COLUMBUS STATE COMMUNITY COLLEGE
FRANKLIN COUNTY

COLUMBUS STATE

COMMUNITY COLLEGE

SINGLE AUDIT

FOR THE YEARS ENDED JUNE 30, 2021 AND JUNE 30, 2020

PLATTENBURG
Certified Public Accountants

OHIO AUDITOR OF STATE
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We have reviewed the *Independent Auditor's Report* of the Columbus State Community College, Franklin County, prepared by Plattenburg & Associates, Inc., for the audit period July 1, 2020 through June 30, 2021. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Keith Faber
Auditor of State
Columbus, Ohio

November 08, 2022

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COLUMBUS STATE COMMUNITY COLLEGE
FRANKLIN COUNTY, OHIO
FOR THE YEARS ENDED JUNE 30, 2021 AND JUNE 30, 2020

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Management's Discussion and Analysis	3
Basic Financial Statements:	
Statement of Net Position	23
Statement of Revenues, Expenses, and Changes in Net Position	25
Statement of Cash Flows	26
Notes to the Financial Statements	28
Required Supplementary Information	67
Schedule of Expenditures of Federal Awards	80
Notes to the Schedule of Expenditures of Federal Awards	82
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*	83
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by Uniform Guidance	85
Schedule of Findings and Questioned Costs	87
Schedule of Prior Audit Findings and Questioned Costs	88

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Columbus State Community College

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and discretely presented component unit of Columbus State Community College (the College), a component unit of the State of Ohio, as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the Columbus State Community College Development Foundation, Inc. (the Foundation) which represents 100 percent of the assets, net position and revenues of the discretely presented component unit. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Foundation, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the College, as of June 30, 2021 and 2020 and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2021, on our consideration of the College's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.
Columbus, Ohio
October 15, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Columbus State Community College's Annual Report presents management's discussion and analysis ("MD&A") of the College's financial position as of June 30, 2021; and financial activity for the fiscal year July 1, 2020 through June 30, 2021, with selected comparative information for the fiscal years ended June 30, 2020 and June 30, 2019, when appropriate. This discussion should be read in conjunction with the accompanying financial statements and notes herein.

ABOUT THE COLLEGE

Columbus State Community College ("the College") is the region's only open-access institution, and it is the front door to higher education for more central Ohio residents than any other college or university. Columbus State is one of the largest and most comprehensive colleges in Ohio, providing affordable, high-quality programs to enhance the educational and employment opportunities of its increasingly diverse student body.

Founded in 1963 as the Columbus Area Technician School, Columbus State has been serving the Central Ohio region for over 58 years. After its beginning, in the basement of Central High School in Columbus, Ohio with an enrollment of 67 students, the School was re-chartered in 1965 as the Columbus Technical Institute (CTI) to serve students in a four-county service district that includes Franklin, Delaware, Union and Madison counties. CTI established itself in Aquinas Hall at the College's current Spring Street location. In 1987, the College was re-chartered as Columbus State Community College in order "to provide additional educational opportunities to area residents" and has risen to prominence as one of the nation's premier comprehensive community colleges.

Columbus State has a strong commitment to technical education, offering over 100 Career and Technical degree programs including 93 Associate of Applied Science (A.A.S.) and 14 Associate of Technical Studies (A.T.S.), to prepare graduates for immediate employment. Columbus State has transfer agreements with dozens of four-year institutions. The College offers 24 programs leading to an Associate of Arts degree and 14 programs that lead to an Associate of Science degree. The Associate of Arts and Associate of Science degrees fulfill the freshman and sophomore course requirements of bachelor's degree programs offered by any public university in Ohio and *Preferred Pathway®* partnerships with nine universities guarantee admission to students who successfully complete an associate degree at Columbus State. The College's Office of Workforce Innovation offers skills enhancement, customized training, professional development and business consulting for area industries, employers and individuals.

Columbus State has two campuses (Columbus, Ohio and Delaware County), and regional learning centers conveniently located throughout its four-county service district. These centers allow students to take courses closer to where they live and work. The College also offers degree-oriented college-level courses to qualified high school students through the *College Credit Plus* (*CCP*) program; courses are taught at the high schools, online, or at one of Columbus State's campuses or regional learning centers.

ABOUT THE FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with Governmental Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, and Statement No. 35, Basic Financial Statements and Management's Discussion and Analysis of Public Colleges and Universities, issued in June and November 1999, respectively. The College reports as a special purpose government engaged solely in "business type activities" under GASB Statement No. 34.

In addition to this MD&A, a full set of financial statements, complete with notes, is presented in the next section of this annual report, including:

- ***Statement of Net Position;***
- ***Statement of Revenues, Expenses, and Changes in Net Position; and***
- ***Statement of Cash Flows***

These statements include the College, its Auxiliaries, the Columbus State Community Partners, and the Columbus State Community College Development Foundation.

Management's discussion and analysis is focused on the primary institution and its auxiliaries.

It is management's intention to discuss significant financial data based upon currently known facts, decisions and conditions that have already occurred. There are factors, however, that may impact future periods, which are considered in the last section of this discussion.

FINANCIAL AND INSTITUTIONAL HIGHLIGHTS

Enrollment, Tuition Revenue and Overall Financial Results

In February of 2020, Columbus State earned the Achieving the Dream (ATD) Leader College of Distinction status for its performance improvement rates from 2015-2018 among first-time-ever-in-college African-American and Hispanic students, including a breakout for solely African-American males. Also, in February 2020 the College learned that it had been selected as the inaugural community college institutional recipient of the Barefoot & Gardner Award for equitably higher education outcomes. A month later the COVID-19 global pandemic surfaced in Ohio and the College moved almost all its Spring 2020 courses to virtual instruction. Of primary concern was the ability of many students to successfully participate remotely. As the College began its FY21 budget discussions, a key priority was how to maintain the equity gains realized over the past 10 years.

Given the uncertainty related to FY21, the following principles were established as budget development began to guide the College through the possible need to make very difficult budgetary decisions:

- *Be guided by compassion and flexibility*: Maintain the academic success momentum of our students with a deliberate emphasis on equity.
- *Protect the long-term health of the College:* Sustain College resources so that the immediate and long-term needs of our students and community can be met.
- *Continue to innovate:* Stay nimble and deliver in a timely manner so that the changing needs of the community and employers can be met.
- *Collaborative, informed decision making and clear communications:* In the midst of a lot of uncertainty, make decisions together and communicate clearly and often.

The guiding principles informed budget decisions that kept the long-term needs of the community at the forefront while positioning the College to continue effectively educating and supporting students as well as partnering with employers to develop and implement meaningful programming that would help citizens reenter the workforce as the economy recovered.

Enrollment FTEs (credit hours) for Autumn and Spring semesters combined was 3.3% lower in FY21 than FY20, decreasing by just over 14,000 credit hours, while headcount (duplicated) decreased by 2,136, or 3.9%. Enrollment FTE for Summer 2020, with nearly half of the revenue accounted for in FY21, was up a robust 11.2% compared to Summer 2019, somewhat an anomaly after the Spring 2020 semester disruption in the early months of the pandemic, while headcount increased 5.4%. FTEs for Summer 2021, also with half of the associated revenue accounted for in FY21, was down 13.4% from Summer 2020, reversing the significant increase of the prior year, and headcount was down 10.8%. Overall, annualized FTE enrollment for FY21 was 3.3% lower than FY20, with headcount (duplicated) decreasing by 3.9%.

The State's FY20-FY21 biennium budget, House Bill 166, allowed for a $5 increase in the in-state tuition rate charged per credit hour in both FY20 and FY21 (3.27% and 3.17%, respectively), implemented in Autumn 2019 and Autumn 2020, respectively. Overall, revenue from tuition (excluding fees) was flat to FY20, decreasing by just over $175,000,

(-0.23%) with the impact of the new tuition rate (3.17%) offset by the decrease in the annualized FTE enrollment (-3.3%). Including other fee revenue, total Student Tuition and Fees, net of Scholarship Allowances, which were also flat to the prior year decreasing by just $47,498 (0.2%) decreased by $4.8 million (-7.6%) from FY20, largely due to lab fees, parking and some other fees not being charged.

In FY21, through the *College Credit Plus* program (*CCP*), the State of Ohio's program which allows high school students to earn college credit while still in high school, making higher education more affordable, nearly 6,000 high school students earned credit in both Autumn 2020 and Spring 2021 semesters, earning 63,381 credit hours, an increase of 11.2% over the prior year. Student participation in the *College Credit Plus* program continued to increase in FY21, attributed to high school students opting to take more *CCP* courses while also taking their high school classes at home. While the *CCP* population typically takes fewer classes/credit hours per term than traditional students, headcount typically increases at a higher rate than FTEs; however, FTE growth surpassed headcount growth in FY21, increasing by 11.2% over FY20, while headcount increased by 3.0%. Additionally, as nearly two-thirds of *CCP* credits are discounted below standard tuition rates, more downward pressure on tuition revenue continues.

Overall, the College is reporting an increase in Change in Net Position of $16.4 million for the fiscal year ended June 30, 2021, compared to a decrease of $2.6 million for FY19. Excluding entries related to pension and other postemployment benefits (OPEB) expenses discussed below under the section for Implementation of GASB 68 and GASB 75, the Change in Net Position was an increase $23.0 million compared to an increase of $4.7 million for FY20, largely attributed to federal coronavirus relief funding and the first tax receipts from the voted bond issue as discussed later.

COVID-19 Impact on College Operations and Fiscal Year 2021 Financial Results

The spread of the strain of coronavirus commonly known as COVID-19 continued to alter the behavior of businesses and people throughout FY21. Following the Governor's declaration of a State of Emergency in Executive Order 2020-01D on March 9, 2020, a Stay At Home Order issued by the Ohio Department of Health on March 22, 2020 and the closure of all non-essential businesses, Governor DeWine announced a phased-in process for re-opening the State, Responsible RestartOhio, guided by principles to protect the health of employees, customers, and their families, supporting community efforts to control the spread of COVID-19, and responsibly getting Ohio back to work. The College also continued on a path to a phased, responsible re-entry to campus, which included a decision to continue in a remote operating status for the Summer 2020 semester, while allowing for limited in-person labs and classes where required and where compliance with social distancing and other safety protocols could be met. As COVID-19 cases started to surge during the summer and uncertainty increased, it was decided in June 2020 that the College would continue operating in a low-density environment except for limited essential services that would be maintained in person (such as the Police Department, Facilities Management, Information Technology, the Bookstore, and some Business Services functions) throughout the fall to ensure the health and safety of students and employees. This meant that non-business essential employees continued to work remotely and that courses continued to be primarily virtual as long as program accreditation requirements could be met and student success and equity could be achieved. This low-density approach ultimately extended throughout FY21 with plans to slowly increase density of classes and other services beginning in Autumn 2021 following the rescinding of most health orders by the Governor on June 2, 2021.

Unprecedented uncertainty with regards to revenue estimates made development of the FY21 budget extremely challenging. State funding to the community college sector, the State's Share of Instruction (SSI), was reduced by 3.8% in FY20. This represented a $2.7 million reduction to the College's final FY20 SSI allocation of $69.8 million, which was evenly reduced from May and June's SSI payments received by the College, and there were indications that reductions for the FY21 SSI could be up to 20%. Additionally, early registration trends showed a trajectory for FY21 to start off with a 40% decline for summer enrollment. Ultimately, the College budgeted FY21 SSI at 19% below Ohio Department of Higher Education (ODHE) projections for FY21 (projected before the pandemic occurred), which was 11.5% below the final FY20 annual SSI amount. After the recovery of the early trends for Summer 2020, with an increase in credit hours of 11.2%, enrollment for the FY21 budget was assumed to be essentially flat to FY20's estimated enrollment. With many additional supports and resources provided, preliminary results were good: course success rates were stable or even improved in most areas; Spring 2020 to Summer 2020 persistence rates increased; Summer 2020 enrollment was up significantly, and Autumn 2020 enrollment was nearly flat to the prior year.

However, by Spring 2021, a cumulative negative effect in enrollment started to emerge with Spring enrollment down 6.4% and declining success rates, particularly for students of color. Rather than a 20% reduction in SSI for FY21, the State announced that the reduction would only be 4.38% in July 2020 (after the College's budget had been approved by the Board of Trustees), and on January 22, 2021, those FY21 reductions were almost entirely restored through an Executive Order issued by the Governor, resulting in the College's FY21 SSI being $13.8 million (23.3%) higher than originally budgeted, and $6.1 million (9.1%) higher than FY20. Overall, enrollment for FY21 was down 3.3% but tuition revenue was nearly flat to the prior year. Revenue from other fees, however, was down substantially from the prior year, decreasing by $4.7 million, nearly 43%, primarily related to lab fees and parking revenues. Total tuition and fees, net of scholarship allowances, was $4.8 million, 7.6%, lower than FY20. Overall, total operating revenues for FY21 landed approximately $1.4 million above the revised budget and $3.0 million above the prior year. Net general fund operating revenues exceeded expenses by $4.9 million, before investment and interest income (not a budgeted revenue item), the result of savings from vacant positions and overall lower spending on operations as the College continued virtual instruction and services.

The federal government took several actions to assist colleges and universities in dealing with the effects of the COVID-19 pandemic, including the Coronavirus Aid, Relief, and Economic Security (CARES, March 27, 2020) Act, the Coronavirus Response and Relief Supplemental Appropriations (CRRSA, December 27, 2020) Act, and the American Rescue Plan (ARP, March 11, 2021) Act, collectively, HEERF funds (Higher Education Emergency Relief Funds). Additionally, funding from each of the above Acts was provided to the State of Ohio which in turn, allocated funds to the College through Coronavirus Relief Funds (CRF) and Governor's Education Emergency Relief (GEER) to support COVID-19 recovery. For the HEERF awards, portions were required to be awarded to eligible students in the form of emergency financial aid grants and the remainder could be used by institutions for expenses related to the coronavirus. A summary of awards through FY21 follows:

HEERF Institutional	$	53.6
HEERF Students		38.4
Title III		4.1
State of Ohio CRF		4.7
State of Ohio Mental Health CRF		0.1
State of Ohio GEER Mental Health		0.2
	$	101.2

(amounts in millions)

GASB 68 and GASB 75

The net pension liability (NPL) remains the largest single liability reported by the College at June 30, 2021 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27," adopted by the College in FY15. In FY18, the College adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revised accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the College's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability, and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB and net OPEB asset.

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

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

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service

2. Minus plan assets available to pay these benefits

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

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

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

In accordance with GASB 68 and GASB 75, the College's statements prepared on an accrual basis of accounting include an annual pension expense of $18,198,656, and an annual OPEB credit of $4,399,452 (STRS expense $9,407,705, SERS expense $4,391,499) for their proportionate share of each plan's *change* in net pension liability and net OPEB asset or liability, respectively, not accounted for as deferred inflows/outflows.

Student Success Initiatives and Grant Support

In addition to the federal and state (federal pass-through) grants noted above to support the disruption caused by the pandemic and related recovery initiatives, Columbus State continued to manage through the changing business environment of higher education and continued declines in enrollment of recent years, with the focus remaining on its strategic priorities of student success, workforce development and civic engagement. Progress continued to be made towards the objectives of the *Central Ohio Compact (COC)*, a regional strategy for college completion and career success objectives with representation from a variety of partners including public and private colleges and universities, K-12 school districts, small businesses, workforce and economic development professionals and government officials. And funding from grants continued to provide critical resources for advancing these strategic priorities and the objectives of the *Central Ohio Compact*, including the development of new instructional practices, integrated supports and other innovative initiatives.

Some of the new grants awarded in FY21 included:

JPMorgan Chase New Skills Ready Network
- 4-year award, $1.4m ($7m total grant with CCS, OSU)
- Focus area: K12 to postsecondary pathways

NSF ATE: Expanding the Engineering Technician Pipeline for Industry 4.0
- 3-year award, $397,014
- Focus area: advanced manufacturing

US DOE: TRIO Student Support Services (SSS)
- 5-year award, $1,473,625
- Focus area: support for first generation, low-income students

AEP Credits Count Round 2
- 5-year award, $2.5m
- Focus area: expansion of talent strategy, STEM career pathways

Grants Highlights for Columbus State:
- In FY21, we were awarded our 15th NSF ATE award since 2014, more than any other community college in the country
- Only community college awarded USDOE i3 validation grant
- One of 3 community colleges awarded a HRSA HCOP grant in the last 10 years
- One of 6 community colleges awarded a HRSA SAMHSA grant in FY19
- One of 10 community colleges awarded USDOE Title III, Part A in FY17
- One of 23 USDOL Apprenticeship awards, subaward partner on another with Lorain

The College now has been awarded 15 National Science Foundation grants, the largest number of any community college in the nation, totaling over $8.6 million awarded. These grants advance initiatives, including new programs, pathways and credentials, in high demand areas such as data analytics, cyber security, modern manufacturing, STEM programs, and many other advanced technologies. Additionally, Columbus State has been designated as a National Center of Academic Excellence in Cyber Defense Education through academic year 2024 for the AAS in Computer Science with a major in Cybersecurity. This designation is one of two such designations sponsored by the National Security Agency (NSA) and the Department of Homeland Security (DHS).

Resources provided by federal, state, local, and corporate grants and other partners have allowed the College to accelerate the work of student success and workforce development by providing for College personnel devoted to this work and other expenses that would otherwise have been funded from the College's increasingly limited operating budget. As some of the multi-year grants start to expire over the next couple of years, the College will be looking for additional funding to continue this work while also reallocating within the operating budget to integrate and operationalize at full scale those practices that have proven successful in advancing strategic priorities.

