COLUMBUS STATE COMMUNITY COLLEGE
FRANKLIN COUNTY, OHIO

COLUMBUS STATE

COMMUNITY COLLEGE

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2023

PLATTENBURG
Certified Public Accountants

OHIO AUDITOR OF STATE
KEITH FABER

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Board of Trustees
Columbus State Community College
550 East Spring Street
Columbus, Ohio 43216

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, 2022 through June 30, 2023. 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 07, 2023

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COLUMBUS STATE COMMUNITY COLLEGE
FRANKLIN COUNTY, OHIO
FOR THE YEAR ENDED JUNE 30, 2023

TABLE OF CONTENTS

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Columbus State Community College

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, 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, 2023, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 as of June 30, 2023, and the respective changes in net position and where applicable cash flows, thereof for the year then ended. 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the College and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1 to the financial statements, during fiscal year 2023, the College adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 96, Subscription-Based Information Technology Arrangements. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2023, on our consideration of the College's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.
Columbus, Ohio
October 30, 2023

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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, 2023; and financial activity for the fiscal year July 1, 2022 through June 30, 2023, with selected comparative information for the fiscal year ended June 30, 2022, 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 60 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 that guarantee admission to students who successfully complete an associate degree at Columbus State. The College's Office of Talent Strategy 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

FY23 represented the third full year since the pandemic began, and the College also viewed it as the first year of a likely three-year recovery period after an enrollment decline through FY22 of about 10% compared to pre-pandemic enrollment. Recovery of enrollment and related student services is also directly related to the economic recovery of the region and the College's many partners as Columbus State remains a leader in the community's efforts to navigate, respond to, and inform future strategies for talent development.

The College had made significant progress in the decade prior to the pandemic in meeting long-term student success goals and reducing equity gaps. The pandemic shed new light on the challenges that many of our disadvantaged students face with things like housing, childcare, transportation, food insecurity, and inflation – all of which became even more profound during the pandemic. As FY21 ended a full year with instruction and operations mostly on-line because of the pandemic, the College was poised to transition back to more in-person activities in FY22. However, another surge in cases of a variant of COVID-19 resulted in students having to remain more remote. This not only caused students to continue in this challenging environment but delayed recovery for both our students and the region as a whole. The College was able to move back to more in-person operations in FY23 even though more virutual than prior to the pandemic.

FY23 FTE enrollment (credit hours) for Autumn and Spring semesters combined was nearly flat to FY22, decreasing by 1,715 credit hours or -0.5%, while headcount (duplicated) increased by 231, or 0.5%. Enrollment FTE for Summer 2022, with nearly half of the revenue accounted for in FY23, was down 9.1% compared to Summer 2021, following the FY22 trend for Autumn and Spring semesters which were down 8.6% from FY21. FTEs for Summer 2023, also with half of the associated revenue accounted for in FY23, was down 3.5% from Summer 2022, and headcount was down 4.4%. Overall, FTE enrollment for FY23 was 1.9% lower than FY22, with headcount (duplicated) decreasing by 1.5%.

Contributing to some of the recovery from enrollment decreases experienced in FY22 (-9.1% FTE compared to FY21), FY23 was the first year of *Columbus Promise*, a three-year pilot program to boost college matriculation and student success for Columbus City School students. The inaugural cohort included 629 students from 20 Columbus City Schools. A collaboration of the City of Columbus, Columbus City Schools, I Know I Can, The Columbus Foundation, and Columbus State, the program allows students to participate for up to six semesters at no cost to the student. *Columbus Promise* scholars also receive $500 per semester for educational expenses as well as exclusive advising and other services to support their success. Corporate philanthropy from the local employer community is the primary funding source for the Columbus Promise program.

The State's FY22-FY23 biennial budget, House Bill 110, allowed for a $5 per credit hour increase to the in-state tuition rate for both FY22 and FY23 (3.1% and 3.0%, respectively, across all tuition rates), implemented in Autumn 2021 and Autumn 2022, respectively. Overall, revenue from tuition (excluding fees) was $2.9 million, or 4%, higher than FY22, primarily the result of the tuition rate increase and lower discounts from FY22. Including other fee revenue, total Student Tuition and Fees increased by just $473K, 0.8%, from FY22. While tuition increased by $2.9 million, as noted above, it was offset by higher Scholarship Allowances, lower fees, and a reclassification of some miscellaneous fees.

