to the realities of economic conditions. Consequently, the College's Board of Trustees adopted a balanced budget for fiscal 2022 that was measured, responsible and forward thinking.

Sinclair was awarded \$63.0 million in Higher Education Emergency Relief Funds (HEERF) and Coronavirus Relief Funds (CRF) from three rounds of federal stimulus monies in connection with the pandemic. For fiscal year 2022, \$33.3 million in HEERF funding was used for student financial grants and to defray expenses and lost revenue resulting from the COVID-19 pandemic (\$26.9 million and \$2.8 million was spent in fiscal years 2021 and 2020, respectively).

The College has taken extraordinary steps to protect the health and safety of students and employees while at the same time keeping the educational process moving forward. These efforts resulted in a very successful fiscal year 2022 and continued good results so far in fiscal year 2023, from both an educational and financial perspective.

State of Ohio Appropriations: The State of Ohio is in the second year of its two-year budget which provided increases in higher education State Share of Instruction (SSI) funding of approximately 1% each for fiscal years 2022 and 2023. Sinclair has experienced better than average results in the allocation of dollars through the State's performance-based funding model due to its aggressive efforts to increase the number of students successfully completing courses, attaining intermediate milestones and earning degrees/certificates and/or transferring to baccalaureate institutions. Since the new formula was enacted in 2015, the College's share of overall community college funding has increased in each ensuing year as shown in Figure 4.

SINCLAIR COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the years ended June 30, 2022 and 2021



Montgomery County Levy: The two levies of the College are used entirely for expenditures benefiting students who reside in Montgomery County. This support manifests in the form of tuition subsidy and support for services at the Dayton campus. Levy A (3.2 mills, 10 years) was renewed in November of 2017 and is complemented by Levy B (1.0 mill, 8 years targeted to support growth in high demand programs such as health sciences), passed for the first time in the fall of 2015. Combined, these levies are expected to account for approximately \$38 million in annual revenue going forward. So far, property values and collections have held steady in spite of the COVID-19 pandemic. Levy B is slated for a renewal vote on November 8, 2022.

Student Enrollments and Tuition & Fee Revenue: For the five years prior to the onset of the COVID-19 pandemic, Sinclair's enrollment, as measured by was full-time equivalent (FTE) students, held remarkably steady. Over the course of fiscal year 2021 and 2022, the college realized declines in enrollment as students balanced their own responses to the pandemic with their educational endeavors. Sinclair anticipates enrollment to recover starting in fiscal 2023 as barriers related to the pandemic fall and more students pursue Sinclair programs in high demand areas such as health sciences and advanced manufacturing and technology.

In addition, Sinclair expects to realize significant enrollment growth from its prison education program as the result of receiving approval to participate in the *Second Chance Pell* program for incarcerated individuals beginning in the fall of 2022. The program will allow the college to expand its offerings in this arena, building on a long history of helping incarcerated persons gain the skills necessary to be successful after their release.

Workforce Development and Related Activities: Sinclair will continue to review and refresh its non-credit training and conference center offerings to ensure that the College's programming is aligned with community needs. Sinclair is a leader in new markets in Unmanned Aerial Systems (UAS), forging important partnerships with various national and regional organizations. In addition, Sinclair partnered with Amazon Web Services to launch the first Fiber Optic Fusion Splicing training course. In partnership with Montgomery County, Sinclair offered its first IT Fundamentals program at the new Westown Center location.

SINCLAIR COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the years ended June 30, 2022 and 2021

Facilities Campus Master Plan: As noted earlier herein, Sinclair adopts a thoughtful, proactive approach to the maintenance of its facilities and equipment, as evidenced by its \$17.8 million capital budget for fiscal 2023, the bulk of which is earmarked to replace equipment and building systems at the end of their useful lives. In September 2022, the Sinclair Board of Trustees approved an additional \$1.8 million for campus master plans including the expansion of the Aviation Maintenance program at the Dayton International Airport and upgrades to the conference center in Building 12.

Sinclair's Strategic Planning: During 2018, the College undertook a comprehensive strategic planning process, which included participants from the Sinclair College and Foundation Board of Trustees, community leaders, elected officials, faculty, staff and students. This process resulted in the Sinclair Board of Trustees' adoption of *alignment, growth and equity* as the three top-level strategic priorities. The process also resulted in a set of strategic policy rules and alignment strategies to guide future initiatives. The College is in the process of implementing strategies and programs to meet the objectives of the plan including those discussed at the Board of Trustees Advance in January 2022.

Efficiency and Accountability: Sinclair has a history of being efficient, affordable, and accountable. In fact, the College has realized over \$56 million in cumulative savings, efficiencies, and cost avoidance during the past ten years. As example, Sinclair's utility costs are about 20% lower than ten years ago (about \$0.7 million less) due to energy conservation measures. Sinclair will continue to drive efficiencies and cost savings to ensure that financial resources remain healthy and the college remains on a sustainable path.

SINCLAIR COMMUNITY COLLEGE
STATEMENTS OF NET POSITION
Years Ended June 30, 2022 and 2021

	2022	2021, As Restated
Assets and Deferred Outflows of Resources		
Current assets:		
Cash and cash equivalents	\$ 16,364,696	\$ 12,942,754
Accounts receivable, net	14,578,794	9,248,597
Prepaid expenses	2,021,755	2,118,509
Interest receivable	460,809	420,824
Property tax levy receivable	38,219,667	38,035,112
Inventories	164,157	300,708
Total current assets	71,809,878	63,066,504
Noncurrent assets:		
Investments	150,687,868	150,644,789
Investment in capital assets	199,033,532	194,230,347
Lease right of use assets	4,315,320	5,014,997
Net other postemployment benefit asset	15,013,501	10,428,766
Total noncurrent assets	369,050,221	360,318,899
Total assets	440,860,099	423,385,403
Deferred outflows of resources:		
Pension activity	26,789,328	18,947,604
Other postemployment benefits activity	1,304,334	3,953,836
Total deferred outflows of resources	28,093,662	22,901,440
Total assets and deferred outflows of resources	\$ 468,953,761	\$ 446,286,843
Liabilities, Deferred Inflows of Resources, and Net Position		
Current liabilities:		
Accounts payable and accruals	\$ 6,763,698	\$ 3,351,939
Accrued salaries, wages and benefits	12,853,879	13,032,571
Unearned student fee income	3,837,597	4,456,003
Lease Liability	553,037	936,381
Deposits	928,603	1,024,761
Total current liabilities	24,936,814	22,801,655
Noncurrent liabilities:		
Compensated absences	5,480,974	5,360,707
Lease Liability	3,702,435	3,892,252
Net pension liability	60,168,696	113,997,786
Total liabilities	94,288,919	146,052,400
Deferred inflows of resources:		
Property tax levy	38,219,667	38,035,112
Pension activity	67,946,262	23,160,911
Other postemployment benefit activity	15,788,579	21,277,222
Total deferred inflows of resources	121,954,508	82,473,245
Net position:		
Investment in capital assets	199,093,380	194,416,711
Restricted – Expendable, grants and contracts	1,858,555	1,705,397
Unrestricted	51,758,399	21,639,090
Total net position	252,710,334	217,761,198
Total liabilities, deferred inflows of resources, and net position	\$ 468,953,761	\$ 446,286,843

SINCLAIR COMMUNITY COLLEGE FOUNDATION
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
Years Ended June 30, 2022 and 2021

	2022	2021
Assets		
Cash and cash equivalents	\$ 445,722	\$ 183,709
Receivable from Sinclair Community College	-	445,423
Investments:		
Fixed income security funds	4,654,383	7,534,994
Equity funds	28,685,084	33,231,155
Limited partnerships	183,876	189,159
Total investments	33,523,343	40,955,308
Cash surrender value of life insurance	284,809	282,922
Property and equipment - Net	5,052,815	5,088,126
Total assets	\$ 39,306,689	\$ 46,955,488
Liabilities and Net Assets		
Liabilities		
Payable to Sinclair Community College	\$ 96,640	\$ -
Other payables	77,164	75,664
Total liabilities	173,804	75,664
Net Assets		
Without donor restrictions	26,283,994	31,860,636
With donor restrictions	12,848,891	15,019,188
Total net assets	39,132,885	46,879,824
Total liabilities and net assets	\$ 39,306,689	\$ 46,955,488

SINCLAIR COMMUNITY COLLEGE
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Years Ended June 30, 2022 and 2021

	2022	2021, As Restated
Revenues		
Operating revenues:		
Student tuition and fees	\$ 47,386,533	\$ 46,643,150
Less grants and scholarships	(14,925,292)	(15,953,188)
Student tuition and fees, net of grants and scholarships	32,461,241	30,689,962
Federal grants and contracts	6,223,760	3,980,473
State and local grants and contracts	1,594,746	1,429,434
Nongovernmental grants and contracts	3,130,449	3,390,188
Sales and services of educational departments	1,221,389	385,270
Auxiliary enterprises:		
Food service	116,004	121,900
Bookstore (net of grants and scholarships of \$1,092,252 and \$1,249,221 in 2022 and 2021 respectively)	(220,361)	(449,676)
Parking	2,720,464	2,827,075
Other operating revenues	4,699,420	1,599,519
Total operating revenues	51,947,112	43,974,145

SINCLAIR COMMUNITY COLLEGE
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Years ended June 30, 2022 and 2021

	2022	2021, As Restated
Expenses		
Operating expenses:		
Educational and general:		
Instruction	\$ 63,894,546	\$ 67,734,223
Public service	2,577,421	2,094,833
Academic support	10,583,373	6,772,587
Student services	15,372,612	10,390,676
Institutional support	13,842,846	4,915,456
Plant operations and maintenance	13,979,444	11,465,852
Depreciation and amortization	13,681,376	13,471,116
Student aid	23,908,820	13,144,587
Auxiliary enterprises:		
Food service	294,876	493,689
Bookstore	1,140,955	1,110,922
Parking	2,187,962	2,238,384
Total operating expenses	161,464,231	133,832,325
Operating Loss	(109,517,119)	(89,858,180)
Nonoperating Revenues:		
State appropriations	55,460,266	53,147,070
County tax levy	39,113,342	38,550,037
HEERF and CRF grant revenue	33,304,976	26,979,523
Federal student aid grant programs	18,384,424	19,134,839
State student aid grant programs	2,227,254	1,547,539
Investment income	3,236,904	3,064,750
Net (decrease) increase in the fair value of investments	(11,566,156)	2,575,067
Total nonoperating revenues	140,161,010	144,998,825
Gain before Other Revenues	30,643,891	55,140,645
Other Revenues - State Capital Grants	4,305,245	3,588,324
Increase in Net Position	34,949,136	58,728,969
Net Position		
Beginning of year	217,761,198	159,032,229
End of year	\$ 252,710,334	\$ 217,761,198

SINCLAIR COMMUNITY COLLEGE FOUNDATION
CONSOLIDATED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
Years Ended June 30, 2022 and 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Gains (Losses), and Other Support						
Contributions of cash and other financial assets	\$ 145,632	\$ 1,320,391	\$ 1,466,023	\$ 972,102	\$ 1,766,538	\$ 2,738,640
Contributions of nonfinancial assets	664,115	-	664,115	636,218	-	636,218
Net investment income (loss)	(4,976,574)	(1,920,511)	(6,897,085)	7,344,455	2,974,652	10,319,107
Lease income	136,156	-	136,156	640,322	-	640,322
Administration fee income	132,656	-	132,656	105,445	-	105,445
Other income	-	1,502	1,502	-	2,497	2,497
Net assets released from restrictions - Satisfaction of donor restrictions	1,571,679	(1,571,679)	-	1,857,593	(1,857,593)	-
Total revenue, (losses) gains, and other support	<u>(2,326,336)</u>	<u>(2,170,297)</u>	<u>(4,496,633)</u>	<u>11,556,135</u>	<u>2,886,094</u>	<u>14,442,229</u>
Expenses						
Expenses:						
Program	2,371,701	-	2,371,701	2,819,026	-	2,819,026
Management and general	455,580	-	455,580	356,697	-	356,697
Fundraising	423,025	-	423,025	353,088	-	353,088
Total expenses	<u>3,250,306</u>	<u>-</u>	<u>3,250,306</u>	<u>3,528,811</u>	<u>-</u>	<u>3,528,811</u>
Increase (Decrease) in Net Assets	<u>(5,576,642)</u>	<u>(2,170,297)</u>	<u>(7,746,939)</u>	<u>8,027,324</u>	<u>2,886,094</u>	<u>10,913,418</u>
Net Assets - Beginning of year	<u>31,860,636</u>	<u>15,019,188</u>	<u>46,879,824</u>	<u>23,833,312</u>	<u>12,133,094</u>	<u>35,966,406</u>
Net Assets - End of year	<u>\$ 26,283,994</u>	<u>\$ 12,848,891</u>	<u>\$ 39,132,885</u>	<u>\$ 31,860,636</u>	<u>\$ 15,019,188</u>	<u>\$ 46,879,824</u>