Financial Accountability

Senate Bill 6 of the 122nd General Assembly, enacted into law in 1997, was designed to increase financial accountability of State colleges and universities by using a standard set of measures, using year-end audited financial statements, to monitor the fiscal health of each institution. Three ratios are calculated, from which a summary score, termed the Composite Score, is determined, which is the primary indicator of fiscal health. The three ratios calculated, and the respective weight of each in determining the composite score, are as follows:

- Viability Ratio – 30%
- Primary Reserve Ratio – 50%
- Net Income Ratio – 20%

Results for FY20 were released in the spring of 2021 and Columbus State's composite score was 4.6 (adjusted to exclude the impact of GASB 68 and GASB 75). The College maintains an average score of 4.64 on a scale of 0-5 with "5" being a perfect score.

Capital Additions and Improvements

In the FY19-FY20 State capital appropriations legislation (HB 529), Columbus State's total appropriation was $14.6 million, providing funds for student success renovations and for building and infrastructure repairs, including ADA upgrades, and $1 million appropriated for academic and classroom space upgrades. The College was also funded for FY19-FY20 as a partner in five community projects totaling $1.125 million. In June 2020, State capital legislation (House Bill 481) re-appropriated $2.275 million of Columbus State's total FY19-FY20 State capital appropriations. Of that re-appropriation, $875,000 was funded for community projects. The remaining portion was unencumbered funds for previously appropriated projects. This FY19-FY20 State capital appropriation primarily funded projects discussed below with most of this funding exhausted at the end of FY21. In the FY21-22 State capital appropriations legislation (SB 310), Columbus State's total appropriation was $14.75 million, again providing funds for student success renovations and for building and infrastructure repairs. Funding totaling $2.5 million was also appropriated for community projects. As of June 30, 2021, none of the College's FY21-22 appropriation had been used but all State capital appropriations are being considered in conjunction with the College's capital implementation planning discussed below under Bond Issue and, along with philanthropy, will help to realize the $441 million Educational Facilities and Technology Plan approved by the Board of Trustees in September 2019. The following describes some of the more significant projects occurring during FY21.

A new assessable ramp and entrance into the cafeteria and improved visibility of the entrance was completed in FY21, which represented Phase 2B of a series of upgrades that began in FY19 with a major renovation of the cafeteria in Union Hall, now Union Café. The initial project addressed interior building code issues, the replacement of a non-compliant restroom, and additional seating space for *Union Café*. The contract for design and pre-construction for Phase 2B was awarded in June 2019 with the work commencing in early FY20 and completion in FY21. The final cost for Phase 2B was $1.35 million, funded by the College's FY19-FY20 State capital appropriation.

The contract for the Utility Tunnel Repair Project was also awarded in June 2019 and work commenced in the summer of 2019 addressing replacement and repairs for the tunnels beneath Aquinas, Rhodes, Eibling, Madison, and Franklin Halls. The work included structural repairs, installation of waterproofing systems and surface-mounted lighting, concrete repair, and piping support replacement. The project was completed at a total cost of $1.46 million and was funded with State capital funds.

In January 2020, the Board of Trustees approved contracts for the Aquinas Building Envelope Repair and WD 1st and 3rd Floor Renovations. The 2017 Columbus State Facility Conditions Assessment also identified the building envelope of Aquinas Hall, built at its current location on the Columbus Campus in 1925, to be in critical condition and in need of immediate repair. The project was approved by the Board in January 2020 at an estimated cost of $4 million and construction commenced in the spring of 2020. The work proceeded and was completed during the pandemic with $3.75 million expended and capitalized as building additions in FY21. This project was funded with State capital funds.

In June 2020, three contracts were approved by the Board of Trustees: Building Systems Upgrade – Phase 1, Building Systems Upgrade – Phase 2, and Restroom Renovations. The scope of the Building Systems Upgrade project (both phases) is to upgrade building systems and components at Franklin, Nestor, Columbus, Davidson, and Delaware Halls. The systems upgrades include chiller replacements, air handler replacements, boiler replacements and miscellaneous work associated with those building systems. The total project budget for both phases of the Building Systems Upgrade project, including design services, all phases of construction, and contingencies, is $3.8 million and is funded entirely from the FY19-FY20 State capital allocation. Building systems upgrade work commenced in summer 2020 and was near completion at the end of FY21 with most costs incurred to date remaining in Construction in Progress at June 30, 2021 (approximately $3.0 million). The third contract approved in June 2020 addresses repairs and renovations needed to bring restroom facilities in four campus buildings up to current building code and ADA compliance as well as upgrade finishes and fixtures within these restrooms. The scope of work includes restrooms located in the Testing Center in Aquinas Hall, first floor of Franklin Hall, first floor of Delaware Hall and the first floor of Nestor Hall. These locations have been identified as the most deficient and most frequently used restrooms on the Columbus Campus. The total project budget is just over $1 million, funded entirely from the FY19-FY20 State capital allocation. Construction also commenced in summer 2020 and was nearly complete at June 30, 2021 with costs incurred to date remaining in Construction in Progress.

With the first issuance of bonds in October 2020 related to the Franklin County, Ohio voted bond issue, as discussed below, planning quickly began for priority deferred maintenance needs and the purchase of one property that had been leased previously by the College. In December 2020, the Board of Trustees approved the purchase of property at 278 East Spring Street in Columbus, OH, at a cost of $2.44 million; the College closed on the purchase in March 2021. In several actions between March and June, 2021, the Board approved Architect and Engineering (AE) design services for several deferred maintenance and renovation projects. These projects along with the initial estimated project costs are listed below, with most AE services projected to start in early FY22:

Project	Estimated Cost
Nestor Hall Auditorium Renovation	$5.1 million
Campus-Wide Switchgear Replacements	1.7
Parking Garage Upgrades – Pedestrian Bridge	4.0
Water Metering Improvements	0.8
Campus-Wide Elevator Improvements	1.6
Roof Replacements	3.0
Spring Street Renovations	0.5

BOND ISSUE

As part of House Bill 166, State's FY20-FY21 biennium budget, state community colleges were given the authority to levy a property tax for permanent improvements or a bond issuance for that purpose, subject to voter approval, an authority long-held by most of Ohio's community colleges. The Columbus State Community College Board of Trustees approved an Educational Facilities and Technology Plan in September 2019, serving as a blueprint to provide up-to-date educational facilities, technology, and training in a safe and secure setting. Per the new authority permitted by R.C. 3358.11 and in order to make the investments necessary in facilities and technology to continue meeting the growing and evolving educational and workforce needs of Central Ohio, the College's Board of Trustees approved a Resolution of Necessity in October 2019, followed by a Resolution to Procced in November 2019 to place a bond issue on the ballot in Franklin County, Ohio, for the March 17, 2020 Primary election (votes counted April 28, 2020 due to delay caused by COVID-19 concerns). The bond issue, Issue 21, was passed by a 60-40 margin, allowing for a bond issue in an amount not to exceed $300 million (0.65 mil, 24 years maximum maturity).

On July 17, 2020, the Board of Trustees approved a Bond Resolution authorizing the issuance of bonds in an amount not to exceed $300 million. On September 10, 2020, $30,000,000 Facilities Construction and Improvement Bonds, Series 2020A (Tax-Exempt) and $120,000,000 Facilities Construction and Improvement Bonds, Series 2020B (Federally Taxable) were priced in the market with closing taking place on October 8, 2020. The Series 2020A Bonds are subject to redemption at the option of the College on any date on or after June 1, 2030. The Series 2020B Bonds maturing after December 1, 2029 are subject to redemption at the option of the College on any date on or after December 1, 2029. Interest on the Bonds will be paid each June 1 and December 1, beginning June 1, 2021. The

Bonds are voted general obligation debt of the Columbus State Community College, Ohio, a state community college district of the State of Ohio, and the full faith, credit and revenue of the College are irrevocably pledged for the prompt payment of the principal of and interest on the Bonds. The College plans to issue additional general obligation bonds in an amount not to exceed $150 million, which is the remaining voted authority from the $300 million voted bond issue, to finance additional capital projects, the timing of which is to be determined. Additionally, in light of the impact of COVID-19 and other recent events, the implementation of the College's Capital Plan is being re-evaluated in order to be most responsive to the economic and service needs of the region, specifically Franklin County, where facilities' needs may now be re-prioritized based on public health needs, shifts in industry needs, extended work from home models, and other factors. While the implementation and Phase I priorities are being re-evaluated over the next year, the College will address its most critical deferred maintenance needs, some of which are noted in the prior section on Capital Additions and Improvements.

In FY21, the first proceeds were received from the tax levied in Franklin County for tax year 2020, amounting to just over $10 million and representing the majority of the amount reported on the Statement of Revenues, Expenses, and Changes in Net Position as Other Nonoperating Revenue, $11.4 million. Debt service funded by these proceeds totaled $1.8 million in FY21.

OTHER FACTORS TO CONSIDER

There are many indicators of quality in higher education institutions, including but not limited to numbers of graduates, numbers of transfer students, student retention, course completion rates, job placement statistics, salary ranges of recent graduates, and the appearance and condition of physical plant facilities. Financial statements assess only the quality of the College's financial condition.

FINANCIAL STATEMENTS

The ***Statement of Net Position*** details all College holdings (assets) such as cash, investments, accounts receivable, land and buildings, and liabilities including payments due to vendors and short and long-term debt, as of June 30, 2021. The total amount of assets and deferred outflows minus liabilities and deferred inflows equals net position. The net position is categorized as follows:

- Net Investment in Capital Assets
- Restricted – Nonexpendable (permanent endowment funds of the Development Foundation)
- Restricted – Expendable (primarily amounts for specified construction projects)
- Unrestricted

The ***Statement of Revenues, Expenses and Changes in Net Position*** shows the revenues earned and expenses incurred during the year and the net increase/decrease in net position. This statement is prepared under the accrual basis of accounting whereby revenues and expenditures are recognized when the service is provided and the resource(s) is/are used. This principle, called the "matching concept," is best demonstrated in the College's collection of student tuition. For example, most tuition is collected within the first week of each academic term, yet the revenue is distributed evenly over a four- to five-month period (for semesters) to match the expenditures (resources) used to generate the revenue.

The ***Statement of Cash Flows*** presents information related to cash inflows and outflows, summarized by operating, noncapital financing, capital financing and investment activities. The ***Statement of Cash Flows*** shows the sources and uses of the College's cash. The ***Statement of Cash Flows*** also helps readers assess: a) the College's ability to generate future cash flows, b) the College's ability to meet obligations as they become due, and c) the College's need for external financing.

The Columbus State Community College Development Foundation, Inc. (the "Foundation") is a legally separate, tax-exempt organization that exists to provide financial assistance to the educational programs, services and facilities of the College. Because the restricted resources held by the Foundation can only be used by or for the benefit of the

College, the Foundation is considered a component unit of the College and is discretely presented in the College's financial statements in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, The Financial Reporting Entity as amended by GASB Statement No. 39, Determining Whether Certain Organizations are Component Units and GASB No. 61, The Financial Reporting Entity: Omnibus. There are also separately issued financial statements for the Foundation. Operating results are not included in this Management Discussion and Analysis. Additional information regarding the Foundation is included in Note 17 and in the separately issued Foundation financial statements and audit report.

Recall that the Statement of Net Position provides the perspective of the College as a whole. Condensed versions of the College's financial statements are presented below, along with a brief summary of the financial information contained therein.

Statements of Net Position (in thousands)

	2021	2020	Difference	2019	Difference
Assets					
Current assets	$ 185,276	$ 95,162	$ 90,114	$ 96,541	$ (1,379)
Noncurrent assets					
Capital assets	180,667	177,863	2,804	174,414	3,449
Other	154,992	72,443	82,549	66,201	6,242
Total Assets	520,935	345,468	175,467	337,156	8,312
Deferred Outflows of Resources					
Pension	31,323	28,211	3,112	38,704	(10,493)
OPEB	6,496	3,914	2,582	2,102	1,812
Unamortized loss on refunding	29	58	(29)	96	(38)
Total Deferred Outflows of Resources	37,848	32,183	5,665	40,902	(8,719)
Total Assets and Deferred Outflows of Resources	$ 558,783	$ 377,651	$ 181,132	$ 378,058	$ (407)
Liabilities					
Current Liabilities					
Accounts payable and accrued	16,114	14,975	1,139	20,442	(5,467)
Debt, current portion	15,654	1,640	14,014	880	760
Capital Lease, Current Portion	195	190	5	184	6
Unearned revenue	9,734	9,512	222	8,438	1,074
Noncurrent liabilities					
Debt, long-term portion	160,645	23,702	136,943	16,481	7,221
Capital Lease	-	195	(195)	385	(190)
Net Pension Liability	190,181	171,982	18,199	168,861	3,121
Net OPEB Liability	25,988	29,887	(3,899)	33,524	(3,637)
Long-term liabilities	1,032	1,212	(180)	1,218	(6)
Total Liabilities	419,543	253,295	166,248	250,413	2,882
Deferred Inflows of Resources					
Pension	1,361	8,439	(7,078)	12,593	(4,154)
OPEB	23,635	18,101	5,534	14,587	3,514
Total Deferred Inflows of Resources	24,996	26,540	(1,544)	27,180	(640)
Total Liabilities and Deferred Inflows of Resources	444,539	279,835	164,704	277,593	2,242
Net Position					
Invested in capital assets	148,785	154,160	(5,375)	157,933	(3,773)
Restricted	26,158	3,174	22,984	257	2,917
Unrestricted	(60,699)	(59,518)	(1,181)	(57,725)	(1,793)
Total Net Position	$ 114,244	$ 97,816	$ 16,428	$ 100,465	$ (2,649)

Assets

As of June 30, 2021, current assets totaled $185.3 million compared to $95.2 million in FY20, an increase of $90.1 million, or 94.7%. Cash, cash equivalents and short term investments were up $88.3 million, primarily due to the investments of new bond proceeds (up $91.9 million over last year) along with a shift from cash and cash equivalents and short term investments to long term investments (a decrease of $3.6 million). Accounts, Loans and Pledges Receivable also increased by $2.6 million, the majority ($2.0 million) is a result of transactions related to the spending of federal funds for COVID-19, which cash had not been requested at the end of the fiscal year, but in early FY22.

Total assets as of June 30, 2021 were $520.9 million compared to $345.5 million in FY20, an increase of $175.5 million or 50.8% increase. An increase in total cash, cash equivalents, and investments made up the majority of the increase, $170.4 million, with the issuance of $150 million in bonds in October 2020, along with additional investments resulting from an increase in net assets for FY21 accounted for the remaining increase. There was an increase of $2.8 million in capital assets, due primarily to the purchase of 278 East Spring Street ($2.4 million), and an increase of $2.6 million in Accounts, Loans and Pledges Receivable, primarily due to the increase in accounts receivable as discussed above. The largest asset group is cash and investments at $312.5 million (60.0%), followed by capital assets, such as land, buildings, machinery, and equipment, of $180.7 million (34.7%), and accounts receivable, inventory and other assets at $27.7 million (5.3%).

Liabilities

As of June 30, 2021, the College's current liabilities were $41.7 million, compared to $26.3 million in 2020, an increase of $15.4 million. Most of the increase ($14.0 million) resulted from the issuance of the 2020B bonds, as well as a set repayment schedule for the Series 2018B bonds. Of the remaining increase, $1.1 million was an increase in accounts payable and accrued liabilities, while the other categories including unearned revenue (Summer 2021 semester tuition revenue related to FY22, credit bank, and unearned revenues related to grants and contracts), and capital lease, current portion, remained flat to last year.

Noncurrent liabilities as of June 30, 2021 were $377.8 million, consisting of $160.6 million in long-term debt (general receipts bonds and general obligation bonds), other long-term liabilities (primarily compensated absences) of $1.0 million, net pension liability of $190.2 million and OPEB liability in the amount of $26.0 million. By comparison, noncurrent liabilities as of June 30, 2020 were $227.0 million, consisting of $23.7 million in long-term debt (general receipts bonds), other long-term liabilities (primarily compensated absences and capital leases) of $1.4 million, net pension liability of $172.0 million and net OPEB liability in the amount of $29.9 million. The $150.8 million increase in the noncurrent liabilities is primarily the result of the Series 2020A and 2020B debt (net of the current portion) that is outstanding at June 30, 2021, and the change in noncurrent liabilities attributed to net pension and OPEB liabilities for FY21. As discussed previously, the net pension and OPEB liabilities represent the College's proportionate share of each pension plan's collective net pension and OPEB liabilities; changes in pension and OPEB benefits, contribution rates, and return on investments affect the balances of these liabilities but are outside the control of the College.

Total liabilities as of June 30, 2021 were $419.5 million compared to $253.3 million in FY20. The $166.2 million change is primarily attributed to the $150.8 million increase in long-term debt (current and noncurrent portions) and the $18.2 million increase in Net Pension Liability offset by the $3.9 million decrease in Net OPEB Liability.

Net Position

Net position increased by $16.4 million in FY21. Operating revenue increased by $15.1 million. Tuition and fees were down $4.8 million and federal, state, local and private grants and contracts were up $21.4 million. Revenue for auxiliary enterprises, the Bookstore and food services, decreased by $1.5 million, in large part the result of the transition to virtual instruction and teleworking for most College's operations due to the pandemic. All food service operations, except for some vending, were suspended and the Bookstore was closed to in-person operations (except for limited activity by appointment) with the majority of sales fulfilled by web orders. These closures had a significant, adverse impact on revenues for fiscal year 2021. The overall increase in operating revenue is a result of additional federal grants provided to support programs impacted by the pandemic.

Operating expenses were $7.2 million higher than FY20. The largest areas of increase were Public Service ($13.0 million), which includes the institutional portion of federal grants related to COVID-19, and Scholarships and Fellowships ($1.8 million). These were offset by decreases in Operation and Maintenance of Plant ($3.5 million), which included a reduction of a portion of police and physical plant salaries and benefits being paid through federal grants related to COVID-19, and decreases in utilities. Instruction and Departmental Research also decreased $2.2 million, which included a reduction of $0.6 million related to the retail operations of the School of Hospitality

Management and Culinary Arts, along with decreases in off-campus programs, as most of those locations did not hold in-person courses.