The *College Credit Plus* program (*CCP*) is the State of Ohio's program that allows high school students to earn college credit while still in high school, making higher education more affordable to parents and students. At Columbus State, nearly 7,000 high school students earned credit through the *CCP* program in both Autumn 2022 and Spring 2023 semesters, earning 63,317 credit hours, an increase of 7.0% from the prior year. Student FTE participation in the *CCP* program decreased 6.7% in FY22, the first decrease since the program's inception, which was attributed to more high schools returning to in-person classes while the College continued to stay more virtual (as previously discussed). The 7.0% increase in FY23, nearly reaching the FY21 level of 63,381 credit hours, reflects a favorable recovery for the *CCP* program as in-person offerings at high schools as well as Columbus State locations were closer to normal (pre-pandemic) levels. As the *CCP* population typically takes fewer classes/credit hours per term than traditional students, the percentage change in headcount is often quite different than the percentage change in FTEs; for FY22, FTEs decreased by 6.7% while headcount decreased by 3.2%, and, for Autumn and Spring of FY23, the increases were 7.0% and 18.0%, respectively. *CCP* courses taught at the high school, which account for nearly two-thirds of *CCP* credits, are more significantly discounted than those taken online or at one of the College's locations, the latter of which is closer to the College's tuition rate. Therefore, as *CCP* enrollment continues to exceed the enrollment growth of traditional students, more downward pressure is placed on tuition revenue.

Overall, the College is reporting an increase in Change in Net Position of $14.9 million for the fiscal year ended June 30, 2023, compared to an increase of $29.2 million for FY22. 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 of $7.9 million compared to an increase of $11.6 million for FY22.

Implementation of GASB Statement No. 96

For FY23, the College implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The objective of this Statement is to improve accounting and financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for transactions meeting that definition. The standards for SBITAs are based on those established in Statement No. 87, Leases, as amended, implemented by the College in FY22 (see below), and requires the recognition of a right-to-use subscription assets and a corresponding subscription liability, including the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA.

The College has numerous agreements for academic and administrative multi-year subscriptions that give the College the right to use the underlying subscription assets as described above. The implementation of GASB 96 resulted in the College recognizing Subscription Assets, net of accumulated amortization, in the amount of $12.5 million and a Subscription Liability in the amount of $11.5 million as of June 30, 2023. Further information related to the implementation of GASB 96 can be found in Note 9.

Implementation of GASB Statement No. 87

In FY22, the College implemented GASB Statement No. 87, *Leases*. The objective of this Statement is to improve accounting and financial reporting for leases. This Statement requires recognition of certain leased assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources and outflows of resources based on the payment provisions of the contract. It established a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, the College, as a lessee, is required to recognize a lease liability and an intangible right-to-use leased asset. A lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The College, however, is not a lessor for any leases accounted for under GASB 87.

The College has leases for classroom, lab and office space at its Dublin and Bolton Field Regional Learning Centers and its New Albany Accelerated Training Center, and for office space at Gateway, which is proximate to the Columbus Campus. Multi-functional devices (printers, copiers, faxes, etc.) are also leased, giving the College the right to use the underlying assets as described above. At June 30, 2023, the College reported $8.0 million in Leased

Assets, net of accumulated amortization, and $8.4 million in Lease Liability. Further information related to the implementation of GASB 87 can be found in Note 8.

GASB 68 and GASB 75

The net pension liability (NPL) remains the largest single liability reported by the College at June 30, 2023 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 that 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 $55,449,361, and an annual OPEB credit of $7,814,460 (STRS expense $33,886,884, SERS expense $13,748,017) 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

While the support of federal and state pandemic relief funding helped Columbus State to manage the changing environment of higher education and enrollment declines over the past three years, other grants continue to provide critical resources for advancing the College's strategic priorities, which include enrollment growth; regional workforce initiatives, specifically in advanced manufacturing, biomanufacturing, and health sciences; and a sustained focus on nonacademic student supports. The College's workforce initiatives are driven by the work of the Central Ohio Compact, a regional strategy led by public and private colleges and universities, K-12 school districts, small businesses, workforce and economic development professionals, and government officials. Much progress has been made towards the objectives of the Central Ohio Compact due to these groups remaining dedicated to college completion and career success, with an increased prioritization on talent development for the region's economic recovery and growth, especially those sectors having the most urgent workforce shortages.

Some of the new grants awarded in FY23 include:

Bloomberg Philanthropies
- 1-year award, $1.3 million
- Focus area: Creation of regional talent ecosystem

National Science Foundation Micro Nano Technology Education Center
- 3-year award, $300,000
- Focus area: curriculum/workforce.

National Science Foundation EPIIC
- 3-year award, $400,000
- Focus area: Regional innovation ecosystem (emerging technologies)

Department of Labor sub award via Ohio State University QUEST (5G Broadband)
- 15-month award, $400,000
- Focus area: curriculum/workforce.