SINCLAIR COMMUNITY COLLEGE
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2022 and 2021

	2022	2021, As Restated
Cash Flows from Operating Activities		
Tuition and fees	\$ 30,461,336	\$ 34,337,186
Grants and contracts	7,846,861	7,013,537
Direct student loan receipts	16,227,681	17,158,260
Direct student loan disbursements	(14,733,917)	(17,394,525)
Payments to vendors and employees	(168,876,840)	(153,581,922)
Auxiliary enterprise charges	2,772,218	2,549,673
Sales and services of educational departments	1,048,967	347,257
Other receipts	2,251,461	2,198,440
Net cash used in operating activities	(123,002,233)	(107,372,094)
Cash Flows from Noncapital Financing Activities		
State appropriations	55,460,266	53,147,070
Property tax levy receipts	39,113,342	38,056,565
Deposits	(96,158)	(1,868)
HEERF and CRF grant revenue	33,304,976	26,979,523
Federal student aid grant programs	18,446,767	19,198,536
State student aid grant programs	2,293,017	1,111,085
Net cash provided by noncapital financing activities	148,522,210	138,490,911
Cash Flows from Capital and Related Financing Activities		
Capital grants	4,305,245	3,588,324
Lease activity	(1,636,059)	(1,123,046)
Purchases of capital assets	(17,421,663)	(11,176,298)
Net cash used in capital and related financing activities	(14,752,477)	(8,711,020)
Cash Flows from Investing Activities		
Proceeds from maturities of investments	21,244,093	31,429,463
Interest on investments	3,264,046	3,085,588
Purchase of investments	(31,853,697)	(63,154,491)
Net cash used in investing activities	(7,345,558)	(28,639,440)
Net Increase (Decrease) in Cash and Cash Equivalents	3,421,942	(6,231,643)
Cash and Cash Equivalents		
Beginning of year	12,942,754	19,174,397
End of year	\$ 16,364,696	\$ 12,942,754

SINCLAIR COMMUNITY COLLEGE
STATEMENTS OF CASH FLOWS
Years ended June 30, 2022 and 2021

	2022	2021, As Restated
Reconciliation of Operating Loss to Net Cash Used in Operating Activities		
Operating loss	\$ (109,517,119)	\$ (89,858,180)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization	13,610,038	13,465,741
Loss on disposal of equipment	71,338	5,375
Changes in operating assets and liabilities, deferred inflows of resources, and deferred outflows of resources which (used) provided cash:		
Accounts receivable	(5,451,808)	1,431,208
Inventory	136,551	117,999
Prepaid expenses	96,754	249,232
Net other postemployment benefit asset	3,411,759	(4,671,500)
Accounts payable and accruals	(58,425)	(2,010,816)
Accrued salaries, wages, benefits and compensated absences	(618,406)	979,589
Unearned student fee income	(8,113,109)	811,162
Deferred outflow of resources - pension activity	2,648,502	3,579,235
Deferred outflow of resources - other postemployment benefit activity	(4,584,735)	2,855,694
Deferred inflow of resources - pension activity	44,684,160	3,488,841
Deferred inflow of resources - other postemployment benefit activity	(5,488,643)	8,937,689
Net pension liability	(53,829,090)	(10,736,462)
Net other postemployment benefit liability	-	(36,016,901)
Net cash used in operating activities	\$ (123,002,233)	\$ (107,372,094)
 Noncash Transactions		
Lease obligations incurred for lease assets	\$ 363,221	\$ 227,190

SINCLAIR COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2022 and 2021

NOTE A – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization: Sinclair Community College (the “College”), a two-year institution of higher education, began operations as a public community college in 1966. The College is operated by the Warren County Montgomery County Community College District, and is exempt from federal income taxes pursuant to provisions of Section 115 of the Internal Revenue Code. The College offers associate degrees, certificate programs, and continuing education in the areas of life and health sciences; science, mathematics, and engineering; liberal arts, communication, and social sciences; and business and public services.

Basis of Presentation: The accompanying financial statements have been prepared in accordance with Generally Accepted Accounting Principles as prescribed by the Governmental Accounting Standards Board (GASB) using the economic resource measurement focus. The College follows all applicable GASB pronouncements. The College follows the “business-type activities” reporting requirements of GASB Statement No. 35, which provides a comprehensive one-line look at the College’s financial activities.

Basis of Accounting: The financial statements of the College have been prepared on the accrual basis, whereby all revenue is recorded when earned and all expenses are recorded when they have been reduced to a legal or contractual obligation to pay.

Cash and Cash Equivalents: Cash, certificates of deposit, and money market funds, stated at cost, are considered cash and cash equivalents with original maturities less than 90 days.

Accounts Receivable: Accounts receivable consists of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty and staff. Accounts receivable also include amounts due from the federal government, state and local governments, and private sources, in connection with reimbursement of allowable expenditures made pursuant to the College’s grants and contracts. Accounts receivable are recorded net of estimated uncollectible amounts of approximately \$646,000 and \$688,000 at June 30, 2022 and 2021, respectively. The College determines its allowance by considering a number of factors, including the length of time accounts receivable are past due, previous loss history, and the condition of the general economy and the industry as a whole.

Inventories: Inventories, which consist principally of publications, general merchandise, and other goods, are stated at the lower of cost or market. Cost is determined using the first-in, first-out (FIFO) method.

Investments: Investments are stated at fair value. Purchases and sales of investments are accounted for on the trade date basis. Realized and unrealized gains and losses are reported as investment income or loss.

The College has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio). STAR Ohio is an investment pool managed by the State Treasurer’s Office which allows governments within the state to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company but has adopted Governmental Accounting Standards Board (GASB) Statement No. 79, *Accounting and Financial Reporting for Certain External Investment Pools and Pool Participants*, which establishes accounting and financial reporting standards for qualifying external investment pools that elect to measure for financial reporting purposes all of their investments at amortized cost. Investments in STAR Ohio are valued at STAR Ohio’s share price, which is the price at which the investment could be sold on June 30, 2022.

SINCLAIR COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2022 and 2021

NOTE A – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets: Capital assets are recorded at cost, or if acquired by gift, at acquisition value at the date of the gift. When capital assets are sold or otherwise disposed of, the net carrying value of such assets is removed from the accounts and the net investment in capital assets component of net position is adjusted as appropriate. Capital asset additions of equipment and fixtures with a cost equal to or in excess of \$5,000 are capitalized and depreciated on a straight-line basis over the estimated useful lives in the table that follows. Buildings and improvements with a cost in excess of \$100,000 are capitalized and depreciated on a straight-line basis over the estimated useful lives as follows:

Buildings and improvements	10 - 60 years
Equipment and fixtures	5 - 20 years
Library materials	5 years

Leased assets are amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset. The amortized lease asset is reported as an outflow of resources which is combined with depreciation expense related to other capital assets for financial statement purposes.

Deferred Outflows of Resources: In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The College reports deferred outflows of resources for certain pension-related and OPEB-related amounts, such as change in expected and actual experience, changes in assumptions, and certain contributions made to the plan subsequent to the measurement date. More detailed information can be found in Note H.

Unearned Student Fee Income: Unearned student fee income includes the unearned portion of student tuition and fees for the summer and fall sessions. Unearned student fee income also includes advance payments received from businesses for non-credit classes and seminars conducted after June 30.

Compensated Absences: Administrative and professional employees earn vacation leave at a rate of 13.33 hours for each month of service up to a maximum of 240 hours. Support staff earns vacation at a rate of eight hours per month for the first five years of service up to a maximum of 240 hours. After five years of continuous employment, an additional eight hours per year (.66 hours per month) are added to the accrual rate each year until the maximum monthly accrual rate of 13.33 hours is reached. Upon termination of employment, an employee is entitled to payment for all accrued vacation hours. The College has accrued a vacation liability for all employees equal to amounts earned.

All College employees earn 10 hours of sick leave for each month of service up to a maximum of 120 hours per year. Unused sick leave accumulates up to a maximum of 1,200 hours. This sick leave will either be absorbed by time off due to illness or injury, or within certain limitations, be paid to the employee upon retirement. The amount paid to an employee upon retirement is limited to one-quarter of the accumulated sick leave up to a maximum payout of 240 hours. The College has accrued a sick leave liability for all employees equal to the maximum payout upon retirement.

Pensions: For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Ohio Public Employees Retirement System Pension Plan (OPERS) and the State Teachers Retirement System of Ohio Pension Plan (STRS) and the additions to/deductions from the OPERS' and STRS' fiduciary net position have been determined on the same basis as they are reported by the OPERS and STRS. OPERS and STRS use the economic resources measurement focus and the full accrual basis of accounting. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. Benefit payments (including refunds of employee contributions) are recognized as expense when due and payable in accordance with the benefit terms. Investments are reported at fair value.

SINCLAIR COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2022 and 2021

NOTE A – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Other Postemployment Benefit: For purposes of measuring the net other postemployment benefit (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of OPERS and STRS and additions to/deductions from OPERS' and STRS' fiduciary net position have been determined on the same basis as they are reported by the OPERS and STRS. OPERS and STRS uses the economic resources measurement focus and the full accrual basis of accounting. For this purpose, OPERS and STRS recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Inflows of Resources: In addition to liabilities, the statements of net position report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The College reports deferred inflows of resources for certain pension-related and OPEB-related amounts, such as the difference between projected and actual earnings of the plan's investments. More detailed information can be found in Note H.

The College also has deferred inflows of resources for property taxes. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2022 and 2021, but which were levied to finance fiscal year 2023 and 2022, respectively, operations.

Net Position Classifications: In accordance with GASB Statement No. 35 guidelines, the College's resources are classified into the following three net position categories:

- Investment in capital assets: Capitalized physical assets, net of accumulated depreciation (see Note D) and lease assets reduced by the outstanding balances of debt, including lease liability and deferred inflows of resources related to the acquisition, construction, or improvement of those assets.
- Restricted – expendable, grants and contracts: Resources related to grants, contracts, and taxes, including taxes levied in the prior reporting period and received in the reporting period, whose use is subject to externally-imposed restrictions including limitations on the use of net assets imposed by enabling legislation.
- Unrestricted: Resources that are not subject to externally-imposed restrictions. Unrestricted resources may be designated for specific purposes by the Board of Trustees. Substantially all of the College's unrestricted resources are designated for future uses or contingencies (See Note B).

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

Grants and Scholarships: Student tuition and fees and bookstore revenues are presented net of grants and scholarships applied directly to student accounts. Grants and scholarships consist primarily of awards to students from the Federal Pell Grant Program, Sinclair Community College grant programs, and the Sinclair Community College Foundation. Payments made directly to students from grants and scholarships are presented as Student Aid.

SINCLAIR COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2022 and 2021

NOTE A – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The College's federal direct loan program was determined to meet the definition of a fiduciary activity. However, as the assets are generally held for three months or less, they are reported as business-type activities with inflows and outflows reported within operating activities on the statement of cash flows.