Non-operating revenues and expenses combined to increase by 8.7 million in FY21. Other Non-operating revenues increased by $10.3 million, almost all of which was tax receipt revenue, which was new to the college. State Appropriations increased by $6.1 million, while Investment Income (net of expense) decreased by $3.6 million and Pell Grant Revenue decreased by $2.0 million from the prior fiscal year. Interest on Capital Asset related debt increased by $2.0 million, as a result of increased debt for the 2018B debt as well as interest on the 2020A and 2020B debt.

Condensed versions of the College's revenues, expenses, and changes in net position for the years ended June 30, 2021, 2020 and 2019 are presented below, along with a brief summary of the financial information contained therein.

Statements of Revenues, Expenses, and Changes in Net Position (in thousands)

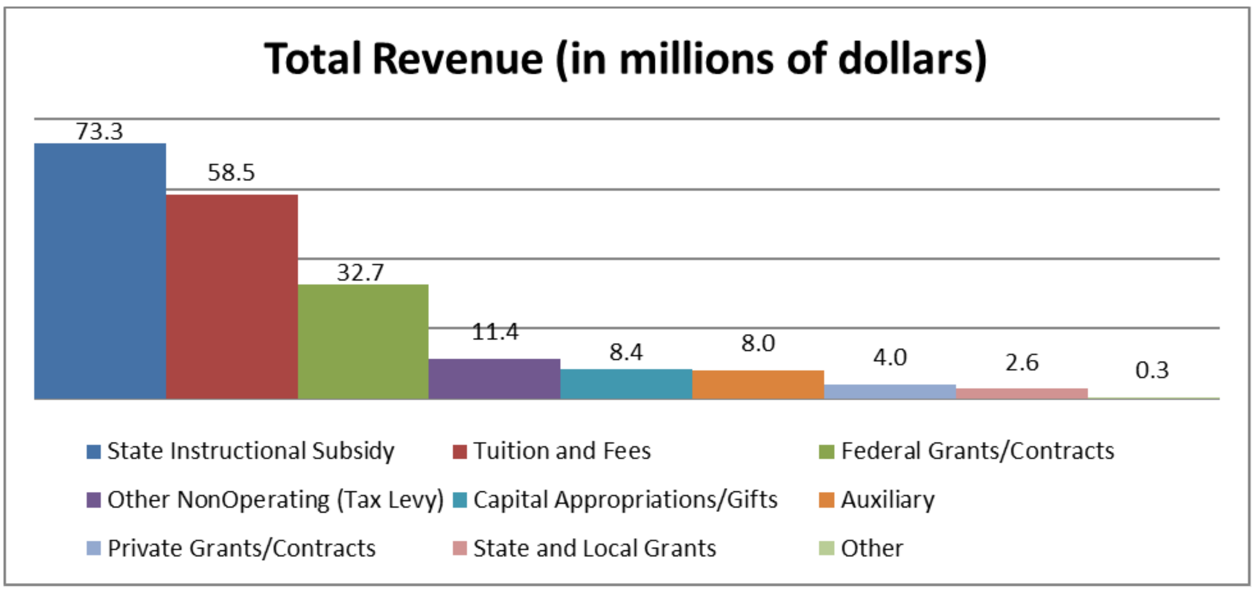
	2021	2020	Difference	2019	Difference
OPERATING REVENUES					
Student tuition and fees (net of scholarship allowances of $24.4, $24.5, and $23.8 million in 2021, 2020, and 2019, respectively)	$ 58,456	$ 63,286	$ (4,830)	$ 60,774	$ 2,512
Federal, state, and private grants and contracts	39,403	17,981	21,422	12,996	4,985
Auxiliary enterprises	7,982	9,528	(1,546)	10,656	(1,128)
Other	370	303	67	234	69
Total operating revenues	106,211	91,098	15,113	84,660	6,438
OPERATING EXPENSES					
Educational and general	179,221	172,553	6,668	148,737	23,816
Scholarships and fellowships	12,891	11,064	1,827	8,573	2,491
Depreciation expense	9,296	9,215	81	8,294	921
Auxiliary and Other enterprises	8,195	9,540	(1,345)	10,083	(543)
Total operating expenses	209,603	202,372	7,231	175,687	26,685
Operating income (loss)	(103,392)	(111,274)	7,882	(91,027)	(20,247)
NONOPERATING REVENUES (EXPENSES)					
State appropriations	73,265	67,136	6,129	67,574	(438)
Investment income (net of expense)	397	4,024	(3,627)	4,126	(102)
Pell Grant Revenue	29,131	31,177	(2,046)	31,270	(93)
Other non-operating revenues	8,644	359	8,285	(2,165)	2,524
Net nonoperating revenues	111,437	102,696	8,741	100,805	1,891
Income before capital appropriations	8,045	(8,578)	16,623	9,778	(18,356)
Capital appropriations and gifts	8,383	5,929	2,454	13,405	(7,476)
Increase in net position	16,428	(2,649)	19,077	23,183	(25,832)
Net position, beginning of year	97,816	100,465	(2,649)	77,282	23,183
Net position, end of year	$ 114,244	$ 97,816	$ 16,428	$ 100,465	$ (2,649)

Revenues

FY21 revenues totaled $217.0 million, an increase of $21.7 million (11.1%), compared to $195.3 million in FY20. Federal, state and private grants and contracts increased by $21.4 million and state appropriations increased by $6.1 million as a result of additional federal and state grants provided to support operations and programs impacted by the pandemic while student tuition and fees decreased by $4.8 million. Auxiliary revenue decreased by $1.5 million due to the impact of virtual and teleworking operations during the pandemic as well as the College's continued efforts to support delivery of instructional materials in ways that decrease the cost for students.

The majority of College revenues come from three sources: 1) State instructional subsidy ($73.3 million), 2) Student tuition and fees ($58.5 million), and 3) Federal, state, and private grants and contracts, including Pell grant revenue ($68.5 million). Of $64.5 million in federal and state grants and contracts, 47.3% are awarded to students through the federal Pell grant and Supplemental Educational Opportunity Grant (SEOG) programs. These funds are used for student tuition ($24.4 million) and education-related expenses.

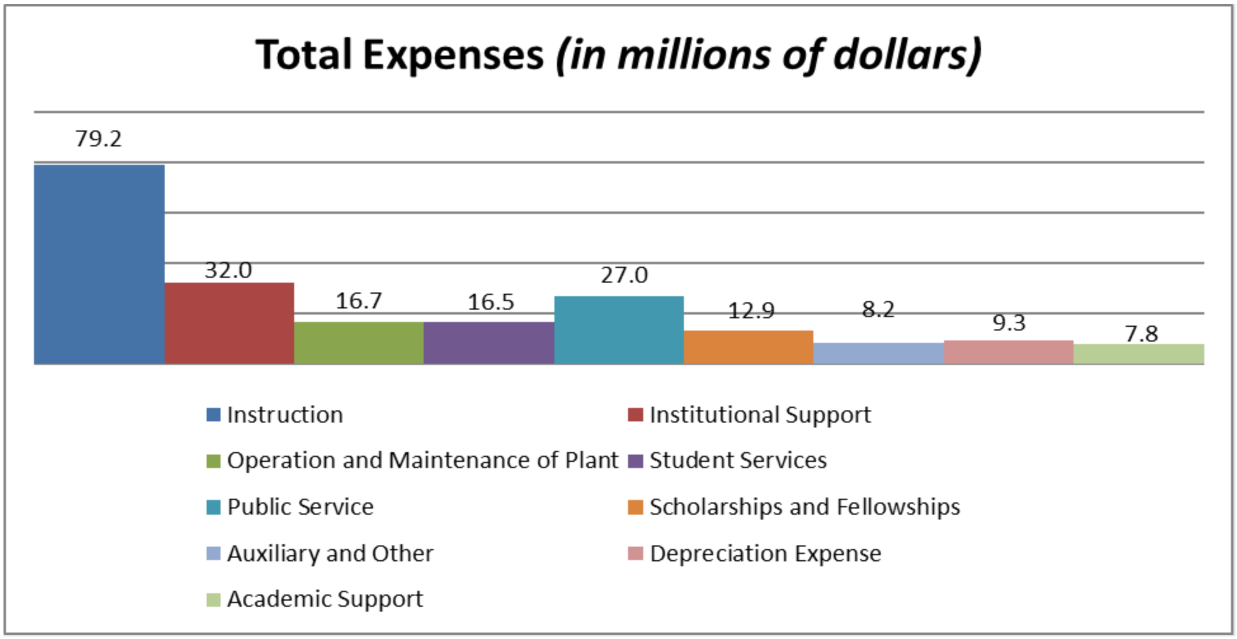
The major sources of College revenues for FY21 are presented below.



Expenses

FY21 expenses totaled $209.6 million compared to $202.4 million in FY20, an increase of $7.2 million, or 3.6%, due primarily to annual compensation increases and one-time compensation for employees, emergency grants for students, and programs to reengage former students.

FY21 expenses are shown below:



Statement of Cash Flows (in thousands)

Net cash provided (used) by:	2021	2020	2019
Operation activities	($88,306)	($101,500)	($88,731)
Non capital financing activites	113,810	99,455	97,345
Capital financing activities	144,469	463	(18,703)
Investing activities	(172,194)	7,331	12,533
Net increase/(decrease) in cash	(2,221)	5,749	2,444
Cash - beginning of year	15,634	9,885	7,441
Cash - end of year	$13,413	$15,634	$9,885

Ending cash balances for fiscal years 2021, 2020 and 2019 were $13.4, $15.6, and $9.9 million, respectively. Each month, cash flow projections are evaluated to determine when funds can be invested to maximize investment earnings (typically, at the beginning of each semester when tuition and fees are paid, funds are transferred to *STAROhio*), or when funds should be transferred back for operations (usually during the latter part of each semester).

Major sources of cash in FY21 were proceeds from new debt of $152.8 million, state appropriations of $73.3 million, tuition and fees of $59.1 million, and gifts, grants, and contracts totaling $36.2 million.

The most significant uses of cash were net purchases of investments of $172.6 million, payments for salaries and benefits of $134.1 million, payments to suppliers of $45.7 million, $12.3 million disbursed for student scholarships and financial aid, and $12.1 million for the purchase of capital assets.

Budgets

College policy requires the Board of Trustees to approve an operational budget before June 30 for the fiscal year that begins July 1, and only the Board of Trustees has authority to allocate funds for expenses not included in the approved operating budget. A mid-year budget adjustment is reviewed and approved by the Board of Trustees, typically in January of each year, and at other times if necessary. The operating budget focuses on revenues and expenses produced from daily operations as well as budgeted expenditures for capital improvements, equipment, and debt service. In addition to College policy, the preparation of general fund operating budgets is guided by *Resource Planning Principles* adopted by the Board in November 2007 and revised in November 2013.

Columbus State takes a balanced, practical approach to budgeting. Revenues are based upon reasonable enrollment projections and tuition rates approved by the Board of Trustees, providing a solid budget parameter on this revenue calculation, and estimates of the State's instructional subsidy allocations (aka State Share of Instruction or SSI) provided by the Ohio Department of Higher Education. State instructional subsidy revenues are treated as operating revenues for budget purposes. Mission and goals, together with current and predicted economic environment and local conditions, all factor into the development of expense budgets. Expenses are constrained by budgeted revenues.

As noted on the FY21 Budget Comparison below, College general fund and auxiliary operating revenues exceeded operating expenditures by $5.0 million. General fund revenue was $1.0 million above what was budgeted in the FY21 revised budget while general fund operating expenses, including budgeted transfers, were nearly $3.5 million less than budgeted, resulting in net revenues of $4.5 million. Operating during the pandemic continued to impact both revenues and expenses in FY21. Revenues exceeded budget primarily due to lower tuition discounts for the CCP and apprenticeship programs than assumed in the budget. Expenses were under budget due to the timing of some large equipment purchases that were not received by June 30, 2021 due to supply chain delays, vacant positions which were not filled as soon as anticipated and lower spending as operations remained largely virtual (i.e., lower spending on conferences, retail operations that were suspended, supplies, printing, utilities, etc.). Interest income, which is not budgeted pursuant to the Board's *Resource Planning Principles*, added an additional $399,500 to the net operating results (not reflected in the Budget Comparison below), for a total of $4.9 million.

The analysis below does not include nearly $4.4 million for initiatives approved by the Board of Trustees to be funded by reserves on a non-recurring basis rather than from the current year's operating revenues. Approved non-recurring expenses included: Student Success and Innovation ($1.2 million), one-time compensation ($1.03 million), technology initiatives ($0.78 million), Plant Fund ($0.5 million), capital equipment ($0.29 million), and Advancement ($0.16 million), as well as some other smaller projects.

Budgeted and actual results for College and Auxiliaries operations are presented below.

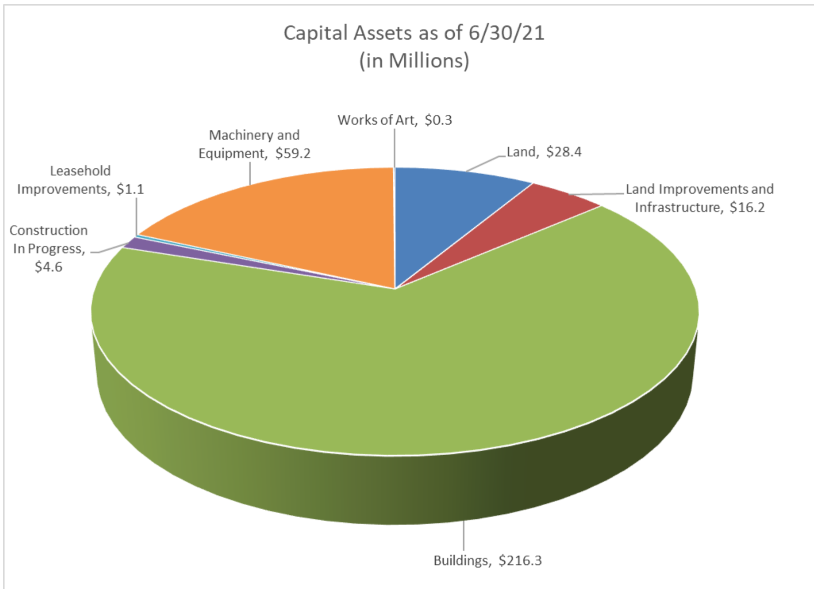
Columbus State Community College
Budget Comparisons – Budget to Actual
FY 21 (in thousands)

Budgeted Operations	Original Budget	Revised Budget	Percent % Change	Actual	Percent % Change
Revenues					
College	$145,943	$153,407	5.11%	$154,809	0.91%
Auxiliary	9,382	7,244	-22.79%	7,982	10.19%
Total Revenues	$155,325	$160,651	3.43%	$162,791	1.33%
Expenditures					
College	$145,943	$153,407	5.11%	$149,947	-2.26%
Auxiliary	9,026	7,244	-19.74%	7,840	8.23%
Total Expenditures	$154,969	$160,651	3.67%	$157,787	-1.78%
Net Revenues	$356	$0	-100.00%	$5,004	N/A

Capital Assets

Capital assets consist of land, land improvements, infrastructure (roads, underground utilities, etc.), buildings, equipment, vehicles, library books, as well as buildings under construction. Capital assets are recorded at "cost" at the time of acquisition. This acquisition cost is allocated over the useful life of the asset and recorded as depreciation expense. At June 30, 2021, the College had $326.1 million in capital assets and $145.4 million in accumulated depreciation, for a total of $180.7 million in net capital assets. The most significant changes from the prior year were an increase in Buildings of $7.9 million with a related decrease in Construction in Progress of $3.5 million, primarily due to the purchase of a property located near the Columbus campus and completion of the Aquinas Building envelope repair, utility tunnel repair and the Union Hall Phase 2B accessible ramp and entrance projects.

The chart below illustrates the College's capital assets (by classification) as of June 30, 2021, which totals $326.1 million in capital assets and $145.4 million in accumulated depreciation.



By comparison, as of June 30, 2020, the College had recorded $314.0 million in capital assets and $136.1 million in accumulated depreciation, for a total of $177.9 million in net capital assets. A detailed summary of additions, deletions, and depreciation of assets can be found in Note 5 – Capital Assets.

Outstanding Bond Debt

As of June 30, 2021, the College had $176.3 million of outstanding bond debt, which includes a premium of $4.1 million on the 2018A, 2020A, and 2020B bonds, as follows:

(amounts in millions)

	Series	Principal Outstanding	Premium Outstanding	Total Outstanding
General Receipts Bonds:	2012	$ 1.8	$ -	$ 1.8
General Receipts Bonds:	2018A	12.2	1.4	13.6
General Receipts Bonds:	2018B	8.2	-	8.2
General Obligation Bonds:	2020A	30.0	1.6	31.6
General Obligation Bonds:	2020B	120.0	1.1	121.1
Total		$ 172.2	$ 4.1	$ 176.3

A detailed summary of new debt issued, principal payments, amortization of premium, and future debt service requirements can be found in Note 7 – Long Term Obligations.

FACTORS IMPACTING FUTURE PERIODS

COVID-19

Because of the continuing nature of the COVID-19 pandemic, it is possible that circumstances will continue to change throughout the next fiscal year and beyond. The full impact of COVID-19 and the scope of any continued impact on College finances and operations cannot be fully determined at this time. Adverse consequences of the COVID-19 pandemic may include but are not limited to decline in enrollment; decreases in financial support from the State; and reduction in funding support from donors or other external sources.

Outside of a potential increase in the property tax delinquency rate associated with any economic downturn, the College does not anticipate that revenue from its capital tax levy to pay debt charges on the Series 2020 Bonds will be materially affected by the economic impacts of COVID-19 because the millage rate for debt charges can be increased to meet debt service demands from year to year. However, property tax collections may be delayed from time to time, which may affect the tax funds available to the College to pay debt charges on the Bonds. Any such delay shall not be cause for immediate payments to bondholders. The Bonds are not subject to acceleration.