US Department of Education Basic Needs
- 3-year award, $946,122
- Focus area: Nonacademic support programming

Ohio Department of Higher Education Choose Ohio First (BPS & ET)
- 5-year award, $691,200
- Focus area: Tuition based scholarship program, biological physical sciences and engineering technologies.

The College supported a portfolio of 137 federal, state, local, and private grants totaling an estimated value of $51.7 million in FY23. These resources have allowed the College to adapt and accelerate the work of addressing enrollment decline and regional workforce priorities by providing the necessary infrastructure in personnel and resources that would otherwise be funded from the College's increasingly tight operating budget. A significant portion of multi-year grants are set to expire during FY24. The College will continue to maintain the strategy to pursue additional funding to sustain this work, while also reallocating within the operating budget to integrate and operationalize 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 Ohio's public colleges and universities by using a standard set of measures by 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%

Columbus State's composite score for FY22 was 4.5 (adjusted to exclude the impact of GASB 68 and GASB 75). The College maintains an average score of 4.63 on a scale of 0-5 with "5" being a perfect score.

Capital Additions and Improvements

Capital additions and improvements were higher in FY23 compared to prior years with net additions of $14.7 million. While capital planning and design work continued, several renovation and deferred maintenance projects were advanced during FY23 as some materials became available that were ordered a year or more ago. Challenging market conditions continue to cause long lead times for some materials, delaying the progress for planned projects.

In the FY23-24 State capital appropriations legislation (HB 687), Columbus State's total appropriation was $15.13 million, providing funds for student success renovations and for building and infrastructure repairs. Funding totaling $2.2 million was also appropriated for community projects. Also, in State capital legislation (HB 597), Columbus State had funds reappropriated from FY22 amounting to approximately $14.6 million, also providing funds for student success renovations and for building and infrastructure repairs, and had funds totaling $2.5 million reappropriated for community projects. As many projects were delayed due to the pandemic as well as the re-evaluation of the College's Capital Plan, discussed below under Bond Issue, it was necessary to reappropriate a significant portion of the FY21-22 State capital appropriations. All State capital appropriations, along with philanthropy and bond proceeds, will be used to implement the College's Educational Facilities and Technology Plan approved by the Board of Trustees in September 2019. The following describes some of the more significant projects in process during FY23.

Funded by Series 2020 Bonds:

The Center for Early Learning - This project will renovate the existing Workforce Development Annex back into an early childcare and development education center. In addition, a fenced and gated exterior play area will be upgraded. This space will support 6 classrooms with an anticipated enrollment of nearly 100 children, 2 large multipurpose rooms, support spaces, offices, and a reception area. The center will be operated through an innovative partnership with community Head Start provider, The Child Development Council of Franklin County, Inc. (CDCFC). The total project budget for the Center for Early Learning is $3.5 million with approximately $1 million included in FY23 additions to Construction in Progress.

Roof Replacements – Construction contracts were approved for new roofs for Delaware, Eibling and Nestor Halls on the Columbus Campus and the Bolton Field aviation building in spring 2022. After supply chain delays, materials became available to begin this work in spring 2023. The total estimated cost is $5.8 million with approximately $4 million included in FY23 additions to Construction in Progress, with this project anticipated to be complete by the end of calendar year 2023.

Parking Garage Upgrades and Connecting Pedestrian Bridge - This project will renovate and upgrade the Columbus Campus parking garage, with the installation of fall protection screening on all levels, IT and security closets, and fiber connectivity to the campus data center and police dispatch. The project also includes upgrades to the connecting pedestrian bridge. The total project budget is $4.1 million, with approximately $3.2 million included in FY23 additions to Construction in Progess, and completion by the end of summer 2023.

Elevator Upgrades - To ensure accessibility in six older buildings on campus, all elevators in Aquinas, Davidson, Franklin, Nestor, Madison and Rhodes Halls were updated or replaced entirely over the course of 2022-2023. The project budget was $2.1 million, with with approximately $1.8 million included in FY23 additions to Construction in Progress.

Davidson Hall Exterior and Roofing Upgrades - This project will make exterior building upgrades to Davidson Hall to address water infiltration and building envelope issues. The upgrades include roof replacements over Davidson Hall and the connector space between Davidson Hall and Madison Hall, and select window and exterior door replacements. The total project budget is $3.0 million and is anticipated to commence in summer 2023 with completion in spring 2024. Nearly $1.5 million is included in FY23 additions to Construction in Progress due to materials being ordered and received as early as possible to avoid project delays later.

Series 2020 bonds were also used to fund several smaller projects, such as classroom renovations and deferred maintenance projects, and for a property purchase, including three warehouse buildings, to provide necessary swing space and storage.