Operating Versus Nonoperating Revenues and Expenses: The College defines operating activities as reported on the statement of revenues, expenses, and changes in net position as those that generally result from exchange transactions such as payments received for providing goods or services and payments made for goods or services received. All of the College's expenses are from exchange transactions. Certain significant revenue streams relied on for operations are reported as nonoperating revenues as required by GASB Statement No. 35, and *GASB's Implementation Guide*. Nonoperating revenue includes state appropriations, county property tax levy receipts, certain government grants, and investment income.

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 revenue and expenditures during the reporting period. Actual results could differ from those estimates.

Tax Abatement: The College's property tax revenue is affected by tax abatements entered into by Montgomery County. The College's property tax revenues were reduced by \$757,801 and \$529,603 for the year ended June 30, 2022 and 2021, respectively.

Impact of COVID-19: On March 11, 2020, the World Health Organization declared the outbreak of a respiratory disease caused by a new coronavirus a pandemic, now known as COVID-19. In response to the COVID-19 pandemic, governments have taken preventative or protective actions, such as temporary closures of non-essential businesses and "shelter-at-home" guidelines for individuals. As a result, the global economy has been negatively affected, and the College's operations were also impacted. Due to the "shelter-at-home" guidelines during April and May 2020, the College shifted to a remote online learning environment and sent students home. To offset the financial impact to students and the losses incurred by the College due to the disruption caused by COVID-19, the College received grants and other relief primarily from the Higher Education Emergency Relief Fund (HEERF). The College was allocated HEERF grants totaling \$59,738,832, of which \$23,734,571 was required to be given directly to students. For the year ended June 30, 2022 and 2021, the College recognized HEERF grant revenue totaling \$33,252,740 and \$23,664,568, respectively. All HEERF funds have been used as of June 30, 2022. Subsequent to June 30, 2020, the College was allocated Coronavirus Relief Funds (CRF) of \$3,211,072 which was fully utilized in fiscal year 2021. The severity of the continued impact due to COVID-19 on the College's financial condition, results of operations or cash flows will depend on a number of factors, including, but not limited to, the duration and severity of the pandemic and the extent and severity of the impact on the College's community, all of which are uncertain and cannot be predicted.

Adoption of New Accounting Pronouncements: As of June 30, 2022, the GASB issued the following statements implemented by the College:

SINCLAIR COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2022 and 2021

NOTE A – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting for Leases - During the current fiscal year, the College adopted GASB Statement No. 87, *Leases*. As a result, the financial statements now include a liability for the present value of payments expected to be made and right-to-use assets, initially recorded at \$5,724,489 at July 1, 2020. Lease activity is further described in Note G. The financial statements for the year ended June 30, 2021 have been restated in order to adopt GASB Statement No. 87.

The effect of this new standard was as follows:

Statements of Net Position	Previously Reported	Change	Adjusted Balance
Lease right of use assets	\$ -	\$ 5,014,997	\$ 5,014,997
Total noncurrent assets	355,303,902	5,014,997	360,318,899
Total assets	418,370,406	5,014,997	423,385,403
Total assets and deferred outflows of resources	<u>\$ 441,271,846</u>	<u>\$ 5,014,997</u>	<u>\$ 446,286,843</u>
Lease liability	\$ -	\$ 1,145,903	\$ 1,145,903
Total current liabilities	21,865,274	1,145,903	23,011,177
Lease liability	-	3,682,730	3,682,730
Total liabilities	141,223,767	4,828,633	146,052,400
Investment in capital assets	194,230,347	186,364	194,416,711
Total net position	217,574,834	186,364	217,761,198
Total liabilities, deferred inflows of resources, and net position	<u>\$ 441,271,846</u>	<u>\$ 5,014,997</u>	<u>\$ 446,286,843</u>

Statements of revenues, expenses and changes in net position	Previously Reported	Change	Adjusted Balance
Plant operations and maintenance	\$ 12,588,898	\$ (1,123,046)	\$ 11,465,852
Depreciation and amortization	12,534,434	936,682	13,471,116
Total operating expenses	134,018,689	(186,364)	133,832,325
Operating Loss	(90,044,544)	186,364	(89,858,180)
Gain before Other Revenues	54,954,281	186,364	55,140,645
Increase in Net Position	58,542,605	186,364	58,728,969
Net Position, End of Year	<u>\$ 217,574,834</u>	<u>\$ 186,364</u>	<u>\$ 217,761,198</u>

Upcoming Accounting Pronouncements

Public-Private and Public-Public Partnerships and Availability Payment Arrangements – In March 2020, the Governmental Accounting Standards Board issued GASB Statement No. 94, *Public-Private and Public-Public Partnership Arrangements*, to bring a uniform guidance on how to report public-private and public-public partnership arrangements. As a result, transferors in public-private or public-public arrangements will recognize receivables for installment payments, deferred inflows of resources, and, when applicable, capital assets. Operators will recognize liabilities for installment payments and intangible right-to-use assets, and when applicable, deferred outflows of resources and liabilities for assets being transferred. This statement also provides guidance for accounting and financial reporting for availability payment arrangements, in which a government compensates an operator for services such as designing, constructing, financing, maintaining, or operating an underlying asset for a period of time in an exchange of exchange-like transaction. The provisions of this statement are effective for the College's financial statements for the year ending June 30, 2023. The standard is not expected to have a significant effect on the College's financial statements.

SINCLAIR COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2022 and 2021

NOTE A – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subscription-Based Information Technology Arrangements – In May 2020, the Governmental Accounting Standards Board issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, which defines SBITAs and provides accounting and financial reporting for SBITAs by governments. This statement requires a government to recognize a subscription liability and an intangible right-to-use subscription asset for SBITAs. The University is currently evaluating the impact this standard will have on the financial statements when adopted. The provision of this statement is effective for the College's financial statements for the year ending June 30, 2023.

Compensated Absences – In June 2022, the Governmental Accounting Standards Board issued GASB Statement No. 101, *Compensated Absences*, which updates the recognition and measurement guidance for compensated absences under a unified model. This statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means and establishes guidance for measuring a liability for leave that has not been used. It also updates disclosure requirements for compensated absences. The provisions of this statement are effective for the College's financial statements for the year ending June 30, 2025.

NOTE B – CASH AND INVESTMENTS

In accordance with the Ohio Revised Code and the College's investment policy, the College is authorized to invest cash in securities of the United States government or of its agencies or instrumentalities, the Treasurer of State's pooled investment program and federally insured cash account program, obligations of any state, obligations of any Ohio political subdivision, certificates of deposit, written repurchase agreements with any eligible Ohio financial institution that is a member of the federal reserve system or federal home loan bank, money market funds, bankers' acceptances, corporate obligations, U.S. and global fixed income mutual funds, and domestic and international equity mutual funds. The classification of cash and cash equivalents and investments in the financial statements is based on criteria set forth in GASB Statement No. 9. Cash equivalents are defined to include investments with original maturities of three months or less.

Deposits: At June 30, 2022, the carrying amount of the College's deposits in all funds was \$16,364,696 (reported as cash and cash equivalents in the statement of net position) and the financial institution balance was \$17,978,017. The difference between the carrying amount and the financial institution balance was primarily due to outstanding checks at June 30, 2022. Of the financial institution balance, \$1,000,000 was covered by federal depository insurance and \$250,000 had Federal Securities Investor Protection Corporation coverage. The remaining balance of \$16,728,017 was uninsured.

At June 30, 2021, the carrying amount of the College's deposits in all funds was \$12,942,754 (reported as cash and cash equivalents in the statement of net position) and the financial institution balance was \$14,011,748. The difference between the carrying amount and the financial institution balance was primarily due to outstanding checks at June 30, 2021. Of the financial institution balance, \$869,011 was covered by federal depository insurance and \$250,000 had Federal Securities Investor Protection Corporation coverage. The remaining balance of \$12,892,737 was uninsured.

The uninsured deposits were either 1) held in accounts at Ohio banks that maintain collateral pools securing public funds deposits in accordance with the Ohio Revised Code (\$7,337,533 at June 30, 2022 and \$6,605,933 at June 30, 2021), or 2) in the case of money market account balances were backed by the underlying securities held by the fund (\$9,390,483 at June 30, 2022 and \$6,286,804 at June 30, 2021). The custodial credit risk for deposits is the risk that, in the event of the failure of a financial institution, the College's deposits may not be returned to the College, or the College may not be able to recover the value of collateral securities that are in the possession of an outside party.

SINCLAIR COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2022 and 2021

NOTE B – CASH AND INVESTMENTS (Continued)

Investments: Investments at June 30, 2022 and 2021 were \$150,687,868 (amortized cost basis of \$154,408,644) and \$150,644,789 (amortized cost basis of \$142,816,917), respectively.

Investments at June 30 were as follows:

	Fair Value at June 30, 2022	Maturities				
		Less than 1 Year	1 - 5 Years	6 - 10 Years	11 - 20 Years	Greater than 20 Years
Government National Mortgage Association (GNMA) bonds	\$ 14,918,200	\$ 1,350	\$ 975,220	\$ 939,426	\$ 9,726,434	\$ 3,275,770
Other federal agency securities	11,021,613	3,995,922	7,025,691	-	-	-
Municipal bonds	7,026,936	-	4,781,916	2,245,020	-	-
Fixed income security funds	14,077,088	6,068,353	8,008,735	-	-	-
Equity funds	14,541,893	14,541,893	-	-	-	-
Corporate bonds	36,031,008	13,031,207	21,004,551	1,995,250	-	-
STAR Ohio	52,819,853	52,819,853	-	-	-	-
Certificates of deposit	251,277	-	251,277	-	-	-
Total	\$ 150,687,868	\$ 90,458,578	\$ 42,047,390	\$ 5,179,696	\$ 9,726,434	\$ 3,275,770

	Fair Value at June 30, 2021	Maturities				
		Less than 1 Year	1 - 5 Years	6 - 10 Years	11 - 20 Years	Greater than 20 Years
Government National Mortgage Association (GNMA) bonds	\$ 21,449,710	\$ 716	\$ 594,592	\$ 2,069,560	\$ 13,868,655	\$ 4,916,187
Other federal agency securities	8,019,243	995,350	4,537,718	2,486,175	-	-
Municipal bonds	3,436,443	155,050	1,616,510	1,664,883	-	-
Fixed income security funds	15,325,374	2,491,858	12,833,516	-	-	-
Equity funds	15,685,994	15,685,994	-	-	-	-
Corporate bonds	35,797,362	14,657,996	15,575,919	5,563,447	-	-
STAR Ohio	50,662,596	50,662,596	-	-	-	-
Certificates of deposit	268,067	-	268,067	-	-	-
Total	\$ 150,644,789	\$ 84,649,560	\$ 35,426,322	\$ 11,784,065	\$ 13,868,655	\$ 4,916,187

The certificates of deposit were fully FDIC insured. The federal agency, municipal and corporate bonds were all credit quality "A" or higher, as required by the College's investment policy. Government National Mortgage Association (GNMA) bonds are aggregations of home mortgages that carry the full faith and credit guaranty of the U.S. government, the same guaranty provided to U.S. Treasury instruments. U.S. treasuries and GNMA bonds are not subject to the credit risk disclosures of GASB Statement No. 40.

SINCLAIR COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2022 and 2021

NOTE B – CASH AND INVESTMENTS (Continued)

There are no limitations or restrictions on any STAR Ohio participant withdrawals due to redemption notice periods, liquidity fees, or redemption rates. However, notice must be given to STAR Ohio 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transactions to \$50 million, requiring excess amounts to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the STAR Ohio investors will be combined for these purposes.

A GNMA bond does not mature all at once on its stated maturity date. Rather, a portion of each bond matures every month, and an entire bond will usually mature many years before its maturity date. The following homeowner actions result in the return of principal to the owners of a GNMA bond: 1) making a monthly mortgage payment which includes a principal component, 2) refinancing a mortgage and thereby paying off the old mortgage, 3) selling a home and paying off the mortgage. GNMA principal amounts returned to the College are either reinvested, held as cash, or used in operations as deemed appropriate. For the years ended June 30, 2022 and 2021, the College's GNMA investments returned principal as follows:

Years:	2022	2021
0 - 5	\$ 968,704	\$ 555,993
6 - 10	897,687	1,927,691
11 - 20	9,387,401	12,303,835
Greater than 20	3,528,662	4,699,584
Total (at cost)	\$ 14,782,453	\$ 19,487,103

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The College's policy for managing its exposure to fair value loss arising from increasing interest rates is to comply with the requirements of the Ohio Revised Code and to insure that the term of the maturity of investments does not exceed the need for the availability of the funds invested. The College has the ability and intent to hold all investment securities until maturity; therefore, it is not anticipated that market gains or losses will be realized.