State Support and Enrollment

Of the many factors that impact the budget for the College in normal, non-pandemic periods, there are three that are discussed below: state support, tuition rates and enrollment. State support is appropriated in the biennial budget bill as State Share of Instruction (SSI) and is distributed by formula. SSI is projected to represent nearly 46% of the College's operating revenues for FY22, similar to prior years. Tuition policy, including caps, are also established in the biennial budget bill.

State Support

While the State's biennial budget for FY22 and FY23, House Bill 110, provided for a 1.0% increase in SSI in FY22 and an additional 0.9% increase in FY23 for higher education, the projected increase in SSI for Columbus State for FY22 is projected by the Ohio Department of Higher Education to be 3.1% higher than FY21. As has been the case for the past several biennia, the College's increase being higher than the overall community college sector is the result of the College's performance within the key success metrics within the State's funding formula as well as the College's enrollment over a three-year rolling average being down less than most other community colleges.

The FY22 and FY23 SSI allocation for Ohio's community colleges does incorporate the implementation of a change to the SSI formula related to developmental education classes. Through FY21, under the formula component for Success Points, which represents 25% of the formula, points were earned for students completing developmental Math or English courses and then enrolling in the first college-level Math or English course. With the change being implemented for FY22, the developmental education success metric will be replaced with the completion of college-level Math or English within the first 30 credit hours. This change is projected to result in a reduction in SSI for the College of about $700,000 in FY22 compared to a projection of what would have been received in FY22 without the change. Over time, the College expects to recover some or all of this reduction as student success initiatives related to the "co-requisite" model for math are taken to full scale, allowing students who begin nearly ready for college-level coursework to catch up and complete their first year successfully. Co-requisite courses for English are already implemented at scale. In December 2020, the State Controlling Board, per a recommendation by the Governor and Chancellor, approved $4.5 million from the Governor's Emergency Education Relief Fund to be used for bridge funding for those institutions adversely impacted by the change in the SSI formula; the College will apply for all bridge funding awarded to minimize the impact on FY22 operations and to pay for the co-requisite English courses as efforts to scale up co-requisite math courses are being developed.

Tuition and Enrollment

Tuition increases are limited by the State Legislature. House Bill 110, as enacted, allows for a $5 increase for in-state tuition charged per credit hour in both FY22 and FY23, which represents a 3.1% and 3.0% increase, respectively. (The State does not place tuition limits on out-of-state and international students.) The College assumed that enrollment for FY22 would increase by 5%, assuming that the recovery from the pandemic was underway, that unprecedented support for student made possible by HEERF funding was available and that historical trends have resulted in enrollment growth for community colleges during recessionary periods. As of September 2021's census day reporting, enrollment was about 9% below Autumn 2020. FY22 enrollment could still be impacted by late-term registrations for the Autumn 2021 semester as well as what trends develop for the Spring 2022 semester, aggressively marketing of several pandemic recovery programs that have been developed, and the status of the pandemic at that time.

The College's in-state tuition rate remains one of the lowest among Ohio's community colleges. The College continues to advocate a systemic view of college affordability, educating students and their families on affordable pathways yielded by combining up to two years at a community college with the balance at a university. Students participating in *CCP*, earning college and high school credits while still in high school, make college even more affordable. Initiatives in the areas of new student enrollment and other non-*CCP* student success initiatives will continue and are important to overall financial sustainability as *CCP* becomes a bigger component of overall enrollment.

COLUMBUS STATE COMMUNITY COLLEGE

STATEMENTS OF NET POSITION
As of June 30, 2021 and 2020

	2021		2020	
	Columbus State Community College	Component Unit Development Foundation	Columbus State Community College	Component Unit Development Foundation
ASSETS				
Current Assets				
Cash and Cash Equivalents	$ 10,612,165	$ 4,170,381	$ 14,728,501	$ 4,694,927
Investments - Short-Term	61,193,468	12,733,083	60,670,497	6,435,574
Investments - Current Restricted	93,453,726	-	1,539,134	-
Accounts, Loans and Pledges Receivable	17,410,774	2,931,557	14,788,503	3,449,613
Inventories	1,884,387	-	1,714,152	-
Other Assets	721,299	377,123	1,721,425	377,123
Total Current Assets	185,275,819	20,212,144	95,162,212	14,957,237
Noncurrent Assets				
Cash and Cash Equivalents	2,800,559	-	906,118	-
Investments	81,185,418	3,857,594	64,283,082	5,065,487
Investments - Noncurrent Restricted	63,251,663	-	-	-
Other Noncurrent Assets - Pledges Receivable	-	4,035,563	-	3,856,652
Net OPEB Asset - STRS	7,754,676	-	7,253,819	-
Capital Assets, Net	180,666,503	-	177,862,536	-
Total Noncurrent Assets	335,658,819	7,893,157	250,305,555	8,922,139
TOTAL ASSETS	**520,934,638**	**28,105,301**	**345,467,767**	**23,879,376**
DEFERRED OUTFLOWS OF RESOURCES				
Unamortized Loss on Bond Refunding	28,802	-	57,954	-
Pension STRS	19,418,887	-	20,077,981	-
Pension SERS	11,903,988	-	8,133,010	-
OPEB STRS	1,014,506	-	951,683	-
OPEB SERS	5,482,217	-	2,962,934	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	**37,848,400**	**-**	**32,183,562**	**-**
TOTAL ASSETS AND DEFERRED OUTFLOWS	**$ 558,783,038**	**$ 28,105,301**	**$ 377,651,329**	**$ 23,879,376**

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

COLUMBUS STATE COMMUNITY COLLEGE

STATEMENTS OF NET POSITION
As of June 30, 2021 and 2020

	2021		2020	
	Columbus State Community College	Component Unit Development Foundation	Columbus State Community College	Component Unit Development Foundation
LIABILITIES				
Current Liabilities				
Accounts Payable and Accrued Liabilities	$ 16,113,692	$ 776,408	$ 14,974,799	$ 304,099
Debt, Current Portion	15,653,924	-	1,640,667	-
Capital Lease, Current Portion	195,290	-	189,695	-
Unearned Revenue	9,733,657	-	9,511,829	-
Total Current Liabilities	41,696,563	776,408	26,316,990	304,099
Noncurrent Liabilities				
Debt, Long-Term Portion	160,644,946	-	23,701,815	-
Long-Term Liabilities				
Compensated Absences	1,032,647	-	1,211,703	-
Capital Lease	-	-	195,290	-
Net Pension Liability STRS	106,762,812	-	96,854,250	-
Net Pension Liability SERS	83,417,883	-	75,127,789	-
Net OPEB Liability STRS	-	-	-	-
Net OPEB Liability SERS	25,988,124	-	29,886,719	-
Total Noncurrent Liabilities	377,846,412	-	226,977,566	-
TOTAL LIABILITIES	**419,542,975**	**776,408**	**253,294,556**	**304,099**
DEFERRED INFLOWS OF RESOURCES				
Pension STRS	1,249,235	-	7,025,254	-
Pension SERS	112,246	-	1,413,722	-
OPEB STRS	9,122,963	-	9,061,065	-
OPEB SERS	14,511,960	-	9,040,324	-
TOTAL DEFERRED INFLOWS OF RESOURCES	**24,996,404**	**-**	**26,540,365**	**-**
TOTAL LIABILITIES AND DEFERRED INFLOWS	**444,539,379**	**776,408**	**279,834,921**	**304,099**
NET POSITION				
Net Investment in Capital Assets	148,785,300	-	154,160,721	-
Restricted				
Nonexpendable	-	5,152,220	-	4,918,836
Expendable	26,157,749	17,278,451	3,173,920	14,689,676
Unrestricted	(60,699,390)	4,898,222	(59,518,233)	3,966,765
TOTAL NET POSITION	**$ 114,243,659**	**$ 27,328,893**	**$ 97,816,408**	**$ 23,575,277**

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

COLUMBUS STATE COMMUNITY COLLEGE

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the Years Ended June 30, 2021 and 2020

	2021		2020	
	Columbus State Community College	Component Unit Development Foundation	Columbus State Community College	Component Unit Development Foundation
REVENUES				
Operating Revenues				
Student Tuition and Fees (Net of Scholarship Allowances of $24,410,395 in 2021 and $24,457,893 in 2020)	$ 58,456,317	$ -	$ 63,285,685	$ -
Federal Grants and Contracts	32,744,706	-	12,296,206	-
State and Local Grants and Contracts	2,641,420	-	2,644,517	-
Private Grants and Contracts	4,016,636	7,008,757	3,040,031	4,643,713
Sales and Services of Educational Departments	32,965	-	14,068	-
Auxiliary Enterprises				
Bookstore	7,892,535	-	9,315,269	-
Other	89,583	-	213,226	-
Columbus State Community Partners	40,000	-	50,000	-
Other Operating Revenues	296,615	-	239,395	-
Total Operating Revenues	**106,210,777**	**7,008,757**	**91,098,397**	**4,643,713**
EXPENSES				
Operating Expenses				
Educational and General				
Instruction and Departmental Research	79,168,345	-	81,397,111	-
Public Service	27,016,610	-	14,059,096	-
Academic Support	7,835,221	-	8,335,166	-
Student Services	16,484,730	-	18,065,626	-
Institutional Support	31,971,272	5,406,926	30,441,456	3,071,348
Operation and Maintenance of Plant	16,745,498		20,254,249	-
Scholarships and Fellowships	12,890,673	373,020	11,064,641	453,130
Depreciation Expense	9,296,398	-	9,215,290	-
Auxiliary Enterprises				
Bookstore	8,090,923	-	9,420,187	-
Other	80,421	-	81,932	-
Columbus State Community Partners	23,523	-	37,829	-
Total Operating Expense	**209,603,614**	**5,779,946**	**202,372,583**	**3,524,478**
Operating Income (Loss)	**(103,392,837)**	**1,228,811**	**(111,274,186)**	**1,119,235**
NONOPERATING REVENUES (EXPENSES)				
State Appropriations	73,264,542	-	67,136,142	-
Unrestricted Investment Income (Net of Investment Expense)	481,673	828,616	3,973,358	437,923
Restricted Investment Income (Net of Investment Expense)	(84,588)	1,696,189	50,985	907,046
Interest on Capital Asset Related Debt	(2,769,692)	-	(783,152)	-
Pell Grant	29,131,252	-	31,177,301	-
Other Nonoperating Revenue (Expense)	11,414,096	-	1,142,011	-
Net Nonoperating Revenues	**111,437,283**	**2,524,805**	**102,696,645**	**1,344,969**
Income (Loss) Before Other Revenues and Expenses	**8,044,446**	**3,753,616**	**(8,577,541)**	**2,464,204**
Capital Appropriations	8,382,805	-	5,928,732	-
Change in Net Position	**16,427,251**	**3,753,616**	**(2,648,809)**	**2,464,204**
NET POSITION				
Net Position-Beginning of Year	**97,816,408**	**23,575,277**	**100,465,217**	**21,111,073**
Net Position-End of Year	**$ 114,243,659**	**$ 27,328,893**	**$ 97,816,408**	**$ 23,575,277**

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

COLUMBUS STATE COMMUNITY COLLEGE

STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2021 and 2020

	2021		2020	
CASH FLOWS FROM OPERATING ACTIVITIES	Columbus State Community College	Component Unit Development Foundation	Columbus State Community College	Component Unit Development Foundation
Tuition and Fees	$ 59,079,245	$ 47,024	$ 63,483,238	$ -
Grants, Gifts and Contracts	36,239,658	7,300,878	16,685,702	4,959,340
Payments to Suppliers	(45,688,980)	(4,934,617)	(50,351,990)	(2,911,830)
Payments for Salaries and Benefits	(134,124,995)	-	(129,961,760)	-
Payments for Scholarships	(12,302,802)	(373,020)	(11,064,641)	(453,130)
Auxiliary Enterprise Receipts	8,161,850	-	9,455,516	-
Other Receipts (Payments)	329,580	-	253,463	-
Net Cash Provided By (Used In) Operating Activities	**(88,306,444)**	**2,040,265**	**(101,500,472)**	**1,594,380**
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
State Appropriations	73,264,542	-	67,136,142	-
Pell Grant	29,131,252	-	31,177,301	-
Other Nonoperating Revenues/(Expense)	11,414,096	-	1,142,011	-
Net Cash Provided By Noncapital Financing Activities	**113,809,890**	**-**	**99,455,454**	**-**
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES				
Capital Appropriations	8,382,805	-	5,928,732	-
Purchases of Capital Assets	(12,100,365)	-	(12,663,440)	(636)
Principal Paid on Debt	(1,889,790)	-	(966,734)	-
Proceeds from New Debt	152,846,178	-	8,948,000	-
Interest Paid on Capital Debt	(2,769,692)	-	(783,152)	-
Net Cash Used In Capital Financing Activities	**144,469,136**	**-**	**463,406**	**(636)**
CASH FLOWS FROM INVESTING ACTIVITIES				
Sale (Purchases) of Investments	(172,591,562)	(5,089,616)	3,306,445	(2,623,783)
Income on Investments	397,085	2,524,805	4,024,343	1,344,969
Net Cash Provided By (Used In) Investing Activities	**(172,194,477)**	**(2,564,811)**	**7,330,788**	**(1,278,814)**
NET CHANGE IN CASH AND CASH EQUIVALENTS	**(2,221,895)**	**(524,546)**	**5,749,176**	**314,930**
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	**15,634,619**	**4,694,927**	**9,885,443**	**4,379,997**
CASH AND CASH EQUIVALENTS - END OF YEAR	**$ 13,412,724**	**$ 4,170,381**	**$ 15,634,619**	**$ 4,694,927**

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

COLUMBUS STATE COMMUNITY COLLEGE

STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2021 and 2020

	2021		2020	
RECONCILIATION OF NET OPERATING REVENUES (EXPENSES) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	Columbus State Community College	Component Unit Development Foundation	Columbus State Community College	Component Unit Development Foundation
Operating Loss	$ (103,392,837)	$ 1,228,811	$ (111,274,186)	$ 1,119,235
Adjustments to Reconcile Net Operating Loss to Net Cash Provided (Used) By Operating Activities:				
Depreciation Expense	9,296,398	-	9,215,290	-
Changes in Assets and Liabilities and Deferred Inflows of Resources and Deferred Outflows of Resources Which Provided (Used) Cash:				
Receivables, Net	(2,622,271)	339,145	(2,294,274)	315,627
Inventory	(170,235)	-	(12,635)	-
Other Assets	1,000,126	-	99,740	-
Accounts Payable & Accrued Liabilites	770,143	472,309	(5,657,913)	159,518
Unearned Revenue	221,827	-	1,073,796	-
Unamortized Loss on Refunding	29,152	-	37,711	-
Net Pension Asset/Liability	18,198,656	-	3,121,397	-
Net OPEB Asset/Liability	(4,399,452)	-	(3,849,888)	-
Deferred Outflows of Resources - Net Pension Expense	(3,111,884)	-	10,492,767	-
Deferred Outflows of Resources - Net OPEB Expense	(2,582,106)	-	(1,812,640)	-
Deferred Inflows of Resources - Net Pension Expense	(7,077,495)	-	(4,153,588)	-
Deferred Inflows of Resources - Net OPEB Expense	5,533,534	-	3,513,951	-
Net Cash Provided By (Used In) Operating Activities	**$ (88,306,444)**	**$ 2,040,265**	**$ (101,500,472)**	**$ 1,594,380**

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

Note 1 - Summary of Significant Accounting Policies

Reporting Entity

Columbus State Community College (the College) is part of the University System of Ohio and was chartered as the Columbus Technical Institute. In 1986, the College was established as a college district by the Ohio Board of Regents. On July 1, 1987, the College was granted a provisional charter as a state community college, which was made permanent on September 10, 1993. As such, the College is one of the state-supported colleges and universities in Ohio. The College is a component unit of the primary reporting entity of the State of Ohio. The financial statements present the financial position and results of operations of the College along with the College's component units.

Columbus State Community College Development Foundation, Inc. (the Foundation) is a legally separate, tax-exempt organization that exists to provide financial assistance to the educational programs, services and facilities of the College. Although the College does not control the timing or amount of receipts from the Foundation, the majority of resources, or income thereon that the Foundation holds and invests are restricted to the activities of the College by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the College, the Foundation is considered a component unit of the College and is discretely presented in the College's financial statements in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, The Financial Reporting Entity as amended by GASB Statement No. 39, Determining Whether Certain Organizations are Component Units and GASB Statement No. 61, The Financial Reporting Entity Omnibus.

Columbus State Community Partners ("CSCP") is a legally separate, tax-exempt organization that provides expertise in real estate planning, strategy, and corresponding activities throughout the regions served by the College. CSCP, incorporated June 13, 2019, is a component unit of the College and is presented as a blended entity in accordance with GASB Statement No. 80, Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14, The Financial Reporting Entity.

The College operates under the direction of a nine-member Board of Trustees who are appointed by the Governor. A President is appointed by the Board of Trustees to oversee day-to-day operations of the College. An appointed treasurer is the custodian of funds and is responsible for the fiscal control of the resources of the College.

The College was organized principally to offer educational programs beyond high school, normally not exceeding two years in duration, and leading to the award of an associate degree. The College offers programs in the arts and sciences, career and technical training, and adult and continuing education, as outlined in ORC Section 3358.01.

Basis of Accounting

The financial statements of the College have been prepared using the economic resource measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by providers have been met. The College reports as a Business Type Activity (BTA). BTAs are those activities that are financed in whole or part by fees charged to external parties for goods and services.

Note 1 - Summary of Significant Accounting Policies (Continued)

Basis of Presentation

The College's basic financial statements consists of the Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows. The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). The College reports as a special purpose government engaged solely in "business type activities" under GASB.

Net position is the difference between the College's assets and deferred outflows of resources, and its liabilities and deferred inflows of resources. GASB establishes standards for external financial reporting for public colleges and universities and require that resources be classified for accounting and reporting purposes into the following net position categories:

- Net investment in capital assets: Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.

- Restricted:
  - *Nonexpendable* - Net position subject to externally imposed stipulations that they be maintained permanently by the College. Such assets include the permanent endowment funds of the Foundation.