Funded by State Capital Allocations:

State Capital Funds were used primarily for needed technology upgrades and classroom upgrades, including some at the Delaware Campus. Some of these projects included IT security upgrades, UPS upgrades, data center internet zone technology, network technology upgrades, network optical upgrades, virtual desktop server upgrades, Moeller Hall building renovations, Moeller Hall foundation repair, and Center for Technology and Learning lab upgrades. About half of these upgrades were placed in service, increasing Moveable Equipment, Furniture and Library Books as of June 30, 2023, while the balance were not fully implemented and remained in Construction in Progress at year end.

BOND ISSUE

As part of House Bill 166, the 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.

In light of the impact of COVID-19 and extended remote/hybrid operations, the implementation of many projects within the College's Capital Plan was delayed as a re-evaluation of the initial plan was completed to ensure the College could 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 re-evaluation of the implementation and Phase I priorities occurred, the College continued to address its most critical deferred maintenance needs, some of which are noted in the prior section on Capital Additions and Improvements.

In FY23, proceeds from the tax levied in Franklin County for tax year 2021 (received in August 2022) and tax year 2022 (received in March 2023), amounting to just over $17.2 million, are included in the amount reported on the Statement of Revenues, Expenses, and Changes in Net Position as Other Nonoperating Revenue (Expense), $12.8 million. Debt service (principle and interest) funded by these proceeds totaled $15.8 million in FY23.

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, 2023. 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 18 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)

	2023	2022	Difference
Assets			
Current assets	$ 159,002	$ 143,595	$ 15,407
Noncurrent assets			
Capital, leased and subscription assets, net	203,257	183,794	19,463
Other	177,401	195,077	(17,676)
Total Assets	539,660	522,466	17,194
Deferred Outflows of Resources			
Pension	34,232	33,769	463
OPEB	4,441	5,712	(1,271)
Unamortized loss on refunding	-	9	(9)
Total Deferred Outflows of Resources	38,673	39,490	(817)
Total Assets and Deferred Outflows of Resources	$ 578,333	$ 561,956	$ 16,377
Liabilities			
Current Liabilities			
Accounts payable and accrued liabilities	24,780	15,503	9,277
Debt, current portion	10,974	15,719	(4,745)
Lease liability, current portion	1,153	689	464
Subscription liability, current portion	2,473	-	2,473
Unearned revenue	8,665	9,668	(1,003)
Noncurrent liabilities			
Debt, long-term portion	133,952	144,926	(10,974)
Lease liability, long-term portion	7,262	4,207	3,055
Subscription liability, long-term portion	8,979	-	8,979
Net pension liability	158,378	102,929	55,449
Net OPEB liability	16,603	22,978	(6,375)
Compensated absences	1,473	1,174	299
Total Liabilities	374,692	317,793	56,899
Deferred Inflows of Resources			
Pension	17,650	75,366	(57,716)
OPEB	27,678	25,347	2,331
Total Deferred Inflows of Resources	45,328	100,713	(55,385)
Total Liabilities and Deferred Inflows of Resources	420,020	418,506	1,514
Net Position			
Invested in capital assets	144,080	150,802	(6,722)
Restricted	46,853	30,694	16,159
Unrestricted	(32,620)	(38,046)	5,426
Total Net Position	$ 158,313	$ 143,450	$ 14,863

Assets

As of June 30, 2023, current assets totaled $159.0 million compared to $143.6 million in FY22, an increase of $15.4 million, or 10.7%. Cash, cash equivalents, and short term investments were up $10.8 million, primarily resulting from a shift from long term cash and investments which decreased by $19.1 million. Accounts, loans and pledges receivable also increased by $3.2 million, primarily due to increases in student receivables as federal HEERF funds were used in the prior year to waive approximately $2.4 million in balances to remove barriers and allow students to continue with their education; those funds were not available in FY23 and $2.4 million in balances were certified for collections.

Total assets as of June 30, 2023 were $539.7 million compared to $522.5 million in FY22, an increase of $17.2 million or 3.3%. Total cash, cash equivalents, and investments decreased $8.4 million, while inventory and other current and noncurrent assets increased by $2.9 million, Accounts, loans and pledges receivable increased by $3.2 million, and capital assets (including lease assets and noncurrent intangible assets) increased by $19.5 million. The largest asset group is cash and investments at $307.4 million (57.0%), followed by capital assets, such as land, buildings, machinery, equipment, leased assets and subscription assets of $203.3 million (37.6%), and accounts receivable, inventory and other assets at $29.0 million (5.4%).

Liabilities

As of June 30, 2023, the College's current liabilities were $48.0 million, compared to $41.6 million at June 30, 2022. Accounts payables and accrued liabilities were $9.3 million higher than FY22, while unearned revenue was $1 million lower and debt and lease liabilities were $1.8 million lower.