The College's cash and investments help support allocated net positions designated by the Board of Trustees or restricted by outside parties for the following purposes:

	2022	2021
Capital improvements, facility renovations, equipment	\$ 76,892,487	\$ 84,558,260
Tuition stabilization, rainy day fund, uninsured losses, other contingencies and initiatives	47,561,722	33,965,638
Auxiliary enterprises	10,523,410	10,566,522
Board-designated endowment	17,483,066	17,417,238
Student organization funds	94,088	237,145
Total unrestricted net position before pension and other postemployment benefit activity	152,554,773	146,744,803
Pension activity	(101,325,630)	(118,211,093)
Other postemployment benefit activity	529,256	(6,894,620)
Total unrestricted net position	51,758,399	21,639,090
Restricted grants and contracts	1,858,555	1,705,397
Total unrestricted and restricted net position	\$ 53,616,954	\$ 23,344,487

SINCLAIR COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2022 and 2021

NOTE C – FAIR VALUE MEASUREMENTS

The College categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

In instances whereby inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The College's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

The College has the following recurring fair value measurements as of June 30, 2022 and 2021:

	Balance at June 30, 2022	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level				
Debt securities:				
Government National Mortgage Association (GNMA) Bonds	\$ 14,900,208	\$ -	\$ 14,900,208	\$ -
Other federal agency securities	11,021,613	-	11,021,613	-
Municipal bonds	7,026,936	-	7,026,936	-
Fixed income security funds	14,077,088	-	14,077,088	-
Equity funds	14,541,893	-	14,541,893	-
Corporate bonds	36,031,008	-	36,031,008	-
Total debt securities	<u>\$ 97,598,746</u>	<u>\$ -</u>	<u>\$ 97,598,746</u>	<u>\$ -</u>

	Balance at June 30, 2021	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level				
Debt securities:				
Government National Mortgage Association (GNMA) Bonds	\$ 21,449,710	\$ -	\$ 21,449,710	\$ -
Other federal agency securities	8,019,243	-	8,019,243	-
Municipal bonds	3,436,443	-	3,436,443	-
Fixed income security funds	15,325,374	-	15,325,374	-
Equity funds	15,685,994	-	15,685,994	-
Corporate bonds	35,797,362	-	35,797,362	-
Total debt securities	<u>\$ 99,714,126</u>	<u>\$ -</u>	<u>\$ 99,714,126</u>	<u>\$ -</u>

SINCLAIR COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2022 and 2021

NOTE C – FAIR VALUE MEASUREMENTS *(Continued)*

The fair value of debt securities classified as Level 2 are valued using other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets and liabilities in active markets and other inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

Investments on the statement of net position as of June 30, 2022 and 2021 include certificates of deposits of \$251,277 and \$268,067, respectively, and investments in STAR Ohio of \$52,819,853 and \$50,662,596, respectively. The certificates of deposit and investment in STAR Ohio are excluded from the fair value table above as they are measured at amortized cost.

NOTE D – CAPITAL ASSETS

Capital assets activity for the years ended June 30, 2022 and 2021 is summarized as follows:

	June 30, 2022				Ending Balance
	Beginning Balance	Additions	Transfers	Disposals	
Cost:					
Land and improvements	\$ 19,034,635	\$ 816,197	\$ -	\$ -	\$ 19,850,832
Buildings and improvements	368,439,703	4,833,290	5,933,644	-	379,206,637
Equipment and fixtures	40,866,565	4,355,099	-	(7,545,422)	37,676,242
Library materials	2,318,019	72,120	-	(117,627)	2,272,512
Total cost	<u>430,658,922</u>	<u>10,076,706</u>	<u>5,933,644</u>	<u>(7,663,049)</u>	<u>439,006,223</u>
Less accumulated depreciation:					
Buildings and improvements	209,975,080	10,301,140	-	-	220,276,220
Equipment and fixtures	32,167,201	2,170,489	-	(7,474,084)	26,863,606
Library materials	2,099,532	75,511	-	(117,627)	2,057,416
Total accumulated depreciation	<u>244,241,813</u>	<u>12,547,140</u>	<u>-</u>	<u>(7,591,711)</u>	<u>249,197,242</u>
Construction in progress	7,813,238	7,344,957	(5,933,644)	-	9,224,551
Capital assets, net	<u>\$ 194,230,347</u>	<u>\$ 4,874,523</u>	<u>\$ -</u>	<u>\$ (71,338)</u>	<u>\$ 199,033,532</u>

As of June 30, 2022, the College was a party to outstanding construction contracts and commitments totaling approximately \$5,500,000.

SINCLAIR COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2022 and 2021

NOTE D – CAPITAL ASSETS (Continued)

	June 30, 2021				Ending Balance
	Beginning Balance	Additions	Transfers	Disposals	
Cost:					
Land and improvements	\$ 18,173,733	\$ 860,902	\$ -	\$ -	\$ 19,034,635
Buildings and improvements	351,231,386	3,621,554	13,586,763	-	368,439,703
Equipment and fixtures	38,996,208	2,273,132	-	(402,775)	40,866,565
Library materials	2,244,448	78,595	-	(5,024)	2,318,019
Total cost	<u>410,645,775</u>	<u>6,834,183</u>	<u>13,586,763</u>	<u>(407,799)</u>	<u>430,658,922</u>
Less accumulated depreciation:					
Buildings and improvements	199,668,934	10,306,146	-	-	209,975,080
Equipment and fixtures	30,416,058	2,148,543	-	(397,400)	32,167,201
Library materials	2,030,186	74,370	-	(5,024)	2,099,532
Total accumulated depreciation	<u>232,115,178</u>	<u>12,529,059</u>	<u>-</u>	<u>(402,424)</u>	<u>244,241,813</u>
Construction in progress	17,279,173	4,132,930	(13,598,865)	-	7,813,238
Capital assets, net	<u>\$ 195,809,770</u>	<u>\$ (1,561,946)</u>	<u>\$ (12,102)</u>	<u>\$ (5,375)</u>	<u>\$ 194,230,347</u>

NOTE E – LONG-TERM LIABILITIES

Long-term liabilities activity for the years ended June 30, 2022 and 2021 is summarized as follows:

	June 30, 2022				
	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Compensated absences	\$ 5,575,091	\$ 278,391	\$ (185,058)	\$ 5,668,424	\$ 187,452
Leases	4,828,633	363,221	(936,382)	4,255,472	553,037
	<u>\$ 10,403,724</u>	<u>\$ 641,612</u>	<u>\$ (1,121,440)</u>	<u>\$ 9,923,896</u>	<u>\$ 740,489</u>
	June 30, 2021				
	Beginning Balance As Restated	Additions	Reductions	Ending Balance	Current Portion
Compensated absences	\$ 5,469,421	\$ 321,031	\$ (215,361)	\$ 5,575,091	\$ 214,384
Leases	5,724,489	227,190	(1,123,046)	4,828,633	936,381
	<u>\$ 11,193,910</u>	<u>\$ 548,221</u>	<u>\$ (1,338,407)</u>	<u>\$ 10,403,724</u>	<u>\$ 1,150,765</u>

Long-term liabilities are primarily accumulated sick leave payable to employees upon retirement. See Note A, *Compensated Absences*, for further discussion. See Note G, *Leases* for further discussion.

NOTE F – STATE AND COUNTY SUPPORT

The College is an institution of higher education that receives a student-based subsidy from the State of Ohio using a performance outcomes-based formula devised by the Ohio Department of Higher Education (formerly known as the Ohio Board of Regents). In addition to student subsidies, the State of Ohio provides a portion of the funding for the construction of major plant facilities on the College's campuses, as well as for the renovation of facilities and the purchase of equipment.

SINCLAIR COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2022 and 2021

NOTE F – STATE AND COUNTY SUPPORT (Continued)

The College also receives support from two Montgomery County, Ohio property tax levies. A successful ballot issue in the November 2017 primary election renewed a 3.2 mill levy that commenced January 1, 2020 and will end December 31, 2027. On November 3, 2015, an additional 1 mill operating levy was passed. It commenced January 1, 2015 and will end December 31, 2022. By state law, levy receipts must be used solely for the benefit of Montgomery County residents attending the College in the form of student tuition subsidy, student scholarships and instructional facilities, equipment, and support services located within Montgomery County.

Property taxes receivable represent outstanding property taxes which were measurable at June 30, 2022. Total property tax collections for the next fiscal year are measurable amounts; however, since these revenue collections to be received during the available period are not intended to finance 2022 operations, the receivable amount is recorded as deferred inflows of resources.

NOTE G – LEASES

The College leases certain assets from various third parties. The assets leased are land, buildings and office space. Payments are fixed monthly with a discount rate of 4.5%. For the year ended June 30, 2022 and 2021, there were 2 and 1, new leases, respectively, with one lease purchased at June 30, 2022.

Lease asset activity of the College was as follows:

	June 30, 2022			
	Beginning Balance	Additions	Deductions	Ending Balance
Leased Asset Class (Lessee)				
Land	\$ 1,448,652	\$ 363,221	\$ -	\$ 1,811,873
Building	4,503,027	-	(1,022,938)	3,480,089
Accumulated Amortization				
Land	65,348	-	65,348	130,696
Building	871,334	-	(25,388)	845,946
Net Book Value of Leased Assets (Lessee)	\$ 5,014,997	\$ 363,221	\$ (1,062,898)	\$ 4,315,320
	June 30, 2021			
	Beginning Balance As Restated	Additions	Deductions	Ending Balance
Leased Asset Class (Lessee)				
Land	\$ 1,448,652	\$ -	\$ -	\$ 1,448,652
Building	4,275,837	227,190	-	4,503,027
Accumulated Amortization				
Land	-	-	65,348	65,348
Building	-	-	871,334	871,334
Net Book Value of Leased Assets (Lessee)	\$ 5,724,489	\$ 227,190	\$ (936,682)	\$ 5,014,997

SINCLAIR COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2022 and 2021

NOTE G – LEASES (Continued)

The College had no other outflows related to leasing arrangements that occurred during the year and were not previously included in the measurement of the lease liability.

Future principal and interest payment requirements related to the College's lease liability at June 30, 2022 are as follows:

Year Ended June 30:	Principal	Interest	Total
2023	\$ 553,037	\$ 178,815	\$ 731,852
2024	536,969	153,826	690,796
2025	334,330	133,246	467,576
2026	199,764	122,072	321,836
2027	140,595	114,293	254,888
2028-2032	750,315	469,650	1,219,965
2033-2037	666,088	314,492	980,580
2038-2042	833,456	146,824	980,280
2043-2047	240,918	17,406	258,324
Total minimum lease payments:	\$ 4,255,472	\$ 1,650,624	\$ 5,906,097

As of June 30, 2022, the College has no commitments related to leases for which the lease term has not commenced. The capital interest expense for the leases in fiscal years 2022 and 2021 was \$209,522 and \$225,988, respectively.

SINCLAIR COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2022 and 2021

NOTE H – PENSION PLANS AND OTHER POSTEMPLOYMENT BENEFIT PLANS

Plan Descriptions: The College participates in the State Teachers Retirement System of Ohio (STRS) and the Ohio Public Employees Retirement System (OPERS), statewide, cost-sharing, multiple-employer defined benefit public employee retirement systems governed by the Ohio Revised Code (ORC) that cover substantially all employees of the College. Each system has three retirement plan options available to its members, and provides retirement, survivor, and disability benefits to plan members and their beneficiaries. The systems also each provide postemployment healthcare benefits (including Medicare B premiums) to retirees and beneficiaries who elect to receive those benefits.