  - *Expendable* - Net position whose use by the College is subject to externally imposed stipulations that can be fulfilled by actions of the College pursuant to those stipulations or that expire by the passage of time. The net position includes amounts for specified capital construction projects.

- Unrestricted: Net position whose use by the College is not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by action of management or the Board of Trustees or may otherwise be limited by contractual agreements with outside parties.

It is the College's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

The financial statement presentations required by GASB 34 and 35 are intended to provide a comprehensive, entity-wide perspective of the College's assets, liabilities, net position, revenues, expenses, changes in net position and cash flows.

GASB Pronouncements

In fiscal year 2021, the College implemented or is in the process of evaluating implementation of the following Governmental Accounting Standards issued by the Governmental Accounting Standards Board (GASB): GASB Statement No. 84, *Fiduciary Activities*, GASB Statement No. 87, *Leases,* GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period,* and GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. On May 8, 2020, the GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance.* The Statement was intended to provide relief to governments and other stakeholders in light of the COVID-19 pandemic.

Note 1 - Summary of Significant Accounting Policies (Continued)

Management 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. Estimates also affect the reported amounts of revenues and expenditures during the reporting periods. Actual results could differ from those estimates. Management estimates primarily relate to collectability of receivables and compensated absences.

Cash and Cash Equivalents

The College's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Investments

The College makes investments in accordance with the Board of Trustees' policy, which conforms to the authority granted in the Ohio Revised Code. The purchase of specific investment instruments is at the discretion of the College's Treasurer within these policy guidelines. In accordance with GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, investments are reported at fair value.

The College's investments are exposed to a variety of uncertainties, including interest rate, market and credit risks. Due to the level of risk associated with certain investments, it is possible that changes in the values of these investments could occur in the near term. Such changes could materially affect the amounts reported in the financial statements of the College.

Accounts Receivables

At June 30, 2021 and 2020, accounts receivable consist primarily of student tuition and fees, and intergovernmental grants and contracts.

Inventory

Inventories consist principally of text books, educational materials and other merchandise sold by the bookstore and are stated at cost on the first-in-first-out (FIFO) basis.

Capital Assets

Capital assets with a unit cost of over $5,000, and all library books, are recorded at cost at date of acquisition, or, if donated, at acquisition value at the date of donation. Expenditures for construction in progress are capitalized as incurred. Interest expense related to construction is capitalized net of interest income earned on resources set aside for this purpose. Works of art, including assets held for public exhibition and education, which are protected and preserved, are not depreciated. Renovations to buildings, leasehold, infrastructure and land improvements that significantly increase the value or extend the life of the structure are capitalized. Routine maintenance and repairs are charged to expense as incurred. Depreciation of capital assets is computed using the straight-line method over the estimated useful life of the respective asset, generally 20 years for land improvements, 10-50 years for buildings and fixed equipment, 5 years for library books and 4-10 years for equipment. Depreciation expense is not allocated to the functional expenditure categories.

Note 1 - Summary of Significant Accounting Policies (Continued)

Unearned Revenue

Unearned revenue is comprised primarily of receipts relating to tuition and student fees in advance of the services to be provided and grant funds not earned as of June 30, 2021 and 2020.

Operating Activities

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 and services and payments made for goods and services received. Nearly all the College's non-grant expenses are from exchange transactions. All revenues from programmatic sources are considered to be operating revenues. Included in non-operating revenues are state appropriations, Pell grant revenues, investment income, and gifts in accordance with GASB Statement No. 35. Gifts (pledges) that are received on an installment basis are recorded at net present value.

Scholarship and Allowances and Student Aid

The College participates in federally funded Pell Grants, SEOG Grants, and Direct Lending programs. Federal programs are subject to an annual U.S. Office of Management and Budget Uniform Guidance audit.

Financial aid to students is reported in the financial statements under the alternative method as prescribed by the National Association of College and University Business Officers (NACUBO). Certain aid, such as loans, is provided to students as awarded by third parties and is accounted for as a third party payment (credited to the student's account as if the student made the payment). All other aid is reflected in the financial statements as operating expenses, or scholarship allowances, which reduce revenues.

Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship discounts and allowances in the statements of revenues, expenses, and changes in net position. Scholarship discounts and allowances are the difference between stated charges for goods and services provided by the College, and the amount that is paid by students and/or third parties making payments on the students' behalf.

Deferred Outflows and Deferred Inflows

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. Deferred outflows represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense) until then. For the College, deferred outflows of resources are reported on the statement of net position at June 30, 2021 and 2020 for an unamortized loss on bond refunding, for pension, and for OPEB. The deferred charge on refunding in the amount of $28,802 and $57,954, respectively, resulted from the difference in the carrying value of refunded debt and its reacquisition price. The deferred outflows of resources related to pension and OPEB plans are explained in Note 11 and Note 12.

In addition to liabilities, the statement of net position may report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the College, deferred inflows of resources for pensions and OPEB plans have been recorded on the statement of net position and are also explained further in Note 11 and Note 12.

Note 1 - Summary of Significant Accounting Policies (Continued)

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

Other Significant Accounting Policies
Other significant accounting policies are set forth in the financial statements and accompanying notes.

Note 2 - Cash, Cash Equivalents and Investments

Statement No. 3 as amended by Statement No. 40 of the Governmental Accounting Standards Board requires the College to disclose essential risk information about deposits and investments. The disclosure requirements cover four main areas: credit risk, interest rate and investment maturity, interest rate sensitivity and foreign exchange exposure. Restricted investments on the statement of net position represent primarily unspent bond proceeds with a small portion of capital component funds received from the State of Ohio, held for debt service on long-term debt and long-term capital projects.

Custodial Credit Risk—Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a formal deposit policy for custodial credit risk. At June 30, 2021 and 2020, $250,000 and $500,000, respectively, of the bank balances were covered by federal deposit insurance and the remaining portions, $12,905,123 and $16,562,504, respectively, were uninsured but collateralized by pools of securities pledged by the depository bank and held in the name of the bank.

The following summarizes the value of investments at June 30, 2021 and 2020:

	Fair Value	
Description	**2021**	**2020**
STAR Ohio/STAR Plus	$ 34,074,056	$ 26,938,018
Money Market Funds	82,429,015	560,513
Commercial Paper	11,081,413	17,913,071
Municipal Bonds	59,751,005	6,314,826
Corporate Bonds	44,455,074	29,063,130
U.S. Government Obligations	30,252,223	2,945,834
U.S. Agency Obligations	37,041,489	42,757,321
Total	$ 299,084,275	$ 126,492,713

Note 2 - Cash, Cash Equivalents and Investments (Continued)

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates and according to state law, the College's resource planning principals limit the long-term investment portfolio to an average-weighted maturity of three years or less.

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

		Investment Maturities (in years)			
	Fair Value	Less than 1	1 to 5	6 to 10	More than 10
STAR Ohio	$ 34,074,056	$ 34,074,056	$ -	$ -	$ -
Money Market Funds	82,429,015	82,429,015	-	-	-
Commercial Paper	11,081,413	11,081,413	-	-	-
Municipal Bonds	59,751,005	14,885,525	43,370,756	1,494,724	-
Corporate Bonds	44,455,074	7,326,653	37,128,421	-	-
U.S. Gov't Obligations	30,252,223	-	30,252,223	-	-
U.S. Agency Obligations	37,041,489	4,850,533	32,190,956	-	-
Total	$ 299,084,275	$ 154,647,195	$ 142,942,356	$ 1,494,724	$ -

As of June 30, 2020, the College had the following investments and maturities:

		Investment Maturities (in years)			
	Fair Value	Less than 1	1 to 5	6 to 10	More than 10
STAR Ohio/STAR Plus	$ 26,938,018	$ 26,938,018	$ -	$ -	$ -
Money Market Funds	560,513	560,513	-	-	-
Commercial Paper	17,913,071	17,913,071	-	-	-
Municipal Bonds	6,314,826	370,967	4,441,709	1,502,150	-
Corporate Bonds	29,063,130	3,874,680	25,188,450	-	-
U.S. Gov't Obligations	2,945,834	1,636,209	1,309,625	-	-
U.S. Agency Obligations	42,757,321	10,916,173	31,841,148	-	-
Total	$ 126,492,713	$ 62,209,631	$ 62,780,932	$ 1,502,150	$ -

The College held $34,074,056 in STAR Ohio as of June 30, 2021 and $26,938,018 in STAR Ohio and STAR Plus investments as of June 30, 2020. STAR Ohio is an external investment pool and is considered a cash equivalent under GASB Statement No. 9. Oversight of the pool is through the Ohio Treasurer of State. STAR Plus was endorsed by the Ohio Treasurer of State, administered by Public Funds Administrator (PFA), an Ohio business and was fully FDIC insured. The College's shares in STAR Plus were converted to STAR Ohio shares when the Ohio Treasurer of State stopped endorsing STAR Plus in fiscal year 2021. The fair value of the College's position in the pool is the same as the value of its pool shares.

Credit Risk. Credit risk is the risk that an issuer or counterparty to an investment will be unable to fulfill its obligations. As of June 30, 2021 and 2020, Standard & Poor rated STAR Ohio as AAAm and U.S. Government and Agency Obligations were rated AA+. Included in U.S. Agency Obligations were $500,200 and $7,000,095 in short term discount notes, as of June 30, 2021 and 2020, respectively. The government money market funds and U.S. Agency short term discount notes were not rated.

Note 2 - Cash, Cash Equivalents and Investments (Continued)

The credit ratings of the College's interest-bearing investments at June 30, 2021, are as follows:

Credit Rating (S&P)	Total	STAR Ohio	Money Market	Commercial Paper	Corporate Bonds	US Govt Obligations & Muni Bonds	US Agency Obligations
AAAm	$ 41,621,449	$ 34,074,056	$ -	$ -	$ 1,990,810	$ 5,556,583	$ -
AA+/AA/AA-	66,423,533	-	-	-	11,303,412	29,391,688	25,728,433
A+/A/A-	24,040,740	-	-	-	22,294,551	1,746,189	-
Unrated	166,998,553	-	82,429,015	11,081,413	8,866,301	53,308,768	11,313,056
Total	$ 299,084,275	$ 34,074,056	$ 82,429,015	$ 11,081,413	$ 44,455,074	$ 90,003,228	$ 37,041,489

The credit ratings of the College's interest-bearing investments at June 30, 2020, are as follows:

Credit Rating (S&P)	Total	STAR Ohio/ STAR Plus	Money Market	Commercial Paper	Corporate Bonds	US Govt Obligations & Muni Bonds	US Agency Obligations
AAAm	$ 25,584,283	$ 24,319,573	$ -	$ -	$ 1,013,690	$ 251,020	$ -
AA+/AA/AA-	43,964,848	-	-	-	6,913,085	2,799,732	34,252,031
A+/A/A-	11,732,931	-	-	-	11,732,931	-	-
Unrated	45,210,651	2,618,445	560,513	17,913,071	9,403,424	6,209,908	8,505,290
Total	$ 126,492,713	$ 26,938,018	$ 560,513	$ 17,913,071	$ 29,063,130	$ 9,260,660	$ 42,757,321

Investments indicated as unrated by S&P above may have ratings available from other ratings agencies.

Concentration of Credit Risk. The College places limits on the amount that may be invested in any one issuer. The following table includes the percentage of the total for each investment type held by the College at June 30, 2021 and 2020:

Year	Total	STAR Ohio	Money Market	Commercial Paper	US Govt Obligations & Bonds	U.S. Agency Oblig.
2021	100.0%	11.4%	27.5%	3.7%	45.0%	12.4%
2020	100.0%	21.3%	0.4%	14.2%	30.3%	33.8%

Custodial Credit Risk. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either a counterparty or the counterparty's trust department or agent but not in the government's name. As of June 30, 2021 and 2020, the College's investments were held in custody by a counterparty on behalf of the College.

Foreign Currency Risk. Foreign currency risk is the risk that changes in exchange rates between the U.S. Dollar and foreign currencies could adversely affect an investment's value. The College had no direct exposure to foreign currency risk at June 30, 2021 and 2020.

Note 3 - Pledges, Grants and Accounts Receivable

2021	Gross Receivable	Allowance	Net Receivable
Students' and other	$ 39,446,667	$ (29,342,952)	$ 10,103,715
Grants and contracts	7,307,059	-	7,307,059
Total	$ 46,753,726	$ (29,342,952)	$ 17,410,774

2020	Gross Receivable	Allowance	Net Receivable
Students' and other	$ 40,603,657	$ (28,990,898)	$ 11,612,759
Grants and contracts	3,175,744	-	3,175,744
Total	$ 43,779,401	$ (28,990,898)	$ 14,788,503

Note 4 – 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 equivalents) 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 judgement and considers factors specific to each asset or liability.

The College had the following recurring fair value measurements of June 30, 2021:

Assets and Liabilites Measured at Fair Value on a Recurring Basis

		Fair Value Measurements Using		
	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:				
Money Market Funds	$ 82,429,015	$ -	$ 82,429,015	$ -
Commercial Paper	11,081,413	-	11,081,413	-
Municipal Bonds	59,751,005	-	59,751,005	-
Corporate Bonds	44,455,074	-	44,455,074	-
U.S. Gov't Obligations	30,252,223	30,252,223	-	-
U.S. Agency Obligations	37,041,489	-	37,041,489	-
Total investments by fair value level	$ 265,010,219	$ 30,252,223	$ 234,757,996	$ -

Note 4 – Fair Value Measurements (Continued)

The College had the following recurring fair value measurements of June 30, 2020:

Assets and Liabilites Measured at Fair Value on a Recurring Basis

		Fair Value Measurements Using		
	Balance at June 30, 2020	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:				
Money Market Funds	$ 560,513	$ -	$ 560,513	$ -
Commercial Paper	17,913,071	-	17,913,071	-
Municipal Bonds	6,314,826	-	6,314,826	-
Corporate Bonds	29,063,130	-	29,063,130	-
U.S. Gov't Obligations	2,945,834	2,945,834	-	-
U.S. Agency Obligations	42,757,321	-	42,757,321	-
Total investments by fair value level	$ 99,554,695	$ 2,945,834	$ 96,608,861	$ -

Note 5- Capital Assets

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

	Balance June 30, 2020	Additions	Deductions	Balance June 30, 2021
Land	$ 27,719,338	$ 656,242	$ -	$ 28,375,580
Works of art	324,654	-	-	324,654
Construction in progress	3,858,805	4,182,252	(3,495,842)	4,545,215
Total cost of nondepreciable capital assets	31,902,797	4,838,494	(3,495,842)	33,245,449
Buildings	208,385,528	7,948,954	-	216,334,482
Leasehold improvements	1,094,840	-	-	1,094,840
Improvements other than buildings	14,781,441	1,438,329	-	16,219,770
Moveable equip, furniture and library books	57,812,445	1,370,430	(5,595)	59,177,280
Total cost of depreciable capital assets	282,074,254	10,757,713	(5,595)	292,826,372
Total cost of capital assets	313,977,051	15,596,207	(3,501,437)	326,071,821
Less accumulated depreciation				
Buildings	84,883,602	5,745,677	-	90,629,279
Improvements other than buildings	5,385,635	725,327	-	6,110,962
Moveable equip, furniture and library books	45,845,278	2,825,394	(5,595)	48,665,077
Total Accumulated Depreciation	136,114,515	9,296,398	(5,595)	145,405,318
Capital assets, net	$ 177,862,536	$ 6,299,809	$ (3,495,842)	$ 180,666,503

Note 5- Capital Assets (Continued)

Capital asset activity for the year ended June 30, 2020, was as follows:

	Balance June 30, 2019	Additions	Deductions	Balance June 30, 2020
Land	$ 27,719,338	$ -	$ -	$ 27,719,338
Works of art	286,500	38,154	-	324,654
Construction in progress	27,124,718	3,773,224	(27,039,137)	3,858,805
Total cost of nondepreciable capital assets	55,130,556	3,811,378	(27,039,137)	31,902,797
Buildings	176,171,783	32,213,745	-	208,385,528
Leasehold improvements	1,224,344	-	(129,504)	1,094,840
Improvements other than buildings	14,678,305	103,136	-	14,781,441
Moveable equip, furniture and library books	54,358,272	3,585,797	(131,624)	57,812,445
Total cost of depreciable capital assets	246,432,704	35,902,678	(261,128)	282,074,254
Total cost of capital assets	301,563,260	39,714,056	(27,300,265)	313,977,051
Less accumulated depreciation				
Buildings	79,448,282	5,553,346	(118,026)	84,883,602
Improvements other than buildings	4,676,526	709,109	-	5,385,635
Moveable equip, furniture and library books	43,024,066	2,952,835	(131,623)	45,845,278
Total Accumulated Depreciation	127,148,874	9,215,290	(249,649)	136,114,515
Capital assets, net	$ 174,414,386	$ 30,498,766	$ (27,050,616)	$ 177,862,536

Note 6 - Accounts Payable and Accrued Liabilities

	2021	2020
Payable to vendors and contractors	$ 4,689,588	$ 4,197,101
Accrued expenses, primarily payroll and vacation leave	9,641,621	9,558,092
Employee withholdings and deposits payable to third parties	2,815,130	2,431,309
	$ 17,146,339	$ 16,186,502
Current	$ 16,113,692	$ 14,974,799
Noncurrent	1,032,647	1,211,703

Note 7 - Long Term Obligations

Long-term debt as of June 30, 2021 is summarized as follows:

	Balance June 30, 2020	New Debt	Reduction	Balance June 30, 2021	Current Portion	Noncurrent Portion
Series 2020B bonds with interest rates ranging from .4% to 3 % due serially through 2036	$ -	$ 120,000,000	$ -	$ 120,000,000	$ 13,605,000	$ 106,395,000
Premium on Bonds	-	1,204,841	(80,323)	1,124,518	80,323	1,044,195
Total Series 2020B	-	121,204,841	(80,323)	121,124,518	13,685,323	107,439,195
Series 2020A bonds with interest rates ranging from 2.1% to 3.0% due serially through 2026	-	30,000,000	-	30,000,000	-	30,000,000
Premium on Bonds	-	1,641,337	(82,067)	1,559,270	82,067	1,477,203
Total Series 2020A	-	31,641,337	(82,067)	31,559,270	82,067	31,477,203
Series 2018B bonds with an interest rate of 1.67% due serially through 2026	8,948,000	-	(745,666)	8,202,334	894,800	7,307,534
Series 2018A bonds with interest rates ranging from 4.0% to 5.0% due serially through 2038	12,200,000	-	-	12,200,000	-	12,200,000
Premium on Bonds	1,474,482	-	(86,734)	1,387,748	86,734	1,301,014
Total Series 2018A	13,674,482	-	(86,734)	13,587,748	86,734	13,501,014
Series 2012 bonds with an interest rate of 1.65% due serially through 2023	2,720,000	-	(895,000)	1,825,000	905,000	920,000
Total Bonds	25,342,482	152,846,178	(1,889,790)	176,298,870	15,653,924	160,644,946
Net Pension Liability						
STRS	96,854,250	9,908,562	-	106,762,812	-	106,762,812
SERS	75,127,789	8,290,094		83,417,883	-	83,417,883
Total Net Pension Liability	171,982,039	18,198,656	-	190,180,695	-	190,180,695
Net OPEB Liability						
STRS	-	-	-	-	-	-
SERS	29,886,719	-	(3,898,595)	25,988,124	-	25,988,124
Total Net OPEB Liability	29,886,719	-	(3,898,595)	25,988,124	-	25,988,124
Compensated Absences	5,941,349	569,924	-	6,511,273	5,478,626	1,032,647
Capital Lease	384,985	-	(189,695)	195,290	195,290	-
Total Long-Term Liabilities	$ 233,537,574	$ 171,614,758	$ (5,978,080)	$ 399,174,252	$ 21,327,840	$ 377,846,412

Note 7 - Long Term Obligations (Continued)

Long-term debt as of June 30, 2020 is summarized as follows:

	Balance June 30, 2019	New Debt	Reduction	Balance June 30, 2020	Current Portion	Noncurrent Portion
Series 2018B bonds with an interest rate of 1.67% due serially through 2026	$ -	$ 8,948,000	$ -	$ 8,948,000	$ 745,667	$ 8,202,333
Series 2018A bonds with interest rates ranging from 4.0% to 5.0% due serially through 2038	12,200,000	-	-	12,200,000	-	12,200,000
Premium on Bonds	1,561,216	-	(86,734)	1,474,482	-	1,474,482
Total Series 2018A	13,761,216	-	(86,734)	13,674,482	-	13,674,482
Series 2012 bonds with an interest rate of 1.65% due serially through 2023	3,600,000	-	(880,000)	2,720,000	895,000	1,825,000
Total Bonds	17,361,216	8,948,000	(966,734)	25,342,482	1,640,667	23,701,815
Net Pension Liability						
STRS	96,346,957	507,293	-	96,854,250	-	96,854,250
SERS	72,513,685	2,614,104	-	75,127,789	-	75,127,789
Total Net Pension Liability	168,860,642	3,121,397	-	171,982,039	-	171,982,039
Net OPEB Liability						
STRS	-	-	-	-	-	-
SERS	33,523,967	-	(3,637,248)	29,886,719	-	29,886,719
Total Net OPEB Liability	33,523,967	-	(3,637,248)	29,886,719	-	29,886,719
Compensated Absences	5,444,677	496,672	-	5,941,349	4,729,646	1,211,703
Capital Lease	569,244	-	(184,259)	384,985	189,695	195,290
Total Long-Term Liabilities	$ 225,759,746	$ 12,566,069	$ (4,788,241)	$ 233,537,574	$ 6,560,008	$ 226,977,566

Note 7 - Long Term Obligations (Continued)

Principal and interest amounts on bond obligations and capital leases for the next five years and thereafter are as follows:

Years ended June 30	Principal	Interest	Total
2022	$ 15,600,090	$ 3,308,342	$ 18,908,432
2023	15,469,800	2,863,806	18,333,606
2024	10,724,800	2,605,856	13,330,656
2025	10,769,800	2,539,915	13,309,715
2026	10,824,800	2,463,859	13,288,659
2027-2031	39,973,334	10,496,386	50,469,720
2032-2036	36,540,000	6,819,155	43,359,155
2037-2041	32,520,000	2,039,781	34,559,781
	$ 172,422,624	$ 33,137,100	$ 205,559,724

The Series 2012, Series 2018A, and Series 2018B bonds are serviced by the general receipts of the College, except for receipts expressly excluded as stated in the trust indentures dated December 20, 2012, June 28, 2018, and August 1, 2018.

On October 8, 2020, the College closed on $30,000,000 Facilities Construction and Improvement Bonds, Series 2020A (Tax-Exempt) and $120,000,000 Facilities Construction and Improvement Bonds, Series 2020B (Federally Taxable). The Series 2020A Serial Bonds are due December 1, 2036 through December 1, 2040, inclusive, and the Series 2020B Serial Bonds are due December 1, 2021 through December 1, 2035, inclusive. The bonds are voted general obligation debt of the College.

Note 8 – Operating Leases

The College leases office space, parking, and classroom space for its off-campus sites and equipment under operating leases, which have ending dates ranging through 2042. Lease expense charged to operations was $1,412,836 and $1,808,331 during 2021 and 2020, respectively. Future minimum lease payments under operating leases at June 30, 2021, are as follows:

2022	$ 893,304
2023	876,552
2024	886,972
2025	711,864
2026	781,334
2027-2031	80,913
2032-2036	92,928
2037-2041	106,590
2042	24,030
	$ 4,454,487

Note 9 - Compensated Absences

Fulltime College administrators and staff accrue vacation benefits. For all classes of employees, any earned but unused vacation benefit is payable upon separation. Sick leave may be accrued without limit. However, earned but unused sick leave benefits are payable only upon retirement from the College. The amount of sick leave benefit payable at retirement is one-fourth of the value of the accrued but unused sick leave up to a maximum of 360 hours. The College accrues sick leave liability for those employees who are currently eligible to receive separation payments as well as other employees who are expected to become eligible to receive such payments. This liability is calculated using the "vesting method" which is set forth in Appendix C, Example 5 of GASB Statement No. 16, Accounting for Compensated Absences. Under the vesting method, the College calculates the probability factor that employees will meet retention and eligibility requirements.

The liability for the cost of vacation and sick leave benefits is approximately $6,511,273 and $5,941,349 as of June 30, 2021 and 2020, respectively.

Note 10 - State Support

The College is a state-assisted institution of higher education and receives an outcomes-based subsidy from the State of Ohio. This subsidy is determined annually based upon a formula devised by the Ohio Department of Higher Education, adjusted to state resources available.

In addition to the current operating subsidies, the State of Ohio provides the funding for and constructs major plant facilities for the College. The funding is obtained from the issuance of revenue bonds by the Ohio Public Facilities Commission (OPFC), which in turn causes the construction and subsequent lease of the facility by the Ohio Department of Higher Education. Such facilities are capitalized by the College as buildings (upon completion) or as construction in progress until completion and turned over to the College by the Ohio Department of Higher Education. Neither the obligation for the revenue bonds issued by the Ohio Public Facilities Commission nor the annual debt service charges for principal and interest on the bonds are reflected in the College's financial statements. The debt service is funded through appropriations to the Ohio Department of Higher Education by the General Assembly.

The facilities are not pledged as collateral for the revenue bonds. Instead, the bonds are supported by a pledge of monies in the Higher Education Bond Service Fund and future payments to be received by such fund, which is established in the custody of the Treasurer of State of Ohio.

Note 11 - Defined Benefit Pension Plans

Net Pension Liability

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

Note 11 - Defined Benefit Pension Plans (Continued)

The net pension liability represents the College's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

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

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan's unfunded benefits is presented as a long-term *net pension liability* and any liability for the contractually-required pension contribution outstanding at the end of the year is included in current liabilities. The College does not have any contractually-required pension contribution liability recorded at June 30, 2021 and 2020.

Plan Description - School Employees Retirement System (SERS)

Plan Description – College non-teaching employees participate in SERS, a cost-sharing multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS' fiduciary net position. That report can be obtained by visiting the SERS website at www.ohsers.org under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

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

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

Note 11 - Defined Benefit Pension Plans (Continued)

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

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

Changes in Benefits between Measurement Date and the Fiscal Year End – In September 2020, the Board of Trustees approved a 0.5 percent cost-of-living adjustment (COLA) for eligible retirees and beneficiaries in 2021. The effects of these changes are unknown.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the College is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal years ended June 30, 2021 and 2020, the allocation to pension, death benefits, and Medicare B was 14 percent. The Retirement Board did not allocate any employer contribution to the Health Care Fund for fiscal years 2021 and 2020. The College's contractually required contributions to SERS for retirement were $6,245,633 and $6,191,011 for fiscal years 2021 and 2020, respectively.

Plan Description - State Teachers Retirement System (STRS)

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

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307. The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted

Note 11 - Defined Benefit Pension Plans (Continued)

on or after July 1, 2017, to 0 percent to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of living increases are not affected by this change. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60. Eligibility changes for DB Plan members who retire with actuarially reduced benefits will be phased in until August 1, 2023, when retirement eligibility will be five years of qualifying service credit and age 60, or 30 years of service credit at any age.

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

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 12 percent of the 14 percent member rate is deposited into the member's DC account and the remaining 2 percent is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50 and after termination of employment.

New members who choose the DC plan or Combined Plan will have another opportunity to reselect a permanent plan during their fifth year of membership. Members may remain in the same plan or transfer to another STRS plan. The optional annuitization of a member's defined contribution account or the defined contribution portion of a member's Combined Plan account to a lifetime benefit results in STRS bearing the risk of investment gain or loss on the account. STRS has therefore included all three plan options as one defined benefit plan for GASB 68 reporting purposes.

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. New members must have at least ten years of qualifying service credit that apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. Eligible survivors of members who die before service retirement may qualify for monthly benefits. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For the fiscal years ended June 30, 2021 and 2020, employer and employee contribution rate of 14 percent was equal to the statutory maximum rates. For fiscal years 2021 and 2020, the full employer contribution was allocated to pension.

Note 11 - Defined Benefit Pension Plans (Continued)

The College's contractually required contributions to STRS were $7,365,564 and $7,379,390 for fiscal years 2021 and 2020, respectively.

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

For the fiscal year ended June 30, 2021 the net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The College's proportion of the net pension liability was based on the College's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	SERS	STRS	Total
Proportionate Share of the Net Pension Liability	$ 83,417,883	$ 106,762,812	$ 190,180,695
Proportion of the Net Pension Liability:			
Current Measurement Date	1.26119180%	0.44123352%	
Prior Measurement Date	1.25565080%	0.43796917%	
Change in Proportionate Share	0.00554100%	0.00326435%	
Pension Expense	$ 9,463,274	$ 12,157,200	$ 21,620,474

For the fiscal year ended June 30, 2020, the net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The College's proportion of the net pension liability was based on the College's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	SERS	STRS	Total
Proportionate Share of the Net Pension Liability	$ 75,127,789	$ 96,854,250	$ 171,982,039
Proportion of the Net Pension Liability:			
Current Measurement Date	1.25565080%	0.43796917%	
Prior Measurement Date	1.26613130%	0.43818461%	
Change in Proportionate Share	-0.01048050%	-0.00021544%	
Pension Expense	$ 11,321,725	$ 11,709,253	$ 23,030,978

Note 11 - Defined Benefit Pension Plans (Continued)

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

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	$ 162,035	$ 239,549	$ 401,584
Changes of assumptions	-	5,731,101	5,731,101
Net difference between projected and actual earnings on pension plan investments	5,295,344	5,191,887	10,487,231
Changes in employer proportionate share	200,976	890,786	1,091,762
College contributions subsequent to the measurement date	6,245,633	7,365,564	13,611,197
Total Deferred Outflows of Resources	$ 11,903,988	$ 19,418,887	$ 31,322,875
Deferred Inflows of Resources			
Differences between expected and actual experience	$ -	$ 682,675	$ 682,675
Changes in employer proportionate share	112,246	566,560	678,806
Total Deferred Inflows of Resources	$ 112,246	$ 1,249,235	$ 1,361,481

Note 11 - Defined Benefit Pension Plans (Continued)

At June 30, 2020, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	$ 1,905,075	$ 788,555	$ 2,693,630
Changes of assumptions	-	11,377,402	11,377,402
Changes in employer proportionate share	36,924	532,634	569,558
College contributions subsequent to the measurement date	6,191,011	7,379,390	13,570,401
Total Deferred Outflows of Resources	$ 8,133,010	$ 20,077,981	$ 28,210,991
Deferred Inflows of Resources			
Differences between expected and actual experience	$ -	$ 419,263	$ 419,263
Net difference between projected and actual earnings on pension plan investments	964,357	4,733,711	5,698,068
Changes in employer proportionate share	449,365	1,872,280	2,321,645
Total Deferred Inflows of Resources	$ 1,413,722	$ 7,025,254	$ 8,438,976

$13,611,197 reported at June 30, 2021 as deferred outflows of resources related to pension resulting from College contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. $13,570,401 reported at June 30, 2020 as deferred outflows of resources related to pension resulting from College contributions subsequent to the measurement date was recognized as a reduction of the net pension liability in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2022	$ 8,493	$ 3,269,893	$ 3,278,386
2023	1,672,505	1,980,734	3,653,239
2024	2,207,215	3,061,805	5,269,020
2025	1,657,896	2,491,656	4,149,552
Total	$ 5,546,109	$ 10,804,088	$ 16,350,197

Note 11 - Defined Benefit Pension Plans (Continued)

Actuarial Assumptions - SERS

SERS' total pension liability was determined by their actuaries in accordance with GASB Statement No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment termination). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

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

Wage Inflation	3.00 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent
COLA or Ad Hoc COLA	2.5 percent
Investment Rate of Return	7.50 percent net of investments expense, including inflation
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)

Mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females. Mortality among service retired members and beneficiaries were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120 percent of male rates, and 110 percent of female rates. Mortality among disabled members were based upon the RP-2000 Disabled Mortality Table, 90 percent for male rates and 100 percent for female rates, set back five years is used for the period after disability retirement.

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

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

Note 11 - Defined Benefit Pension Plans (Continued)

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

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

Discount Rate The total pension liability was calculated using the discount rate of 7.50 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.50 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the College's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.50 percent, as well as what the plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50 percent) or one percentage point higher (8.50 percent) than the current rate.

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
College's proportionate share of the net pension liability as of:			
June 30, 2021	$ 114,272	$ 83,418	$ 57,530
June 30, 2020	$ 105,281	$ 75,128	$ 49,841
(dollars in thousands)			

Note 11 - Defined Benefit Pension Plans (Continued)

Assumptions and Benefit Changes Since the Prior Measurement Date

There were no changes in assumptions or benefit terms since the prior measurement date.

Actuarial Assumptions - STRS

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

Inflation	2.50 percent
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation
Discount Rate of Return	7.45 percent
Payroll Increases	3.00 percent
Cost-of-Living Adjustments	0 percent

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

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Domestic Equity	28.00 %	7.35 %
International Equity	23.00 %	7.55 %
Alternatives	17.00 %	7.09 %
Fixed Income	21.00 %	3.00 %
Real Estate	10.00 %	6.00 %
Liquidity Reserves	1.00 %	2.25 %
Total	100.00 %	

*10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent and does not include investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Note 11 - Defined Benefit Pension Plans (Continued)

Discount Rate The discount rate used to measure the total pension liability was 7.45 percent as of June 30, 2020. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with the rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2020. Therefore, the long-term expected rate of return on pension plan investments of 7.45 percent was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2020.

Sensitivity of the College's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the College's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.45 percent, as well as what the College's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.45 percent) or one-percentage-point higher (8.45 percent) than the current rate:

	1% Decrease (6.45)	Current Discount Rate (7.45%)	1% Increase (8.45%)
College's proportionate share of the net pension liability as of:			
June 30, 2021	$ 152,012	$ 106,763	$ 68,418
June 30, 2020	$ 141,542	$ 96,854	$ 59,024
(dollars in thousands)			

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

Changes in Actuarial Assumptions between Measurement Date and the Fiscal Year End The STRS Board approved a change in the discount rate from 7.45 percent to 7.00 percent for the June 30, 2021 valuation. The effect on the net pension liability is unknown.

Note 12 – Defined Benefit OPEB Plans

Net OPEB Liability(Asset)

The net OPEB liability (asset) reported on the statement of net position represents a liability (asset) to employees for OPEB. OPEB is a component of exchange transactions-–between an employer and its employees—of salaries and benefits for employee services. OPEB are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

Note 12 – Defined Benefit OPEB Plans (Continued)

The net OPEB liability (asset) represents the College's proportionate share of each OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan's fiduciary net position. The net OPEB liability (asset) calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting these estimates annually.

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

GASB 75 assumes the liability (asset) is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability (asset). Resulting adjustments to the net OPEB liability (asset) would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The proportionate share of each plan's unfunded benefits is presented as a long-term *net OPEB liability (asset)* on the accrual basis of accounting. Any liability for the contractually-required OPEB contribution outstanding at the end of the year is included in accrued liabilities.

Plan Description - School Employees Retirement System (SERS)

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

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change

Note 12 – Defined Benefit OPEB Plans (Continued)

or discontinue any health plan or program. Active employee members do not contribute to the Health Care Plan. The SERS Retirement Board established the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2021 and 2020, no allocation was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2021 and 2020, this amount was $23,000 and $19,600, respectively. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2021 and 2020, the College's surcharge obligation was $232,871 and $233,914, respectively.

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The contractually required contribution to SERS was $232,871 and $233,914 for fiscal years 2021 and 2020, respectively. Of this amount, $0 was reported as accrued liabilities.

Plan Description - State Teachers Retirement System (STRS)

Plan Description – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. All benefit recipients pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal years ended June 30, 2021 and 2020, STRS did not allocate any employer contributions to post-employment health care.