Noncurrent liabilities as of June 30, 2023 were $326.7 million, consisting of $134.0 million in long-term debt (general receipts bonds and general obligation bonds), other long-term liabilities (primarily compensated absences) of $1.5 million, net pension liability and OPEB liabilities of $175.0 million, and subscription and lease liabilities totaling $16.2 million. By comparison, noncurrent liabilities as of June 30, 2022 were $276.2 million. The increase of $50.5 million in noncurrent liabilities is primarily the result of the very significant increase in net pension liability, $55.4 million; noncurrent long-term debt decreased by $11 million due to annual debt service payments and OPEB liability decreased by $6.4 million, while lease and subscription liabilities increased by $12.0 million due to new leases and new GASB reporting requirements for subscriptions. 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, 2023 were $374.7 million compared to $317.8 million in FY22, an increase of $56.9 million, with the most notable increase being the $55.4 million in net pension liability.

Net Position

Net position increased by $14.9 million in FY23. Operating revenue was relatively flat, increasing by $1.9 million, or 1.4%, with tuition and fees increasing by $473K and auxiliary enterprises increasing by $951K.

Operating expenses were $27.0 million higher than FY22. The largest area of increase was instruction and departmental research, which increased $16.8 million, with approximately $9 million due to the impact of the GASB entries for net pension and OPEB liabilities and the remaining $7.8 million, 9.7%, due to higher spending. Spending has not returned to predictable trends since the pandemic but was higher in most reporting categories for FY23 as a result of more in-person classes and activities, increases in areas such as the Language Institute, and annual compensation adjustments and one-time compensation. Public Service, which includes the institutional portion of federal grants related to COVID-19, increased by $6.7 million as these funds were exhausted in the last year for this funding source under a one-year no cost extension. Insitutional Support increased by $6.1 million due to one-time expenses paid from reserve funding for recovery efforts that were not part of the annual operating budget. Scholarships and fellowships decreased by $15.5 million due to the majority of COVID-19 (HEERF) funding for students being exhausted in FY22 (which had increased by $17.8 million over FY21). GASB adjustments for net pension and OPEB liabilities resulted in a decrease of $6.9 million of FY23 operating expenses. Net of these GASB entries, operating expenses actually increased by $16.4 million, or 6.8%, vs $27.0 million, or 12.1%, compared to FY22.

Nonoperating revenues and expenses combined to increase by $7.6 million in FY23. Other nonoperating revenues decreased by $11.4 million due in large part to changes in the net investment in capital assets where capitalizations were much lower than the prior year and tax receipts from Franklin County were also lower than FY22. State Appropriations increased by $2.3 million, while Investment Income (net of expense) increased by $14.7 million and Pell Grant Revenue increased by $1.4 million from the prior fiscal year.

Net position increased by $14.9 million in FY23 compared to $29.2 million in FY22, a decrease of $14.3 million. Operating revenue increased by $1.8 million, while operating expenses increased by $27.0 million, combining for a $25.2 million decrease in operating income over FY22. After a $7.6 million increase in nonoperating revenue and expense, due in large part to improved investment performance, and an increase of $3.3 million in capital appropriations, the increase in net position for FY23 was $14.3 million less than in FY22. Excluding GASB entries, net position increased by only $7.9 million in FY23 compared to $11.6 million in FY22, a decrease of $3.7 million.

Condensed versions of the College's revenues, expenses, and changes in net position for the years ended June 30, 2023 and 2022 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)