Each retirement system issues a publicly available financial report that includes financial statements and required supplementary information for the pension and postemployment healthcare plans. The reports may be obtained by contacting:

State Teachers Retirement System
of Ohio
275 E. Broad Street
Columbus, Ohio 43215
(888) 227-7877
www.strsoh.org

Ohio Public Employees Retirement
System
277 East Town Street
Columbus, Ohio 43215
(800) 222-7377
www.opers.org

Contributions: State retirement law requires contributions by covered employees and their employers, and Chapter 3307 of the ORC limit the maximum rate of contributions. The retirement boards of the systems individually set contributions rates within the allowable limits. The adequacy of employer contribution rates is determined annually by an actuarial valuation using the entry age normal cost method. Under these provisions, each College's contribution is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance a portion of the unfunded accrued liability.

Member contributions are set at the maximum authorized by the ORC. The plans' 2022 and 2021 employer contribution and member contribution rates on covered payroll to each system were:

	Employer Contribution Rate					Member Contribution Rate
	Pension	Post Retirement Healthcare		Death Benefits	Medicare B	Total
STRS	14.00%	0.00%	0.00%	0.00%	14.00%	14.00%
OPERS	14.00%	0.00%	0.00%	0.00%	14.00%	10.00%
OPERS - Law enforcement	18.10%	0.00%	0.00%	0.00%	18.10%	13.00%

The College's required actual pension and OPEB contributions to the plans were:

	Years Ended June 30			
	2022		2021	
	Pension	OPEB	Pension	OPEB
STRS	\$ 5,394,742	\$ -	\$ 5,416,098	\$ -
OPERS	5,875,482	-	5,698,269	-
Total	\$ 11,270,224	\$ -	\$ 11,114,367	\$ -

SINCLAIR COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2022 and 2021

NOTE H – PENSION PLANS AND OTHER POSTEMPLOYMENT BENEFIT PLANS (Continued)

Benefits Provided:

STRS: Plan benefits are established under Chapter 3307 of the ORC, as amended by Substitute Senate Bill 342 in 2012, which gives the Retirement Board the authority to make future adjustments to the member contribution rate, retirement age and service requirements, and the COLA as the need or opportunity arises, depending on the retirement system's funding progress.

Effective August 1, 2017 – July 1, 2019, any member may retire who has (1) five years of service credit and attained age 60; (2) 25 years of service credit and attained age 55; or (3) 30 years of service credit regardless of age. Beginning August 1, 2015, eligibility requirements for an unreduced benefit changed. The maximum annual retirement allowance, payable for life, considers years of credited service, final average salary (three to five years) and multiplies by a factor ranging from 2.2 percent to 2.6 percent with 0.1 percent incremental increases for years greater than 30-31, depending on retirement age.

A defined benefit plan or combined plan member with five or more years of credited service who is determined to be disabled (illness or injury preventing individual's ability to perform regular job duties for at least 12 months) may receive a disability benefit. Additionally, eligible survivors of members who die before service retirement may qualify for monthly benefits. New members on or after July 1, 2013 must have at least 10 years of qualifying service credit to apply for disability benefits.

A death benefit of \$1,000 is payable to the beneficiary of each deceased retired member who participated in the plan. Death benefit coverage up to \$2,000 can be purchased by participants in all three of the plans. Various other benefits are available to members' beneficiaries.

STRS Ohio provides access to healthcare coverage to retirees who participated in the Defined Benefit or Combined Plans, and their dependent. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs, and partial reimbursement of monthly Medicare Part B premiums. Pursuant to the ORC, the State Teachers Retirement Board (the "Board") has discretionary authority over how much, if any, of the healthcare costs will be absorbed by STRS Ohio. All benefit recipients pay a portion of the healthcare cost in the form of a monthly premium.

OPERS: Plan benefits are established under Chapter 145 of the ORC, as amended by Substitute Senate Bill 343 in 2012. The requirements to retire depend on years of service (5 to 30 years) and on attaining the age of 48 to 62, depending on when the employee became a member. Members retiring before age 65 with less than 30 years' service credit receive a percentage reduction in benefit. Member retirement benefits are calculated on a formula that considers years of service (5-30 years), age (48-62 years) and final average salary, using a factor ranging from 1.0 percent to 2.5 percent.

A plan member who becomes disabled before age 60 or at any age, depending on when the member entered the plan, and who has completed 60 contributing months is eligible for a disability benefit.

SINCLAIR COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2022 and 2021

NOTE H – PENSION PLANS AND OTHER POSTEMPLOYMENT BENEFIT PLANS (Continued)

A death benefit of \$500 - \$2,500 is determined by the number of years of service credit of the retiree. Benefits may transfer to a beneficiary upon death with 1.5 years of service credits with the plan obtained within the last 2.5 years, except for law enforcement and public safety personnel who are eligible immediately upon employment.

Benefit terms provide for annual cost-of-living adjustments to each employee's retirement allowance subsequent to the employee's retirement date. The annual adjustment, if applicable, is 3 percent, or an amount based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Net Pension Liability, Deferrals, and Pension Expense: At June 30, 2022 and 2021, the College reported a liability for its proportionate share of the net pension liability of STRS and OPERS. As of June 30, 2022 and 2021, the net pension liability was measured as of June 30, 2021 and 2020 for STRS and December 31, 2021 and 2020 for OPERS, respectively. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of those dates. The College's proportion of the net pension liability was based on a projection of its long-term share of contributions to the pension plan relative to the projected contributions of all participating reporting units, actuarially determined.

Plan	Measurement Date	Net Pension Liability		Proportionate Share		Percent Change	Percent Change
		2022	2021	2022	2021	2021-22	2020-21
STRS	June 30	\$ 39,928,391	\$ 77,563,775	0.31228%	0.32056%	-0.00828%	-0.02705%
OPERS	December 31	20,240,305	36,434,011	0.25465%	0.25561%	-0.00096%	0.00861%
		<u>\$ 60,168,696</u>	<u>\$113,997,786</u>				

For the years ended June 30, 2022 and 2021, the College recognized pension (recovery) expense of \$(16,885,462) and \$(3,389,894), respectively. At June 30, 2022 and 2021, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2022		2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,457,268	\$ (941,015)	\$ 228,076	\$ (2,331,630)
Changes in assumptions	13,942,200	-	4,249,456	-
Net difference between projected and actual earnings on pension plan investments	-	(61,175,374)	3,771,935	(14,960,455)
Changes in proportion and differences between College contributions and proportionate share of contributions	1,139,185	(5,829,873)	1,926,170	(5,868,826)
College contributions subsequent to the measurement date	9,250,675	-	8,771,967	-
Total	<u>\$ 26,789,328</u>	<u>\$ (67,946,262)</u>	<u>\$ 18,947,604</u>	<u>\$ (23,160,911)</u>

SINCLAIR COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2022 and 2021

NOTE H – PENSION PLANS AND OTHER POSTEMPLOYMENT BENEFIT PLANS (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	Amount
2023	\$ (10,288,721)
2024	(15,740,585)
2025	(12,931,126)
2026	(11,454,752)
2027	(5,636)
Thereafter	13,211

In addition, the contributions subsequent to the measurement date will be included as a reduction of the net pension liability in the next year.

Net OPEB Asset, Deferrals, and OPEB Expense: At June 30, 2022, the College reported an asset for its proportionate share of the net OPEB asset of STRS and OPERS. For June 30, 2022, the net OPEB asset was measured as of June 30, 2021 for STRS and December 31, 2021 for the OPERS plan. For June 30, 2021, the net OPEB asset was measured as of June 30, 2020 for STRS and December 31, 2020 for the OPERS plan. The total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of those dates, except OPERS which used an actuarial valuation dated December 31, 2020 and 2019, respectively, rolled forward to the measurement date by incorporating the expected value of health care cost accruals, the actual health care payments, and interest accruals, during the year for the defined benefit health care plans.

Typically, the College’s proportion of the net OPEB asset would be based on a projection of its long-term share of contributions to the OPEB plan relative to the projected contributions of all participating reporting units, actuarially determined, except as noted below.

For plan years ending June 30, 2021 and 2020, STRS did not allocate employer contributions to the OPEB plan. Therefore, STRS’ calculation of the employers’ proportionate share is based on total contributions to the plan for both pension and OPEB.

For plan years ending December 31, 2021 and 2020, OPERS did not allocate employer contributions to the OPEB plan. Therefore, OPERS’ calculation of the employers’ proportionate share is based on total contributions to the plan for both pension and OPEB.

Plan	Measurement Date	Net OPEB Asset		Proportionate Share		Percent Change 2022-2021	Percent Change 2021-2020
		2022	2021	2022	2021		
STRS	June 30	\$ (6,584,000)	\$ (5,634,000)	0.31223%	0.32056%	-0.00833%	-0.02705%
OPERS	December 31	(8,429,501)	(4,794,766)	0.26913%	0.26913%	0.00000%	0.00838%

SINCLAIR COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2022 and 2021

NOTE H – PENSION PLANS AND OTHER POSTEMPLOYMENT BENEFIT PLANS (Continued)

For the year ended June 30, 2022 and 2021, the College recognized OPEB (recovery) expense of \$(7,423,876) and \$(28,895,018), respectively. At June 30, 2022 and 2021, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2022		2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 234,000	\$ (2,484,627)	\$ 361,000	\$ (5,449,249)
Changes in assumptions	421,000	(7,340,167)	2,450,162	(13,119,958)
Net difference between projected and actual earnings on OPEB plan investments	-	(5,843,592)	197,000	(2,553,759)
Changes in proportion and differences between College contributions and proportionate share of contributions	649,334	(120,193)	945,674	(154,256)
Total	<u>\$ 1,304,334</u>	<u>\$ (15,788,579)</u>	<u>\$ 3,953,836</u>	<u>\$ (21,277,222)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:	Amount
2023	\$ (6,776,285)
2024	(3,530,396)
2025	(2,560,754)
2026	(1,356,273)
2027	(266,212)
Thereafter	4,222

In addition, the contributions subsequent to the measurement date will be included as a reduction of the net OPEB asset in the next year.

SINCLAIR COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2022 and 2021

NOTE H – PENSION PLANS AND OTHER POSTEMPLOYMENT BENEFIT PLANS (Continued)

Actuarial Assumptions: The total pension liability and OPEB asset is based on the results of an actuarial valuation, and were determined using the following actuarial assumptions for the College's current year:

	STRS	OPERS
Valuation date - pension	June 30, 2021	December 31, 2021
Valuation date - OPEB	June 30, 2021	December 31, 2020
Actuarial cost method	Entry age normal	Individual entry age
Cost of living	None	2.05 percent - 3.00 percent
Salary increases, including inflation	2.50 percent - 12.50 percent	2.75 percent - 10.75 percent
Inflation	2.50 percent	2.75 percent
Investment rate of return - pension	7.0 percent, net of investment expense, including inflation	6.90 percent, net of investment expense, including inflation
Investment rate of return - OPEB	7.0 percent, net of investment expense, including inflation	6.00 percent, net of investment expense, including inflation
Healthcare cost trends	16.2 percent to 30.0 percent initial, 4.0 percent ultimate	5.50 percent initial, 3.50 percent ultimate in 2034
Experience study date	Period of 5 years ended June 30, 2016	Period of 5 years ended December 31, 2020
Mortality basis	RP-2014 Annuitant Mortality Table with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016	Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (male and female) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (male and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Reintree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The following are actuarial assumptions for the College's prior year:

	STRS	OPERS
Valuation date - pension	June 30, 2020	December 31, 2020
Valuation date - OPEB	June 30, 2020	December 31, 2019
Actuarial cost method	Entry age normal	Individual entry age
Cost of living	None	1.40 percent - 3.00 percent
Salary increases, including inflation	2.50 percent - 12.50 percent	3.25 percent - 10.75 percent
Inflation	2.50 percent	3.25 percent
Investment rate of return - pension	7.45 percent, net of investment expense, including inflation	7.20 percent, net of investment expense, including inflation
Investment rate of return - OPEB	7.45 percent, net of investment expense, including inflation	6.00 percent, net of investment expense, including inflation
Healthcare cost trends	(6.7) percent to 11.9 percent initial, 4.0 percent ultimate	10.50 percent initial, 3.50 percent ultimate in 2030
Experience study date	Period of 5 years ended June 30, 2016	Period of 5 years ended December 31, 2015
Mortality basis	RP-2014 Annuitant Mortality Table with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of between ages 80 and 84, and 100% of thereafter, projected forward generationally using mortality improvement scale MP-2016	RP-2014 Healthy Annuitant Mortality Table

SINCLAIR COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2022 and 2021

NOTE H – PENSION PLANS AND OTHER POSTEMPLOYMENT BENEFIT PLANS (Continued)

Pension Discount Rate: The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions will be made at contractually required rates for all plans. Based on those assumptions, each pension plan's fiduciary net position was projected to be available to make all projected future benefit payments for current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rates used to measure the total pension liabilities for STRS were 7.00 percent and 7.45 percent for plan years ended June 30, 2021 and 2020, respectively. The discount rates used to measure the total pension liability for OPERS were 6.90 percent and 7.20 percent for the plan years ended December 31, 2021 and 2020, respectively.