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

For the fiscal year ended June 30, 2021, the net OPEB liability (asset) was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of that date.

Note 12 – Defined Benefit OPEB Plans (Continued)

The College's proportion of the net OPEB liability (asset) was based on the College's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	SERS	STRS	Total
Proportion of the Net OPEB Liability	$ 25,988,124	$ -	$ 25,988,124
Proportion of the Net OPEB Asset	-	(7,754,676)	(7,754,676)
Proportion of the Net OPEB Liability/Asset			
Current Measurement Date	1.19577590%	0.44123352%	
Prior Measurement Date	1.18843810%	0.43796917%	
Change in Proportionate Share	0.00733780%	0.00326435%	
OPEB Expense	$ (713,371)	$ (501,783)	$ (1,215,154)

For the fiscal year ended June 30, 2020, the net OPEB liability (asset) was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of that date. The College's proportion of the net OPEB liability (asset) was based on the College's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	SERS	STRS	Total
Proportion of the Net OPEB Liability	$ 29,886,719	$ -	$ 29,886,719
Proportion of the Net OPEB Asset	-	(7,253,819)	(7,253,819)
Proportion of the Net OPEB Liability/Asset			
Current Measurement Date	1.18843810%	0.43796917%	
Prior Measurement Date	1.20838870%	0.43818461%	
Change in Proportionate Share	-0.01995060%	-0.00021544%	
OPEB Expense	$ 357,830	$ (2,272,494)	$ (1,914,664)

Note 12 – Defined Benefit OPEB Plans (Continued)

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

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	$ 341,326	$ 496,887	$ 838,213
Changes of assumptions	4,430,071	128,008	4,558,079
Net difference between projected and actual earnings on OPEB plan investments	292,826	271,775	564,601
Changes in employer proportionate share	185,123	117,836	302,959
College contributions subsequent to the measurement date	232,871	-	232,871
Total Deferred Outflows of Resources	$ 5,482,217	$ 1,014,506	$ 6,496,723
Deferred Inflows of Resources			
Differences between expected and actual experience	$ 13,216,777	$ 1,544,622	$ 14,761,399
Changes of assumptions	654,580	7,365,645	8,020,225
Changes in employer proportionate share	640,603	212,696	853,299
Total Deferred Inflows of Resources	$ 14,511,960	$ 9,122,963	$ 23,634,923

Note 12 – Defined Benefit OPEB Plans (Continued)

At June 30, 2020, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	$ 438,713	$ 657,614	$ 1,096,327
Changes of assumptions	2,182,884	152,473	2,335,357
Net difference between projected and actual earnings on OPEB plan investments	71,739	-	71,739
Changes in employer proportionate share	35,684	141,596	177,280
College contributions subsequent to the measurement date	233,914	-	233,914
Total Deferred Outflows of Resources	$ 2,962,934	$ 951,683	$ 3,914,617
Deferred Inflows of Resources			
Differences between expected and actual experience	$ 6,565,909	$ 369,048	$ 6,934,957
Changes of assumptions	1,674,764	7,952,972	9,627,736
Net difference between projected and actual earnings on OPEB plan investments	-	455,589	455,589
Changes in employer proportionate share	799,651	283,456	1,083,107
Total Deferred Inflows of Resources	$ 9,040,324	$ 9,061,065	$ 18,101,389

$232,871 reported as deferred outflows of resources related to OPEB resulting from College contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (adjustment to net OPEB asset) in the year ending June 30, 2022. $233,914 reported as deferred outflows of resources related to OPEB resulting from College contributions subsequent to the measurement date was recognized as a reduction of the net OPEB liability (adjustment to net OPEB asset) in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2022	$ (1,898,528)	$ (2,043,171)	$ (3,941,699)
2023	(1,877,342)	(1,859,215)	(3,736,557)
2024	(1,880,789)	(1,794,684)	(3,675,473)
2025	(1,812,980)	(1,684,264)	(3,497,244)
2026	(1,338,770)	(353,160)	(1,691,930)
Thereafter	(454,205)	(373,963)	(828,168)
Total	$ (9,262,614)	$ (8,108,457)	$(17,371,071)

Note 12 – Defined Benefit OPEB Plans (Continued)

Actuarial Assumptions - SERS

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

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

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

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

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

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

Note 12 – Defined Benefit OPEB Plans (Continued)

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

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2010 through 2015, and was adopted by the Board on April 21, 2016. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.50 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

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

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class, as used in the June 30, 2015 five-year experience study, are summarized as follows:

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

Discount Rate The discount rate used to measure the total OPEB liability at June 30, 2020 was 2.63 percent. The discount rate used to measure total OPEB liability at June 30, 2019 was 3.22 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the state statute contribution rate of 2.00 percent of projected covered employee payroll each year, which includes a 1.50 percent payroll surcharge and 0.50 percent of contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2025. Therefore, the long-term expected rate of return on OPEB plan assets was used to present value the projected benefit payments through the fiscal year ending June 30, 2024 and the Fidelity General Obligation 20-year Municipal Bond Index rate of 2.45 percent, as of June 30, 2020 (i.e. municipal bond rate), was used to present value the projected

Note 12 – Defined Benefit OPEB Plans (Continued)

benefit payments for the remaining years in the projection. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The projection of future benefit payments for all current plan members was until the benefit payments ran out.

Sensitivity of the College's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.63%) and higher (3.63%) than the current discount rate (2.63%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.00% decreasing to 3.75%) and higher (8.00% decreasing to 5.75%) than the current rate.

	1% Decrease (1.63%)	Current Discount Rate (2.63%)	1% Increase (3.63%)
College's proportionate share of the net OPEB liability	$ 31,808,818	$ 25,988,124	$ 21,360,682

	1% Decrease (6.00% decreasing to 3.75%)	Current Trend Rate (7.00% decreasing to 4.75%)	1% Increase (8.00% decreasing to 5.75%)
College's proportionate share of the net OPEB liability	$ 20,463,670	$ 25,988,124	$ 33,375,732

Changes in Actuarial Assumptions between Measurement Date and the Fiscal Year End
Based on a new experience study for the five years ending June 30, 2020, the SERS Board reduced the wage growth assumption from 3.50 percent to 3.25 percent and increased the health care rate of return from 5.25 percent to 7.00 percent. The effects of these changes are unknown.

Note 12 – Defined Benefit OPEB Plans (Continued)

Actuarial Assumptions – STRS

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

Inflation	2.50 percent
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation
Payroll Increases	3 percent
Discount Rate of Return	7.45 percent
Health Care Cost Trends:	
Medical:	
Pre-Medicare	5 percent initial, 4 percent ultimate
Medicare	-6.69 percent initial, 4 percent ultimate
Prescription Drug:	
Pre-Medicare	6.50 percent initial, 4 percent ultimate
Medicare	11.87 percent initial, 4 percent ultimate

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

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

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

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

Note 12 – Defined Benefit OPEB Plans (Continued)

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Domestic Equity	28.00 %	7.35 %
International Equity	23.00 %	7.55 %
Alternatives	17.00 %	7.09 %
Fixed Income	21.00 %	3.00 %
Real Estate	10.00 %	6.00 %
Liquidity Reserves	1.00 %	2.25 %
Total	100.00 %	

*10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent and does not include investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Discount Rate The discount rate used to measure the total OPEB liability was 7.45 percent as of June 30, 2020 and June 30, 2019. The projection of cash flows used to determine the discount rate assumes STRS continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2020. Therefore, the long-term rate of return on health care plan investments of 7.45 percent was used to measure the total OPEB liability as of June 30, 2020 and June 30, 2019.

Sensitivity of the College's Proportionate Share of the Net OPEB (Asset) Liability to Changes in the Discount and Health Care Cost Trend Rate The following table represents the net OPEB (asset) liability as of June 30, 2021, calculated using the current period discount rate assumption of 7.45 percent, as well as what the net OPEB (asset) liability would be if it were calculated using a discount rate that is one percentage point lower (6.45 percent) or one percentage point higher (8.45 percent) than the current assumption. Also shown is the net OPEB (asset) liability as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

Note 12 – Defined Benefit OPEB Plans (Continued)

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
College's proportionate share of the net OPEB liability (asset)	$ (6,747,069)	$ (7,754,676)	$ (8,609,587)

	1% Decrease	Current Trend Rate	1% Increase
College's proportionate share of the net OPEB liability (asset)	$ (8,556,520)	$ (7,754,676)	$ (6,777,903)

Note 13 - Risk Management

The College uses a number of methods to assess and reduce risk of operations. Risk management programs like driver training, professional certifications, safety training in the use of equipment, first aid training like cardio-pulmonary resuscitation (CPR) and the like are conducted to inhibit injury and reduce the results thereof. Such programs are administered internally, contracted externally, or coordinated through partnerships with other public entities. Also, the College is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The College procures various insurance coverage for property damage, crime, general liability, liquor liability, and automobile insurance. Coverage amounts vary in terms of peril insured against. The College has not had a significant reduction in coverage from the prior year. Settled claims have not exceeded any aforementioned commercial coverage in any of the past three years.

The College is self-insured for its health, dental, vision and workers compensation benefits to its employees. The College self-funds the cost of the programs up to specified stop-loss insurance limits. Coverage during the policy period limits the maximum individual and aggregate losses. Self-insurance costs are accrued based upon the aggregate of the liability for reported claims and an estimated liability for claims incurred but not reported. The estimated liability for claims incurred but not reported was determined based on averages of claims expenses paid during the period. The claims liabilities of $2,009,384 and $1,730,025 were reported at June 30, 2021 and 2020, respectively, as required 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.

Note 13 - Risk Management (Continued)

The following represents the claims activity for the last three fiscal years:

Fiscal Year	Claims Liability Balance at Beginning of Year	Current Year Claims and Changes in Estimates	Claim Payments	Claims Liability Balance at End of Year
2021	$1,730,025	$13,041,240	$12,761,881	$2,009,384
2020	$1,849,630	13,064,923	13,184,528	$1,730,025
2019	$1,744,424	11,756,441	11,651,235	$1,849,630

In addition to the expense incurred in claim payments, the College paid $1,798,673, $1,598,485 and $1,568,313 in fees for administration of the self-insurance plans for 2021, 2020, and 2019, respectively.

Note 14 - Capital Projects Commitments

At June 30, 2021 and 2020, the College was committed to future capital expenditures as follows:

Contractual commitments:	2021	2020
Boiler Replacement and HVAC Upgrade	$ 81,738	$ 592,369
Student Success Initiatives	91,409	197,040
Chiller Replacement	462,365	2,874,400
AQ Hall Envelope Restoration	247,467	2,144,272
Percent of Art	12,000	62,000
Union Hall ADA Upgrades	70,541	108,734
Campus Building Upgrades	962,302	1,242,578
Infrastructure Updates	247,000	-
Parking Garage Upgrades	368,800	-
Roof Replacement	292,432	-
Parking Lot Repair	-	14,164
Signage upgrades	-	47,738
Mitchell Hall Construction	-	1,152,506
Utility Tunnel Repairs	-	95,068
	$ 2,836,054	$ 8,530,869

Note 15 – Pending Litigation

At June 30, 2021, there were several lawsuits and claims pending against the College. In the opinion of management, the ultimate liabilities, if any, resulting from such lawsuits and claims will not materially affect the financial position of the College.

Note 16 - Operating Expenses By Natural Classification

The College's operating expenses by natural classification were as follows for the year ended June 30, 2021:

	2021
Salaries and wages	$ 107,334,226
Employee benefits	27,287,272
Impact of GASB 68	8,009,277
Impact of GASB 75	(1,448,024)
Utilities	2,902,077
Supplies and other services	43,919,586
Depreciation	9,296,398
Student scholarships and financial aid	12,302,802
	$ 209,603,614

The College's operating expenses by natural classification were as follows for the year ended June 30, 2020:

	2020
Salaries and wages	$ 103,551,422
Employee benefits	27,232,899
Impact of GASB 68	9,460,576
Impact of GASB 75	(2,148,577)
Utilities	3,088,122
Supplies and other services	40,908,210
Depreciation	9,215,290
Student scholarships and financial aid	11,064,641
	$ 202,372,583

Note 17 - Component Unit Disclosures

The following disclosures relate to the Columbus State Community College Development Foundation, Inc. (the Foundation). Copies of the Foundation's separately issued financial statements can be obtained by contacting the Foundation's business office.

Organization

The Foundation is a private nonprofit organization that reports under the provisions of FASB Accounting Standards Codification (ASC) No. 958 "Not-for-Profit Entities." As such, certain revenue recognition criteria and presentation features are different from GASB revenue and recognition criteria and presentation features. No modifications have been made to the Foundation's financial information in the College's financial statements for these differences.

Cash, Cash Equivalents and Investments

The Foundation's cash and cash equivalents are included in the College's consolidated cash, which is insured by the FDIC up to $250,000, as of June 30, 2021 and 2020. Uninsured cash funds held by banks are subject to a collateral agreement covering all public funds held by the bank. As of June 30, 2021 and 2020, the Foundation had bank balances of $3,671,388 and $4,520,941, respectively.

Note 17 - Component Unit Disclosures (Continued)

Investments

The Foundation's investments are stated at market value, with changes in the market value being recognized as gains and losses during the period in which they occur. Market value is determined by market quotations. Investment earnings from endowment investments are credited to temporarily restricted funds and spent in compliance with donor restrictions placed on earnings. Investment earnings of non-endowment investments are recorded as unrestricted earnings and expended at the discretion of the Foundation's board. The following summarizes the cost and fair value of investments of the Foundation at June 30, 2021 and 2020:

	2021		2020	
	Cost	Fair Value	Cost	Fair Value
Equity Funds	$ 2,334,121	$ 2,432,864	$ 227,022	$ 201,248
Common & Preferred Stock	5,843,781	8,232,948	4,987,913	6,234,326
Corporate Debt	5,978,297	5,924,865	4,906,356	5,065,487
	$ 14,156,199	$ 16,590,677	$ 10,121,291	$ 11,501,061

Promises to Give

Unconditional promises to give consist of the following as of June 30, 2021 and 2020:

	2021	2020
Outstanding Pledges at Year End	$ 7,129,846	$ 7,397,613
Less: Discounts and allowances for uncollectible pledges	(162,726)	(91,348)
Unconditional provises to give, net	$ 6,967,120	$ 7,306,265

As of June 30, 2021:

Amounts to be received in:	Gross Amount	Allowance/ Discount	Net Amount
Less than one year	$ 2,931,557	$ -	$ 2,931,557
One to five years	4,198,289	(162,726)	4,035,563
Total	$ 7,129,846	$ (162,726)	$ 6,967,120

Note 17 - Component Unit Disclosures (Continued)

As of June 30, 2020:

Amounts to be received in:	Gross Amount	Allowance/ Discount	Net Amount
Less than one year	$ 3,449,613	$ -	$ 3,449,613
One to five years	3,948,000	(91,348)	3,856,652
Total	$ 7,397,613	$ (91,348)	$ 7,306,265

Note 18 - Contingency

The College is the beneficiary of potential cash refunds related to the purchase of annuities to fund two charitable gift annuities the College received in prior years. During fiscal year 2010, the College purchased two annuities to fund the obligations. The policies provide that the College will receive refunds of any premium payment in excess of the obligations paid by the policies if all annuitants are deceased. The College paid $3,484,254 in premiums during 2010 to fund the annuities. As of June 30, 2021, $2,860,000 has been paid to the annuitants.

Note 19 –COVID-19

In March 2020, the World Health Organization recognized the outbreak of COVID-19 disease as a pandemic and the United States, and the State of Ohio declared a state of emergency and several other executive and health orders in the following months in an effort to control the spread of the disease. The College's instructional and administrative operations were converted to primarily virtual once the state of emergency went into effect. The spread of COVID-19 continued to alter the behavior of businesses and people throughout fiscal year 2021. While the College looked towards a phased re-entry to campus for the Autumn 2020 semester, COVID-19 cases surged during the summer, and it was decided to continue the low-density environment, ultimately throughout all of fiscal year 2021. There are plans to slowly increase the density of classes and other services beginning in Autumn 2021 following the rescinding of most health orders by the Governor on June 2, 2021. The future impact of COVID-19, recovery efforts and the scope of any ongoing impact on College finances and operations cannot be reasonably estimated at this time. Adverse consequences of the COVID-19 pandemic continue to include but is not limited to a decline in enrollment, additional decreases in financial support from the State, and a reduction in funding support from donors or other external sources. More discussion on the fiscal year 2021 effects of COVID-19 on the College, both financially and operationally, can be found in the Management Discussion and Analysis.

COLUMBUS STATE COMMUNITY COLLEGE

Required Supplementary Information

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

School Employees Retirement System of Ohio

Last Ten Fiscal Years (1)

SERS	College's Proportion of the Net Pension Liability	College's Proportionate Share of the Net Pension Liability	College's Covered-Employee Payroll	College's Proportionate Share of the Net Pension Liability as a Percentage of College's Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2021	1.26119180%	$ 83,417,883	$ 44,221,507	188.64%	68.55%
2020	1.25565080%	75,127,789	43,068,978	174.44%	70.85%
2019	1.26613130%	72,513,685	42,480,643	170.70%	71.36%
2018	1.27561730%	76,215,316	41,068,521	185.58%	69.50%
2017	1.27263630%	93,145,235	39,531,879	235.62%	62.98%
2016	1.27403160%	72,697,478	38,392,578	189.35%	69.16%
2015	1.24228500%	62,871,338	36,140,472	173.96%	71.70%

(1) Information prior to 2015 is not available.

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

See accompanying notes to the required supplementary information.