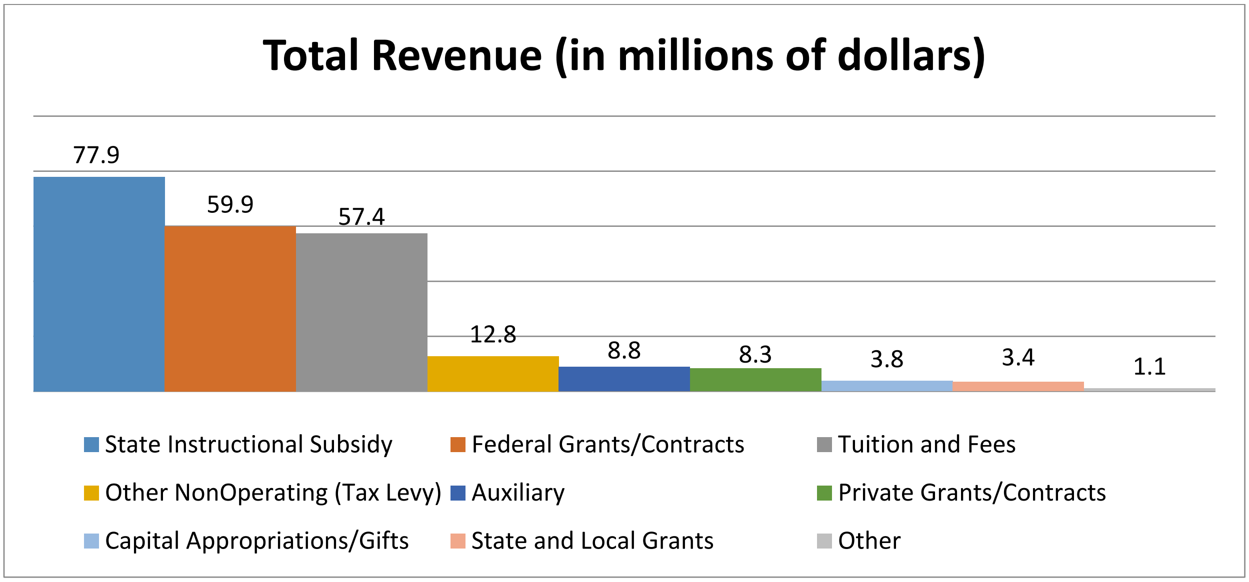
	2023	2022	Difference
OPERATING REVENUES			
Student tuition and fees (net of scholarship allowances of \$23.8 and \$22.6 million in 2023 and 2022, respectively)	\$ 57,416	\$ 56,943	\$ 473
Federal, state, and private grants and contracts	71,730	71,502	228
Auxiliary enterprises	8,847	7,896	951
Other	1,075	872	203
Total operating revenues	139,068	137,213	1,855
OPERATING EXPENSES			
Educational and general	212,142	173,836	38,306
Scholarships and fellowships	15,263	30,715	(15,452)
Depreciation and amortization expense	13,888	10,545	3,343
Auxiliary and Other enterprises	8,283	7,447	836
Total operating expenses	249,576	222,543	27,033
Operating income (loss)	(110,508)	(85,330)	(25,178)
NONOPERATING REVENUES (EXPENSES)			
State appropriations	77,912	75,630	2,282
Investment income (net of expense)	4,031	(10,666)	14,697
Pell Grant Revenue	29,583	28,162	1,421
Other non-operating revenues	10,095	20,915	(10,820)
Net nonoperating revenues	121,621	114,041	7,580
Income before capital appropriations	11,113	28,711	(17,598)
Capital appropriations and gifts	3,750	495	3,255
Increase in net position	14,863	29,206	(14,343)
Net position, beginning of year	143,450	114,244	29,206
Net position, end of year	\$ 158,313	\$ 143,450	\$ 14,863

Revenues

FY23 revenues totaled \$233.5 million, a decrease of \$4.0 million (1.7%), compared to \$237.5 million in FY22. State appropriations were \$2.3 million higher, auxiliary enterprises were nearly \$1.0 million higher and capital appropriations increased by \$3.3 million while other nonoperating revenue decreased \$11.4 million due to lower county tax receipts and additions to net investment in capital assets.

The majority of College revenues come from three sources: 1) State instructional subsidy (\$77.9 million), 2) Student tuition and fees (\$55.4 million), and 3) Federal, state, and private grants and contracts, including Pell grant revenue \$101.3 million). Of \$93.0 million in federal and state grants and contracts, 33.0% are awarded to students through the federal Pell grant and Supplemental Educational Opportunity Grant (SEOG) programs. These funds are used for student tuition (\$23.8 million) and education-related expenses.