OPEB Discount Rate: The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions will be made at contractually required rates for all plans. Plans that project fiduciary net position to be insufficient to make all projected future benefit payments for current active and inactive employees used a blended discount rate between the long-term expected rate of return on plan investments and a 20-year municipal bond rate applied to all periods of projected benefit payments to determine the total OPEB asset.

STRS – OPEB Discount Rate: The discount rate used to measure the total OPEB assets was 7.00 and 7.45 percent for the plan years ended June 30, 2021 and 2020. At June 30, 2021 and 2020, the plan's fiduciary net position was projected to be available to make all projected future benefit payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB asset.

OPERS – OPEB Discount Rate: The discount rate used to measure the total OPEB assets were 6.00 percent for the plan years ended December 31, 2021 and 2020. At December 31, 2021 and 2020, the plan's fiduciary net position was projected to be available to make all projected future benefits payments for current and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB asset.

SINCLAIR COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2022 and 2021

NOTE H – PENSION PLANS AND OTHER POSTEMPLOYMENT BENEFIT PLANS (Continued)

The long-term expected rate of return on pension and OPEB plans investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. OPERS has two different portfolios of investment, a defined benefit portfolio for pension and health care portfolio for OPEB. As a result, there are different target allocations and long-term expected real rates of return disclosed for each portfolio. The target allocation and best estimates of arithmetic (geometric for STRS) real rates of return for each major asset class are summarized in the following table as of the dates listed below:

Investment Category	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	28.00%	7.35%
International equity	23.00%	7.55%
Alternatives	17.00%	7.09%
Fixed income	21.00%	3.00%
Real estate	10.00%	6.00%
Liquidity reserves	1.00%	2.25%
Total	100.00%	

Investment Category	Defined Benefit Portfolio		Health Care Portfolio	
	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return
Fixed income	24.00%	1.32%	34.00%	1.07%
Domestic equity	21.00%	5.64%	25.00%	5.64%
Real estate	11.00%	5.39%	0.00%	0.00%
Private equity	12.00%	10.42%	0.00%	0.00%
International equity	23.00%	7.36%	25.00%	7.36%
Risk Parity	5.00%	2.92%	2.00%	2.92%
REITs	0.00%	0.00%	7.00%	3.71%
Other investments	4.00%	2.85%	7.00%	1.93%
Total	100.00%		100.00%	

Investment Category	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	28.00%	7.35%
International equity	23.00%	7.55%
Alternatives	17.00%	7.09%
Fixed income	21.00%	3.00%
Real estate	10.00%	6.00%
Liquidity reserves	1.00%	2.25%
Total	100.00%	

Investment Category	Defined Benefit Portfolio		Health Care Portfolio	
	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return
Fixed income	25.00%	1.32%	34.00%	1.07%
Domestic equity	21.00%	5.64%	25.00%	5.64%
Real estate	10.00%	2.39%	0.00%	0.00%
Private equity	12.00%	10.42%	0.00%	0.00%
International equity	23.00%	7.36%	25.00%	7.56%
REITs	0.00%	0.00%	7.00%	6.48%
Other investments	9.00%	4.75%	9.00%	4.02%
Total	100.00%		100.00%	

SINCLAIR COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2022 and 2021

NOTE H – PENSION PLANS AND OTHER POSTEMPLOYMENT BENEFIT PLANS (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate: The following presents the net pension liability of the College, calculated using the discount rate listed below, as well as what the College's net pension liability would be if it were calculated using a discount rate that is 1.00 percentage point lower or 1.00 percentage point higher than the current rate:

2022						
Plan	1.00 Percent Decrease		Current Discount Rate		1.00 Percent Increase	
STRS	6.00%	\$ 74,770,932	7.00%	\$ 39,928,391	8.00%	\$ 10,486,518
OPERS	5.90%	56,973,368	6.90%	20,240,305	7.90%	(10,302,443)
		<u>\$ 131,744,300</u>		<u>\$ 60,168,696</u>		<u>\$ 184,075</u>
2021						
Plan	1.00 Percent Decrease		Current Discount Rate		1.00 Percent Increase	
STRS	6.45%	\$ 110,437,312	7.45%	\$ 77,563,775	8.45%	\$ 49,706,190
OPERS	6.20%	71,199,168	7.20%	36,434,011	8.20%	7,562,202
		<u>\$ 181,636,480</u>		<u>\$ 113,997,786</u>		<u>\$ 57,268,392</u>

Sensitivity of the Net OPEB Asset to Changes in the Discount Rate: The following presents the net pension asset of the College, calculated using the discount rate listed below, as well as what the College's net OPEB asset would be if it were calculated using a discount rate that is 1.00 percentage point lower or 1.00 percentage point higher than the current rate:

2022						
Plan	1.00 Percent Decrease		Current Discount Rate		1.00 Percent Increase	
STRS	6.00%	\$ (5,556,102)	7.00%	\$ (6,584,000)	8.00%	\$ (7,443,141)
OPERS	5.00%	(4,957,338)	6.00%	(8,429,501)	7.00%	(11,311,450)
		<u>\$ (10,513,440)</u>		<u>\$ (15,013,501)</u>		<u>\$ (18,754,591)</u>
2021						
Plan	1.00 Percent Decrease		Current Discount Rate		1.00 Percent Increase	
STRS	6.45%	\$ (4,901,783)	7.45%	\$ (5,634,000)	8.45%	\$ (6,254,913)
OPERS	5.00%	(1,192,246)	6.00%	(4,794,766)	7.00%	(7,756,327)
		<u>\$ (6,094,029)</u>		<u>\$ (10,428,766)</u>		<u>\$ (14,011,240)</u>

SINCLAIR COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2022 and 2021

NOTE H – PENSION PLANS AND OTHER POSTEMPLOYMENT BENEFIT PLANS (Continued)

Sensitivity of the Net OPEB Asset to Changes in the Health Care Cost Trend Rate: The following presents the net OPEB asset of the College, calculated using the healthcare cost trend rate listed below, as well as what the College's net OPEB asset would be if it were calculated using a health care cost trend rate that is 1.00 percentage point lower or 1.00 percentage point higher than the current rate:

Plan	2022		
	1.00 Percent Decrease	Trend Rate	1.00 Percent Increase
STRS	\$ (7,408,340)	\$ (6,584,264)	\$ (5,565,220)
OPERS	(8,520,592)	(8,429,501)	(8,321,438)
	\$ (15,928,932)	\$ (15,013,765)	\$ (13,886,658)

Plan	2021		
	1.00 Percent Decrease	Trend Rate	1.00 Percent Increase
STRS	\$ (6,216,359)	\$ (5,634,000)	\$ (4,924,184)
OPERS	(4,911,623)	(4,794,766)	(4,664,023)
	\$ (11,127,982)	\$ (10,428,766)	\$ (9,588,207)

Pension Plan and OPEB Plan Fiduciary Net Position: Detailed information about the pension plans' fiduciary net positions is available in the separately issued STRS and OPERS financial reports.

Assumption Changes: During the measurement periods ended June 30, 2021 and December 31, 2021, respectively, certain assumption changes were made by the plans. The OPERS pension discount rate was reduced from 7.20 percent to 6.90 percent, which impacted the annual actuarial valuation for the pension liability as of December 31, 2021. The STRS pension and OPEB discount rates were reduced from 7.45 percent to 7.00 percent, which impacted the annual actuarial valuation for the pension liabilities and OPEB assets as of the June 30, 2021 measurement date.

Benefit Changes: There were no significant benefit terms changes for the pension or OPEB plans since the prior two measurement dates for STRS. Effective in 2022, OPERS will replace the current self-insured group plan with a marketplace concept for pre-Medicare retirees.

Changes since the measurement date: STRS had a new experience study completed for the period July 1, 2016 to June 30, 2021 which will be used for the 2022 valuation. The experience study indicates changes in assumptions, including updating mortality tables from RP-2014 to PubT-2010 (and related improvement factors), retirement rates, and OPEB participation assumptions which will impact STRS net pension liability and net OPEB asset.

Payable to the Pension Plans: At June 30, 2022, the College reported a payable of \$1,169,642 for the outstanding amount of contributions to the pension plan, required for the year ended June 30, 2022. At June 30, 2021, the College reported a payable of \$1,180,708 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2021. There was no reported payable to the OPEB plan as of June 30, 2022 and 2021.

SINCLAIR COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2022 and 2021

NOTE H – PENSION PLANS AND OTHER POSTEMPLOYMENT BENEFIT PLANS (Continued)

Defined Contribution Pension Plan: The Alternative Retirement Plan (ARP) is a defined contribution pension plan, under IRS Section 401(a), and established by Ohio Amended Substitute House Bill 586 (ORC 3305.02) on March 31, 1998, for public institutions of higher education. The College's Board of Trustees adopted the College's plan on April 18, 1998. Full-time employees are eligible to choose a provider, in lieu of STRS or OPERS, from the list of nine providers currently approved by the Ohio Department of Insurance and who hold agreements with the College. Employee and employer contributions equal to those required by STRS, and OPERS are required for the ARP, less any amounts required to be remitted to the state retirement system in which the employee would otherwise have been enrolled.

Eligible employees have 120 days from their date of hire to make an irrevocable election to participate in the ARP. Under this plan, employees who would have otherwise been required to be in STRS or OPERS, and who elect to participate in the ARP, must contribute the employee's share of retirement contributions to one of nine private providers approved by the Ohio Department of Insurance. The legislation mandates that the employer must contribute an amount to the state retirement system to which the employee would have otherwise belonged, based on an independent actuarial study commissioned by the Ohio Retirement Study Council and submitted to the Ohio Board of Regents. That amount is 4.47 percent for STRS and 2.44 percent for OPERS for the years ended June 30, 2022 and 2021. The employer also contributes what would have been the employer's contribution under STRS, or OPERS, less the aforementioned percentages, to the private provider selected by the employee. The College plan provides these employees with immediate plan vesting. The ARP does not provide disability benefits, survivor benefits, or postretirement health care. Benefits are entirely dependent on the sum of contributions and investment returns earned by each participant's choice of investment options. STRS and OPERS also offer a defined contribution plan and a combined plan with features of both a defined contribution plan and a defined benefit plan. For the years ended June 30, 2022 and 2021, employee contributions totaled \$499,798 and \$417,031, respectively, and the College recognized pension expense of \$446,995 and \$469,295 respectively.

NOTE I – INSURANCE

The College maintains comprehensive and umbrella insurance coverage with private carriers for real property, building contents, vehicles, and liability. Vehicle policies include liability coverage for bodily injury and property damage. The College's Aviation Policy includes unmanned aerial systems. Additionally, the College carries professional coverage for employees and its Board of Trustees, Crime & Employee Dishonesty coverage and Cyber Liability coverage. The College retains a consulting firm to perform an annual examination of all insurance policies.