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

STRS	College's Proportion of the Net Pension Liability	College's Proportionate Share of the Net Pension Liability	College's Covered-Employee Payroll	College's Proportionate Share of the Net Pension Liability as a Percentage of College's Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2021	0.44123352%	$ 106,762,812	$ 52,709,929	202.55%	75.48%
2020	0.43796917%	96,854,250	50,874,957	190.38%	77.40%
2019	0.43818461%	96,346,957	49,308,179	195.40%	77.31%
2018	0.43341646%	102,959,009	46,931,536	219.38%	75.30%
2017	0.44265122%	148,168,706	45,732,807	323.99%	66.80%
2016	0.45597031%	126,016,857	47,744,310	263.94%	72.10%
2015	0.46729176%	113,661,528	46,672,461	243.53%	74.70%

(1) Information prior to 2015 is not available.

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

See accompanying notes to the required supplementary information.

COLUMBUS STATE COMMUNITY COLLEGE

Required Supplementary Information
Schedule of College Contributions--Pension
State Employees Retirement System of Ohio
Last Ten Fiscal Years

SERS	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	College's Covered-Employee Payroll	Contributions as a Percentage of Covered Payroll
2021	$ 6,245,633	$ (6,245,633)	$ -	$ 44,611,664	14.00%
2020	6,191,011	(6,191,011)	-	44,221,507	14.00%
2019	5,814,312	(5,814,312)	-	43,068,978	13.50%
2018	5,734,888	(5,734,888)	-	42,480,643	13.50%
2017	5,749,593	(5,749,593)	-	41,068,521	14.00%
2016	5,534,463	(5,534,463)	-	39,531,879	14.00%
2015	5,374,961	(5,374,961)	-	38,392,578	14.00%
2014	5,054,314	(5,054,314)	-	36,140,472	13.99%
2013	5,040,444	(5,040,444)	-	39,532,495	12.75%
2012	5,811,044	(5,811,044)	-	41,553,409	13.98%

See accompanying notes to the required supplementary information.

COLUMBUS STATE COMMUNITY COLLEGE

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

STRS	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	College's Covered-Employee Payroll	Contributions as a Percentage of Covered Payroll
2021	$ 7,365,564	$ (7,365,564)	$ -	$ 52,611,171	14.00%
2020	7,379,390	(7,379,390)	-	52,709,929	14.00%
2019	7,122,494	(7,122,494)	-	50,874,957	14.00%
2018	6,903,145	(6,903,145)	-	49,308,179	14.00%
2017	6,570,415	(6,570,415)	-	46,931,536	14.00%
2016	6,402,593	(6,402,593)	-	45,732,807	14.00%
2015	6,573,275	(6,573,275)	-	47,744,310	13.77%
2014	6,534,145	(6,534,145)	-	46,672,461	14.00%
2013	7,308,424	(7,308,424)	-	52,203,027	14.00%
2012	7,875,038	(7,875,038)	-	56,250,269	14.00%

See accompanying notes to the required supplementary information.

COLUMBUS STATE COMMUNITY COLLEGE

Required Supplementary Information

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

School Employees Retirement System of Ohio

Last Ten Fiscal Years (1)

SERS	College's Proportion of the Net OPEB Liability	College's Proportionate Share of the Net OPEB Liability	College's Covered-Employee Payroll	College's Proportionate Share of the Net OPEB Liability as a Percentage of College's Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2021	1.19577590%	$ 25,988,124	$ 44,221,507	58.77%	18.17%
2020	1.18843810%	29,886,719	43,068,978	69.39%	15.57%
2019	1.20838870%	33,523,967	42,480,643	78.92%	13.57%
2018	1.22301850%	32,822,603	41,068,521	79.92%	12.46%
2017	1.21682486%	34,684,010	39,531,879	87.74%	11.49%

(1) Information prior to 2017 is not available.

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

See accompanying notes to the required supplementary information.

COLUMBUS STATE COMMUNITY COLLEGE

Required Supplementary Information

Schedule of the College's Proportionate Share of the Net OPEB Liability (Asset)

State Teachers Retirement System of Ohio

Last Ten Fiscal Years (1)

STRS	College's Proportion of the Net OPEB Liability (Asset)	College's Proportionate Share of the Net OPEB Liability (Asset)	College's Covered-Employee Payroll	College's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of College's Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2021	0.44123352%	$ (7,754,676)	$ 52,709,929	-14.71%	182.13%
2020	0.43796917%	(7,253,819)	50,874,957	-14.26%	174.74%
2019	0.43818461%	(7,041,179)	49,308,179	-14.28%	176.00%
2018	0.43341646%	16,910,311	46,931,536	36.03%	47.10%
2017	0.44265120%	23,179,225	45,732,807	50.68%	37.30%

(1) Information prior to 2017 is not available.

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

See accompanying notes to the required supplementary information.

COLUMBUS STATE COMMUNITY COLLEGE

Required Supplementary Information
Schedule of the College's Contributions--OPEB
State Employees Retirement System of Ohio
Last Ten Fiscal Years (1)

SERS	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	College Covered - Employee Payroll	Contributions as a Percentage of Covered Payroll
2021	$ 232,871	$ (232,871)	$ -	$ 44,611,664	0.52%
2020	233,914	(233,914)	-	44,221,507	0.53%
2019	479,775	(479,775)	-	43,068,978	1.11%
2018	527,246	(527,246)	-	42,480,643	1.24%
2017	336,136	(336,136)	-	41,068,521	0.82%
2016	303,128	(303,128)	-	39,531,879	0.77%
2015	314,819	(314,819)	-	38,392,578	0.82%
2014	297,977	(297,977)	-	36,140,472	0.82%
2013	305,977	(305,977)	-	39,532,495	0.77%
2012	843,025	(843,025)	-	41,553,409	2.03%

(1) Includes Surcharge

See accompanying notes to the required supplementary information.

COLUMBUS STATE COMMUNITY COLLEGE

Required Supplementary Information

Schedule of the College's Contribution--OPEB

State Teachers Retirement System of Ohio

Last Ten Fiscal Years

STRS	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	College's Covered-Employee Payroll	Contributions as a Percentage of Covered Payroll
2021	$ -	$ -	$ -	$ 52,611,171	0.00%
2020	-	-	-	52,709,929	0.00%
2019	-	-	-	50,874,957	0.00%
2018	-	-	-	49,308,179	0.00%
2017	-	-	-	46,931,536	0.00%
2016	-	-	-	45,732,807	0.00%
2015	-	-	-	47,744,310	0.00%
2014	456,836	(456,836)	-	46,672,461	0.98%
2013	520,925	(520,925)	-	52,203,027	1.00%
2012	572,692	(572,692)	-	56,250,269	1.02%

See accompanying notes to the required supplementary information.

Note 1- Net Pension Liability

School Employees Retirement System (SERS)

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

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

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

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

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

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

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

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

State Teachers Retirement System (STRS)

Changes in Benefit Terms:
2019-2021: There were no changes in benefit terms from the amounts reported for this fiscal year.

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

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

Changes in Assumptions:
2019-2021: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for this fiscal year.

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

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

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

Note 2 - Net OPEB (Asset)/Liability

School Employees Retirement System (SERS)

Changes in Benefit Terms:
2017-2021: There were no changes in benefit terms from the amounts reported for these fiscal years.

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

(1) Discount Rate:

Prior Measurement Date	3.22%
Measurement Date	2.63%

(2) Municipal Bond Index Rate:

Prior Measurement Date	3.13%
Measurement Date	2.45%

(3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:

Prior Measurement Date	3.22%
Measurement Date	2.63%

2020: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

(1) Discount Rate:

Prior Measurement Date	3.70%
Measurement Date	3.22%

(2) Municipal Bond Index Rate:

Prior Measurement Date	3.62%
Measurement Date	3.13%

(3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:

Prior Measurement Date	3.70%
Measurement Date	3.22%

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

(1) Discount Rate:

Prior Measurement Date	3.63%
Measurement Date	3.70%

(2) Municipal Bond Index Rate:

Prior Measurement Date	3.56%
Measurement Date	3.62%

(3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:

Prior Measurement Date	3.63%
Measurement Date	3.70%

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

(1) Discount Rate:

Fiscal Year 2018	3.63%
Fiscal Year 2017	2.98%

(2) Municipal Bond Index Rate:

Fiscal Year 2018	3.56%
Fiscal Year 2017	2.92%

(3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:

Fiscal Year 2018	3.63%
Fiscal Year 2017	2.98%

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

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

State Teachers Retirement System (STRS)

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

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

2019: The subsidy multiplier for non-Medicare benefit recipients was increased from 1.900% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased effective January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020. The Board is extending the current Medicare Part B partial reimbursement program for one year. Under this program, benefit recipients currently enrolled in the STRS

Ohio Health Care Program and Medicare Part B receive $29.90 per month to reimburse a portion of the Medicare Part B premium. The reimbursement was set to be reduced to $0 beginning January 1, 2020. This impacts about 85,000 benefit recipients.

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

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

Changes in Assumptions:
2021: There were changes in assumptions during the measurement year, which decreased the total OPEB liability by approximately $0.26 billion. The assumption changes included changes in healthcare costs and trends.

2020: There were changes in assumptions during the measurement year, which increased the total OPEB liability by approximately $0.04 billion. The assumption changes included changes in healthcare costs and trends.

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

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

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

COLUMBUS STATE COMMUNITY COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2021

	Assistance Listing Number	Pass Through Number	Expenditures	Passed Through to Subrecipient
US DEPARTMENT OF EDUCATION				
Direct Recipient				
Student Financial Assistance Cluster:				
Federal Supplemental Educational Opportunity Grants	84.007	N/A	$ 1,296,221	$ -
Federal Direct Student Loans	84.268	N/A	25,282,839	-
Federal Work-Study Program	84.033	N/A	166,386	-
Federal Pell Grant Program	84.063	N/A	29,179,778	-
Total Student Financial Assistance Cluster			**55,925,224**	**-**
TRIO Cluster:				
TRIO Upward Bound	84.047	N/A	321,266	-
TRIO Student Support Services	84.042	N/A	233,480	-
TRIO Talent Search	84.044	N/A	269,649	-
Total TRIO Cluster			**824,395**	**-**
Investing in Innovation (i3) Fund	84.411B	N/A	2,961,578	1,615,862
Higher Education Institutional Aid - Creating a Comprehensive Student Completion Model	84.031	N/A	361,330	-
COVID 19 Higher Education Emergency Relief Fund - Student Aid Portion	84.425E	N/A	5,939,417	-
COVID 19 Higher Education Emergency Relief Fund - Institutional Portion	84.425F	N/A	8,812,783	-
COVID 19 Higher Education Emergency Relief Fund - Strenghtening Institutions Program (SIP)	84.425M	N/A	963,585	-
Passed through Ohio Department of Higher Education				
COVID 19 Governors Emergency Education Relief Fund	84.425C	84.425C GEER-ODHE	57,457	-
Total Education Stabilization Fund			15,773,242	-
Passed through The Ohio State University				
Transition Programs for Students with Intellectual Disabilities Into Higher Education	84.407	P407A150080	23,878	-
Passed through Ohio Department of Education				
Career and Technical Education - Basic Grants to States	84.048	3L90	529,291	-
Twenty-First Century Community Learning Centers	84.287	3Y20	470,666	-
Total US Department of Education			**76,869,604**	**1,615,862**
US DEPARTMENT OF LABOR				
Direct Recipient				
H-1B Job Training Grants	17.268	N/A	459,971	166,203
Passed through Franklin County Department of Job and Family Services				
WIOA Cluster				
WIA Adult Program	17.258	N/A	15,330	-
Total WIOA Cluster			**15,330**	**-**
Passed through Ohio Department of Job and Family Services				
Trade Adjustment Assistance	17.245	N/A	20,145	-
Passed through Ohio Department of Job and Family Services				
Apprenticeship USA Grants	17.285	N/A	43,506	-
Passed through American Association of Community Colleges				
Apprenticeship USA Grants	17.285	N/A	44,663	-
Passed through Lorain County Community College				
H-1B Job Training Grants	17.268	N/A	72,541	-
Total US Department of Labor			**656,156**	**166,203**
US DEPARTMENT OF VETERANS AFFAIRS				
Direct Recipient				
Vocational Rehabilitation for Disabled Veterans	64.116	N/A	350,958	-
Total US Department of Veterans Affairs			**350,958**	**-**
US SMALL BUSINESS ADMINISTRATION				
Passed through Ohio Development Services Agency				
Small Business Development Centers	59.037	DEVFSBA19 OSBG-20-301; DEVFSBA20 OSBG-21-301	270,380	-
COVID 19 Small Business Development Centers	59.037	DEVFCV30 OSBG-20-331	479,740	-
Total Small Business Development Centers			750,120	-
Total US Small Business Administration			**750,120**	**-**
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE				
Direct Recipient				
AmeriCorps	94.006	N/A	56,849	-
Total Corporation for National and Community Service			**56,849**	**-**

COLUMBUS STATE COMMUNITY COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2021

	Assistance Listing Number	Pass Through Number	Expenditures	Passed Through to Subrecipient
NATIONAL SCIENCE FOUNDATION				
Research and Development Cluster:				
Direct Recipient				
Education and Human Resources	47.076	N/A	1,246,435	121,592
Passed through Ohio State University Research Foundation				
Education and Human Resources	47.076	60042097-CSCC; RF01144350	32,370	-
Total Reseach and Development Cluster			1,278,805	121,592
Total National Science Foundation			**1,278,805**	**121,592**
US DEPARTMENT OF JUSTICE				
Direct Recipient				
COVID 19 Coronavirus Emergency Supplemental Funding Program	16.034	N/A	6,205	-
Passed through Ohio Attorney General				
Crime Victim Assistance	16.575	2019-VOCA-132131990	35,133	-
Total US Department of Justice			**41,338**	**-**
INSTITUTE OF MUSEUM AND LIBRARY SERVICES				
Direct Recipient				
Grants to States	45.310	N/A	64	-
Total Institute of Museum and Library Services			**64**	**-**
US DEPARTMENT OF DEFENSE				
Direct Recipient				
GenCyber Grants Program	12.903	N/A	10,943	-
Total US Department of Defense			**10,943**	**-**
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION				
Direct Recipient				
Science	43.001	N/A	1,876	-
Total National Aeronautics and Space Administration			**1,876**	**-**
US DEPARTMENT OF COMMERCE				
Direct Recipient				
Manufacturing Extension Partnership	11.611	N/A	165,045	-
Passed through The State of Ohio				
Manufacturing Extension Partnership	11.611	MEPG20200246, MEPG20200518	606,696	-
Total US Department of Commerce			**771,741**	**-**
US DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Direct Recipient				
Health Careers Opportunity Program	93.822	N/A	739,913	-
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	N/A	88,836	-
Passed through The Ohio State University				
Nursing Research	93.361	60076723	7,969	-
Total US Department of Health and Human Services			**836,718**	**-**
US DEPARTMENT OF THE TREASURY				
Passed through Ohio Department of Higher Education				
COVID 19 Coronavirus Relief Fund	21.019	5CV1	4,791,879	-
Total US Department of the Treasury			**4,791,879**	**-**
TOTAL FEDERAL AWARD EXPENDITURES			**$ 86,417,051**	**$ 1,903,657**

See accompanying notes to the schedule of expenditures of federal awards.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2021

Note 1 - Significant Accounting Policies

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the College and is presented on the accrual basis of accounting. The information in this 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 (Uniform Guidance). Therefore some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the College's financial statements. The College did not elect to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 2 – Federal Direct Student Loan Program

The College is a direct lender for the Federal Direct Student Loan program. The following represents direct loans originated and disbursed during fiscal year 2021:

Assistance Listing Number	Program Name	Amount
84.268	Federal Subsidized Direct Loans	$ 12,640,428
84.268	Federal Unsubsidized Direct Loans	12,449,947
84.268	Federal PLUS Loans	192,464
	Total Federal Direct Student Loans	$ 25,282,839

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Trustees
Columbus State Community College

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and discretely presented component unit of Columbus State Community College (the College), a component unit of the State of Ohio, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated October 15, 2021. Our report includes a reference to other auditors who audited the financial statements of the discretely presented component unit, as described in our report on the College's basic financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

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 the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we do not express an opinion on the effectiveness of the College's internal control.

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

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

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Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.
Columbus, Ohio
October 15, 2021

PLATTENBURG
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE

Board of Trustees
Columbus State Community College

Report on Compliance for Each Major Federal Program

We have audited the Columbus State Community College's (the College) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the College's major federal programs for the year ended June 30, 2021. The College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the College's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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 (*Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the College's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the College, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Other Matters

Subsequent to issuing our Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by Uniform Guidance dated October 15, 2021, we determined the Education Stabilization Fund ALN 84.425 should have been audited as a major program. We also determined that there was some additional testing required related to the Student Financial Aid Cluster.

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Report on Internal Control over Compliance

Management of the College is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the College's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over compliance.

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

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

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.

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.
Columbus, Ohio
October 15, 2021, except for the Education Stabilization Fund ALN 84.425 audited as a major federal program and some additional testing related to the Student Financial Aid Cluster, which are dated November 2, 2022.

COLUMBUS STATE COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2021

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant Deficiency(s) identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major federal programs:	
• Material weakness(es) identified?	No
• Significant Deficiency(s) identified?	None reported
Type of auditor's report issued on compliance for major federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No

Identification of major federal programs:

Student Financial Assistance Cluster
COVID 19 Coronavirus Relief Fund ALN 21.019
Education Stabilization Fund:
HEERF-Student Aid Portion ALN 84.425E
HEERF-Institutional Portion ALN 84.425F
HEERF-Strengthening Institutions Program ALN 84.425M
HEERF-Governors Emergency Education Relief Fund ALN 84.425C

Dollar threshold used to distinguish between Type A and Type B Programs	$2,592,512
Auditee qualified as low-risk auditee?	Yes

Section II – Findings Related to the Financial Statements Required to be reported in Accordance with GAGAS

None

Section III – Federal Award Findings and Questioned Costs

None

COLUMBUS STATE COMMUNITY COLLEGE
SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2021

Columbus State Community College had no prior audit findings or questioned costs.

OHIO AUDITOR OF STATE
KEITH FABER

COLUMBUS STATE COMMUNITY COLLEGE

FRANKLIN 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 11/22/2022