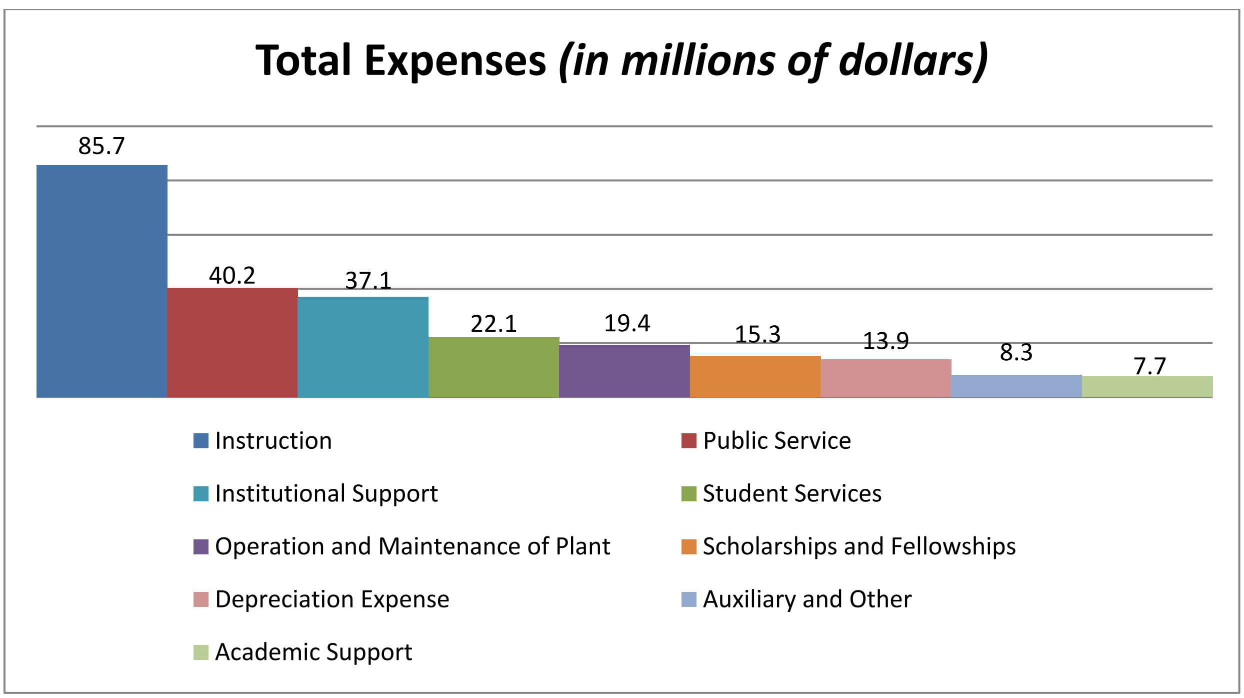
The major sources of College revenues for FY23 are presented below:



Expenses

FY23 expenses totaled $249.6 million compared to $222.5 million in FY22, an increase of $27.1 million, or 12.1%, due the continued benefit of HEERF funding for a one-year no cost extension, compensation adjustments, continued transition to more pre-pandemic and in-person operations, inflationary impacts and the impacts of GASB net pension and OPEB adjustments.

FY23 expenses are shown below:



Statement of Cash Flows (in thousands)

Net cash provided (used) by:	2023	2022
Operation activities	($99,626)	($86,835)
Non capital financing activites	121,040	128,204
Capital financing activities	(33,798)	(27,432)
Investing activities	8,887	(13,920)
Net increase/(decrease) in cash	(3,497)	17
Cash - beginning of year	13,430	13,413
Cash - end of year	$9,933	$13,430

Ending cash balances for fiscal years 2023 and 2022 were $9.9 and $13.4, 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 FY23 were state appropriations of $77.9 million, tuition and fees of $55.4 million, and gifts, grants, and contracts totaling $69.4 million.

The most significant uses of cash were payments for salaries and benefits of $154.1 million, payments to suppliers of $65.0 million, $15.3 million disbursed for student scholarships and financial aid, and $15.7 million for principal paid on debt.

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. Estimates for the State's instructional subsidy (aka State Share of Instruction or SSI) is provided by the Ohio Department of Higher Education. SSI 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 FY23 Budget Comparison below, while a mid-year review of the budget was completed, there was no revision recommended to the Board for action and the budget remained the same for all of FY23. General fund revenue was $3.9 million below what was budgeted in the FY23 budget while general fund operating expenses, including budgeted transfers, were $3.5 million more than budgeted, resulting in a net deficit of $12.5 million. FY23 was considered year 1 of an anticipated 3-year recovery period from the pandemic. After a 9% decrease in credit hours in FY22, the FY23 budget assumed a 3% increase; however, credit hours decreased by nearly 2% in FY23. Expenses were budgeted to increase over the prior year as operations increased in-person services and more pre-pandemic patterns while FY22 had experienced significant declines in spending as the impacts of the pandemic persisted. Actual expenses exceeded budget by $3.5 million which included a significant increase in health insurance costs and one-time compensation in June 2023. While the FY23 budget projected a deficiency of revenues under expenses of $5.1 million that would be funded by resources accumulated in a recovery reserve, the $3.9 million shortage in revenues and $3.5 million excess in expenses resulted in an overall deficiency of $12.5 million. Interest income/(loss), which is not budgeted pursuant to the Board's *Resource Planning Principles*, added $1.5 million to overall net operating results after a $4.3 million reduction in FY22 (not reflected in the Budget Comparison below).

The analysis below does not include nearly $15 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: ongoing recovery initiatives launched during the pandemic ($5.5 million), technology initiatives ($4.4 million), capital improvements ($1.7 million), capital equipment ($1.4 million), and Student Success and Innovation ($1.3 million), as well as some other smaller projects.