The College is self-insured for certain employee health benefit programs. Funding for these programs is based on actuarial projections provided by the plan administrators. The College also offers a high deductible health savings account option for its employees. Aggregate and specific stop loss insurance is maintained for benefit payments that exceed the maximum limits outlined in the policy. The claims liability of approximately \$1,186,000 and \$1,298,000 reported at June 30, 2022 and 2021, respectively, is based on an estimate provided by an actuary and the requirements of GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, which requires that a liability for unpaid claim costs, including estimates of costs relating to incurred but not reported claims, be reported. No incremental claim adjustment expenses are included in the estimate. The amount is in the accrued salaries, wages and benefits on the statement of net position.

SINCLAIR COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2022 and 2021

NOTE I – INSURANCE (continued)

Changes in claims activity for the past three fiscal years are as follows:

	Beginning Balance	Current Year Claims	Claim Payments	Ending Balance
2022	\$ 1,298,000	\$ 11,184,914	\$ (11,296,914)	\$ 1,186,000
2021	970,000	11,383,245	(11,055,245)	1,298,000
2020	1,366,000	9,612,545	(10,008,545)	970,000

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

NOTE J – CONTINGENCIES

The College receives significant financial assistance from numerous federal, state, and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the College. As of June 30, 2022 and 2021, the College is not aware of any potential disallowances.

NOTE K – SINCLAIR COMMUNITY COLLEGE FOUNDATION

The College is the sole beneficiary of the Sinclair Community College Foundation (the “Foundation”), a separate not-for-profit entity governed by a separate board of trustees, organized for the purpose of promoting education activities. Amounts received by the College from the Foundation in the form of private gifts, grants, and contracts amounted to \$2,239,045 and \$2,713,581 for the years ended June 30, 2022 and 2021, respectively.

The following tables present information about the Foundation’s assets measured at fair value on a recurring basis at June 30, 2022 and 2021.

	June 30, 2022			Total
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Assets				
Fixed income security funds	\$ 4,654,383	\$ -	\$ -	\$ 4,654,383
Domestic equity funds	15,397,350	-	-	15,397,350
International equity funds	9,410,645	-	-	9,410,645
Alternative equity funds	3,877,089	-	-	3,877,089
Total	33,339,467	-	-	33,339,467
Investments valued at NAV				183,876
Total				<u>\$ 33,523,343</u>

SINCLAIR COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2022 and 2021

NOTE K – SINCLAIR COMMUNITY COLLEGE FOUNDATION (Continued)

	June 30, 2021			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Assets				
Fixed income security funds	\$ 7,534,994	\$ -	\$ -	\$ 7,534,994
Domestic equity funds	18,760,564	-	-	18,760,564
International equity funds	11,479,735	-	-	11,479,735
Alternative equity funds	2,990,856	-	-	2,990,856
Total	40,766,149	-	-	40,766,149
Investments valued at NAV				189,159
Total				\$ 40,955,308

The fair value of the investments valued at net asset value (NAV) at June 30, 2022 and 2021 was determined primarily based on unobservable inputs. The Foundation estimates the fair value of these investments based on the most recent investment statement provided for the respective funds. The Foundation holds shares or interests in investment companies at year end whereby the fair value of the investment held is estimated based on the net asset value per share (or its equivalent) of the investment company.

The Foundation's policy is to recognize transfers between levels of the fair value hierarchy as of the end of the reporting period.

	2022	2021
Limited partnerships	\$ 183,876	\$ 189,159

There were unfunded commitments of \$400,000 as of June 30, 2022 and 2021, respectively. The limited partnerships do not have any redemption restrictions or notice periods.

The limited partnership investments hold investments in various preferred stocks, convertible promissory notes, and common stocks. The fair values of the investments in this class have been estimated using the net asset value per share of the investments.

SINCLAIR COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2022 and 2021

NOTE K – SINCLAIR COMMUNITY COLLEGE FOUNDATION (Continued)

Capital assets consist of the following at June 30, 2022 and 2021:

	2022	2021
Land	\$ 4,526,086	\$ 4,526,086
Building	882,783	882,783
Total cost	5,408,869	5,408,869
Less accumulated depreciation	(356,054)	(320,743)
Net property and equipment	\$ 5,052,815	\$ 5,088,126

The Foundation purchased the land and building in 2012 and donated it to Courseview Holdings, LLC, a limited liability company of which the Foundation is the sole member and for which the amounts are included in the Foundation's consolidated financial statements. All of the property is being leased by the LLC to the College for the College's use in expanding its Courseview Campus in Mason, Ohio.

Net assets of the Foundation are classified based on the presence or absence for donor-imposed restrictions:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed or the donor-imposed restriction have expired or been fulfilled. Net assets in this category may be expended for any purpose in performing the primary objectives of the Foundation.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Earnings, gains, and losses on donor-restricted net assets are classified as net assets without donor restrictions unless specifically restricted by the donor or by applicable state law.

Net assets with donor restrictions were as follows:

	2022	2021
Specified purpose:		
Scholarships	\$ 8,906,242	\$ 10,457,350
Program support	3,942,649	4,561,838
Total	\$ 12,848,891	\$ 15,019,188

SINCLAIR COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2022 and 2021

NOTE K – SINCLAIR COMMUNITY COLLEGE FOUNDATION (Continued)

The endowment net asset composition by type of fund as of June 30, 2022 and 2021 were as follows:

	June 30, 2022		
	Without Donor Restrictions	With Donor Restrictions	Totals
Donor-restricted endowment funds:			
Original amount	\$ -	\$ 7,995,789	\$ 7,995,789
Accumulated gains	-	2,815,004	2,815,004
Quasi endowment funds	81,216	-	81,216
Total	\$ 81,216	\$ 10,810,793	\$ 10,892,009
	June 30, 2021		
	Without Donor Restrictions	With Donor Restrictions	Totals
Donor-restricted endowment funds:			
Original amount	\$ -	\$ 7,564,594	\$ 7,564,594
Accumulated gains	-	5,039,504	5,039,504
Quasi endowment funds	101,774	-	101,774
Total	\$ 101,774	\$ 12,604,098	\$ 12,705,872

REQUIRED SUPPLEMENTARY INFORMATION

SINCLAIR COMMUNITY COLLEGE
REQUIRED SUPPLEMENTARY INFORMATION - PENSION
Years Ended June 30, 2022 and 2021

Schedule of College's Proportionate Share of the Net Pension Liability - STRS

	2022	2021	2020	2019	2018	2017	2016	2015
College's proportion of the collective STRS net pension liability:								
As a percentage	0.31228%	0.32056%	0.34761%	0.35438%	0.34452%	0.35323%	0.39448%	0.38931%
Amount	\$39,928,391	\$77,563,775	\$76,871,993	\$77,919,147	\$81,840,400	\$118,235,708	\$109,021,783	\$94,694,808
College's covered payroll	\$39,885,908	\$41,538,937	\$39,062,517	\$39,633,414	\$38,126,183	\$37,701,940	\$39,747,965	\$39,228,052
College's proportionate share of the collective pension liability (amount), as a percentage of the College's covered-employee payroll	100.11%	186.73%	196.79%	196.60%	214.66%	313.61%	274.28%	241.40%
STRS fiduciary net position as a percentage of the total pension liability	87.80%	75.50%	77.40%	77.30%	75.29%	66.78%	72.10%	74.71%

Schedule of College's Pension Contributions - STRS

	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	\$5,394,742	\$5,416,098	\$5,713,516	\$5,640,113	\$5,302,536	\$5,203,277	\$5,761,983	\$5,568,809
Contributions in relation to the actuarially determined contractually required contribution	\$5,394,742	\$5,416,098	\$5,713,516	\$5,640,113	\$5,302,536	\$5,203,277	\$5,354,650	\$5,779,151
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$407,333	(\$210,342)
Covered payroll	\$42,192,574	\$39,885,908	\$41,538,937	\$39,062,517	\$39,633,414	\$38,126,183	\$37,701,940	\$39,747,965
Contributions as a percentage of covered employee payroll	12.79%	13.58%	13.75%	14.44%	13.38%	13.65%	14.20%	14.54%

Schedule of College's Proportionate Share of the Net Pension Liability - OPERS

	2022	2021	2020	2019	2018	2017	2016	2015
College's proportion of the collective OPERS net pension liability:								
As a percentage	0.25464%	0.25561%	0.24700%	0.24895%	0.24546%	0.24041%	0.24594%	0.25480%
Amount	\$20,240,305	\$36,434,011	\$47,862,255	\$67,669,540	\$37,898,902	\$54,375,842	\$42,408,738	\$30,631,908
College's covered payroll	\$42,369,430	\$42,469,977	\$38,669,533	\$36,862,111	\$35,162,517	\$34,035,381	\$34,200,224	\$35,928,988
College's proportionate share of the collective pension liability (amount), as a percentage of the College's covered-employee payroll	47.77%	85.79%	123.77%	183.57%	107.78%	159.76%	124.00%	85.26%
OPERS fiduciary net position as a percentage of the total pension liability	93.01%	87.21%	82.44%	74.91%	84.85%	77.39%	81.19%	86.53%

Schedule of College's Pension Contributions - OPERS

	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	\$5,875,482	\$5,698,269	\$5,515,205	\$5,350,294	\$5,132,581	\$4,877,063	\$4,783,467	\$4,883,767
Contributions in relation to the actuarially determined contractually required contribution	\$5,875,482	\$5,698,269	\$5,515,205	\$5,350,294	\$5,132,581	\$4,877,063	\$4,763,754	\$4,666,770
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$19,713	\$216,997
Covered payroll	\$45,464,826	\$42,369,430	\$42,469,977	\$38,669,533	\$36,862,111	\$35,162,517	\$34,035,381	\$34,200,224
Contributions as a percentage of covered employee payroll	12.92%	13.45%	12.99%	13.84%	13.92%	13.87%	14.00%	13.65%

SINCLAIR COMMUNITY COLLEGE
REQUIRED SUPPLEMENTARY INFORMATION - PENSION
Years ended June 30, 2022 and 2021

Changes to Benefit Terms: There were no changes in benefit terms affecting the STRS and OPERS plans.

Changes of Assumptions (STRS): During the plan year ended June 30, 2021, the investment rate of return decreased from 7.45 percent to 7.00 percent.

During the plan year ended June 30, 2017, there were changes to several assumptions for STRS. The cost-of-living adjustment dropped from 2.00 percent to 0.00 percent. The wage inflation dropped from 2.75 percent to 2.50 percent. The investment rate of return decreased from 7.75 percent to 7.45 percent. The mortality tables used changed from RP-2000 to RP-2014.

Changes of Assumptions (OPERS): During the plan year ended December 31, 2021, there were changes to several assumptions for OPERS. The discount rate was reduced from 7.50 percent to 6.90 percent. The wage inflation dropped from 3.25 percent to 2.75 percent. The projected salary increase range changed from 3.25-10.75 percent to 2.75-10.75 percent. The experience study changed from the 5 year period ended December 31, 2015 to the 5 year period ended December 31, 2020. The mortality tables used changed from RP-2014 to PUB-2010.

During the plan year ended December 31, 2018, the discount rate was reduced from 7.50 percent to 7.20 percent.

During the plan year ended December 31, 2016, there were changes to several assumptions for OPERS. The wage inflation dropped from 3.75 percent to 3.25 percent. The projected salary increase range changed from 4.25-10.05 percent to 3.25-10.75 percent. The mortality tables used changed from RP-2000 to RP-2014.

**SINCLAIR COMMUNITY COLLEGE
REQUIRED SUPPLEMENTARY INFORMATION - OPEB
Years Ended June 30, 2022 and 2021**

Schedule of College's Proportionate Share of the Net OPEB Liability - STRS

	2022	2021	2020	2019	2018
College's proportion of the collective STRS net OPEB (asset) liability:					
As a percentage	0.31228%	0.32056%	0.34761%	0.35438%	0.34452%
Amount	(\$6,584,000)	(\$5,634,000)	(\$5,757,266)	(\$5,694,000)	\$13,441,724
College's covered payroll	\$39,885,908	\$41,538,937	\$39,062,517	\$39,633,414	\$38,126,183
College's proportionate share of the collective OPEB liability (amount), as a percentage of the College's covered-employee payroll	-16.51%	-13.56%	-14.74%	-14.37%	35.26%
STRS fiduciary net position as a percentage of the total OPEB liability	174.70%	182.10%	174.70%	176.00%	47.11%

Schedule of College's OPEB Contributions - STRS

	2022	2021	2020	2019	2018
Statutorily required contribution	\$0	\$0	\$0	\$0	\$0
Contributions in relation to the actuarially determined contractually required contribution	\$0	\$0	\$0	\$0	\$0
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0
Covered payroll	\$42,192,574	\$39,885,908	\$41,538,937	\$39,062,517	\$39,633,414
Contributions as a percentage of covered employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%

Schedule of College's Proportionate Share of the Net OPEB Liability - OPERS

	2022	2021	2020	2019	2018
College's proportion of the collective OPERS net OPEB liability:					
As a percentage	0.26913%	0.26913%	0.26075%	0.26348%	0.25883%
Amount	(\$8,429,501)	(\$4,794,766)	\$36,016,901	\$34,351,051	\$28,107,032
College's covered payroll	\$42,369,430	\$42,469,977	\$38,669,533	\$36,862,111	\$35,162,517
College's proportionate share of the collective OPEB liability (amount), as a percentage of the College's covered-employee payroll	-19.90%	-11.29%	93.14%	93.19%	79.93%
OPERS fiduciary net position as a percentage of the total OPEB liability	128.23%	115.57%	47.80%	46.33%	54.14%

Schedule of College's OPEB Contributions - OPERS

	2022	2021	2020	2019	2018
Statutorily required contribution	\$0	\$0	\$0	\$0	\$0
Contributions in relation to the actuarially determined contractually required contribution	\$0	\$0	\$0	\$0	\$0
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0
Covered payroll	\$45,464,826	\$42,369,430	\$42,469,977	\$38,669,533	\$36,862,111
Contributions as a percentage of covered employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%

SINCLAIR COMMUNITY COLLEGE
REQUIRED SUPPLEMENTARY INFORMATION - OPEB
Years Ended June 30, 2022 and 2021

Changes to Benefit Terms: There were no changes in benefit terms affecting the STRS and OPERS plans for the plan years ended June 30, 2021 and December 31, 2021, respectively.

Changes of Assumptions (STRS): During the plan year ended June 30, 2021, the investment rate of return decreased from 7.45 percent to 7.00 percent. The health care cost trend rates also decreased from 4.93 percent to 9.62 percent initial and 4.00 percent ultimate for plan year ended June 30, 2020, to 16.20 percent to 30.00 percent initial and 4 percent ultimate for plan year ended June 30, 2021.

During the plan year ended June 30, 2018, there were changes to several assumptions for STRS. The health care cost trend rates decreased from 6.00 percent to 11.00 percent initial and 4.50 percent ultimate for plan year ended June 30, 2017, to (5.23) percent to 9.62 percent initial and 4 percent ultimate for plan year ended June 30, 2018. The discount rate increased from a blended rate between the long-term expected rate of return and a 20-year municipal bond rate of 4.13 percent to the investment rate of return of 7.45 percent based on the cash flow analysis.

Changes of Assumptions (OPERS): During the year ended December 31, 2021, there were changes to several assumptions for OPERS. The experience study changed from the 5-year period ended December 31, 2015 to the 5-year period ended December 31, 2020. The municipal bond rate decreased from 2.00 percent to 1.84 percent. Wage inflation decreased from 3.25 percent to 2.75 percent. The projected salary increase range changed from 3.25-10.75 percent to 2.75-10.75 percent. Health care cost trend rate decreased from 8.50 percent initial, 3.50 percent ultimate in 2035 to 5.50 percent initial, 3.50 percent ultimate in 2034.

During the plan year ended December 31, 2020, there were changes to several assumptions for OPERS. The health care cost trend rates decreased from 10.5 percent initial and 3.50 percent ultimate to 8.50 percent initial to 3.50 percent ultimate. The discount rate was reduced from 3.16 percent to 6.00 percent.

During the plan year ended December 31, 2019, there were changes to several assumptions for OPERS. The health care cost trend rates decreased from 10.00 percent initial and 3.25 percent ultimate to 10.50 percent initial and 3.50 percent ultimate. The discount rate was reduced from 3.96 percent to 3.16 percent.

SUPPLEMENTARY INFORMATION

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*

Independent Auditor's Report

To Management and the Board of Trustees
Sinclair Community College

We have audited, 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, the basic financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Sinclair Community College (the "College") as of and for the year ended June 30, 2022 and the related notes to the basic financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated November 8, 2022.

Report on Internal Control Over Financial Reporting

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

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.

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

Report on Compliance and Other Matters

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

To Management and the Board of Trustees
Sinclair Community College

Purpose of This Report

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

Plante & Moran, PLLC

November 8, 2022

Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance
Required by the Uniform Guidance

Independent Auditor's Report

To the Board of Trustees
Sinclair Community College

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Sinclair Community College's (the "College") compliance with the types of compliance requirements identified as subject to audit in the Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on the College's major federal program for the year ended June 30, 2022. The College's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the College complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

To the Board of Trustees
Sinclair Community College

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

To the Board of Trustees
Sinclair Community College

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

Plante & Moran, PLLC

November 8, 2022

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2022

Federal Agency/Pass-through Agency/Program Title	Assistance Listing Number	Pass-through Entity Identifying Number	Total Amount Provided to Subrecipients	Federal Expenditures
Clusters:				
Student Financial Assistance Cluster - U.S. Department of Education:				
Federal Supplemental Education Opportunity Grant Program	84.007	N/A	\$ -	\$ 769,070
Federal Work-Study Program	84.033	N/A	-	59,706
Federal Pell Grant Program	84.063	N/A	-	17,487,552
Federal Direct Student Loans	84.268	N/A	-	14,733,917
Total Student Financial Assistance Cluster			-	33,050,245
Trio Cluster - U.S. Department of Education:				
Trio Upward Bound	84.047A	N/A	-	744,659
Trio Student Support Services	84.042A	N/A	-	262,755
Trio Talent Search Program	84.044A	N/A	-	621,673
Total Trio Cluster			-	1,629,087
Research and Development Cluster - National Science Foundation:				
Education and Human Resources	47.076	N/A	-	93,730
Education and Human Resources	47.076	N/A	-	114,757
Education and Human Resources	47.076	N/A	-	199,298
Education and Human Resources	47.076	N/A	33,752	223,398
Education and Human Resources	47.076	N/A	-	140,588
Education and Human Resources	47.076	N/A	-	28,424
Education and Human Resources	47.076	N/A	-	187,824
Education and Human Resources	47.076	N/A	18,985	207,668
Education and Human Resources	47.076	N/A	-	76,079
Education and Human Resources - Pass-through Collin County Community College District	47.076	216007-SCC	-	23,715
Education and Human Resources - Pass-through Education Development Center, Inc.	47.076	12422	-	821
Education and Human Resources - Pass-through The Ohio State University	47.076	60067276-SCC	-	75,175
Education and Human Resources - Pass-through Riverside Community College District	47.076	C-0005504	-	48,546
Total Research and Development Cluster			52,737	1,420,023
Other programs:				
Department of Defense:				
Basic and Applied Scientific Research - Pass-through Lorain County Community College	12.300	N/A	-	178,208
Defense STEM Education Consortium - Pass-through RTI International	12.560	28-312-0216908-66551L	-	82,516
DOD, NDEP, DOTC-STEM Education Outreach Implementation - Pass-through Building Engineering & Science Talent	12.560	888-19-22-01	-	6,474
Total Department of Defense			-	267,198
Department of Justice - Bulletproof Vest Partnership Program	16.607	N/A	-	2,799

Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2022

Federal Agency/Pass-through Agency/Program Title	Assistance Listing Number	Pass-through Entity Identifying Number	Total Amount Provided to Subrecipients	Federal Expenditures
Other programs (continued):				
Department of Labor - Apprenticeship USA Grants - Pass-through James A. Rhodes State College	17.285	N/A	\$ -	\$ 43,120
Department of State:				
Capacity Building for U.S. Study Abroad Program - Pass-through World Learning	19.009	CBPSA19-Sinclair	-	5,300
The Community College Initiative Program - Pass-through Northern Virginia Community College	19.009	N/A	-	<u>194,850</u>
Total Department of State			-	200,150
Department of Transportation:				
Air Transportation Centers of Excellence - Pass-through Kansas State University	20.109	A20-0150-S001	-	14,100
Air Transportation Centers of Excellence - Pass-through New Mexico State University	20.109	Q02114	-	<u>18,527</u>
Total Department of Transportation			-	32,627
Department of Veteran Affairs - Post-9/11 Veterans Educational Assistance	64.027	N/A	-	3,830
U.S. Department of Education:				
Undergraduate International Studies and Foreign Language Programs	84.016A	N/A	-	16,181
I Educate Montgomery County - Pass through Wright State University	84.027	671487-1	-	26,209
Career and Technical Education - Basic Grants to States - Pass-through Ohio Department of Education	84.048	20-C2 2005	-	587,377
Transition Programs for Students with Intellectual Disabilities into Higher Education - Pass-through The Ohio State University	84.407A	60075419	-	6,233
Equity for Each - Pass-through Ohio Department of Education	84.048A	063362	-	131,630
Child Care Access Means Parents in School	84.335A	N/A	-	186,942
Education Stabilization Fund:				
COVID-19: Higher Education Emergency Relief Fund - Student Aid	84.425E	N/A	-	16,356,315
COVID-19: Higher Education Emergency Relief Fund - Institutional Aid	84.425F	N/A	-	15,511,840
COVID-19: Higher Education Emergency Relief Fund - Strengthening Institutions	84.425M	N/A	-	1,384,585
COVID-19: Governors Emergency Education Relief Fund - Pass-through Ohio Department of Higher Education	84.425C	N/A	-	<u>52,236</u>
Total Education Stabilization Fund			-	<u>33,304,976</u>
Total U.S. Department of Education			-	34,259,548
Department of Health and Human Services - Temporary Assistance for Needy Families - Pass-through Montgomery County - Department of Jobs and Family Services	93.558	CE#900328, CE#000105	-	300,000
Air Force Research Laboratory - Regional Fabrication & Certification Training Labs - Digital Thread Technologies - Pass-through ARCTOS Technology Solutions	U01	165524.09.00.0001.00.03	-	<u>1,513,137</u>
Total federal awards			<u>\$ 52,737</u>	<u>\$ 72,721,764</u>

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2022

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Sinclair Community College (the "College") under programs of the federal government for the year ended June 30, 2022. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the College, it is not intended to and does not present the financial position, changes in net position, or cash flows of the College.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported in the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The pass-through entity identifying numbers are presented where available.

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

Note 3 - Adjustments and Transfers

The College carried forward \$12,945 of Federal Supplemental Education Opportunity Grant (FSEOG) Program (84.007) funds from the 2020-2021 award year, which was spent in the 2021-2022 award year. The College carried forward \$28,829 of FSEOG Program funds from the 2021-2022 award year to be spent in the 2022-2023 award year. During 2022, the College also transferred and spent \$236,241 of Federal Work-Study Program (84.033) funds in the FSEOG program.

Schedule of Findings and Questioned Costs

Schedule of Findings and Questioned Costs

Year Ended June 30, 2022

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ Yes X None reported
- Noncompliance material to financial statements noted? _____ Yes X None reported

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ Yes X None reported
- Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)? _____ Yes X No

Identification of major programs:

ALN	Name of Federal Program or Cluster	Opinion
84.425C, 84.425E, 84.425F, and 84.425M	COVID-19 - Education Stabilization Fund	Unmodified

Dollar threshold used to distinguish between type A and type B programs: \$2,181,653

Auditee qualified as low-risk auditee? X Yes _____ No

Section II - Financial Statement Audit Findings

None

Section III - Federal Program Audit Findings

None

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OHIO AUDITOR OF STATE KEITH FABER



SINCLAIR COMMUNITY COLLEGE

MONTGOMERY 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 12/8/2022

88 East Broad Street, Columbus, Ohio 43215
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This report is a matter of public record and is available online at
www.ohioauditor.gov