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

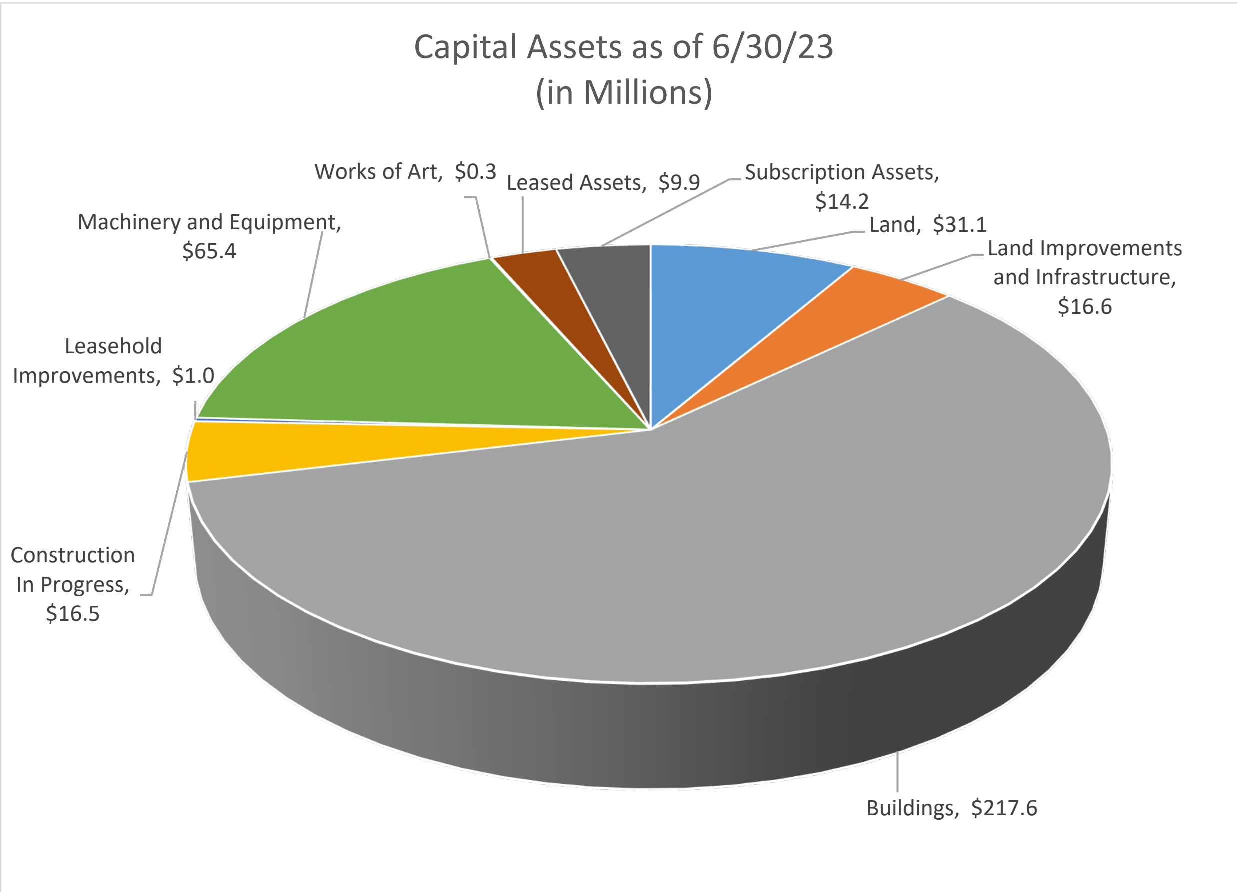
Columbus State Community College
Budget Comparisons – Budget to Actual
FY 23 (in thousands)

Budgeted Operations	Original Budget	Revised Budget	Percent % Change	Actual	Percent % Change
Revenues					
College	$162,096	$162,096	0.00%	$158,220	-2.39%
Auxiliary	7,758	7,758	0.00%	8,999	15.99%
Total Revenues	$169,854	$169,854	0.00%	$167,219	-1.55%
Expenditures					
College	$167,207	$167,207	0.00%	$170,687	2.08%
Auxiliary	7,758	7,758	0.00%	8,414	8.45%
Total Expenditures	$174,965	$174,965	0.00%	$179,101	2.36%
Net Revenues	($5,111)	($5,111)	0.00%	($11,882)	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, 2023, the College had $348.5 million in capital assets and $165.7 million in accumulated depreciation, for a total of $182.8 million in net capital assets. The most significant changes from the prior year were a net increase in construction in progress of $10.3 million, primarily due to architect and engineering design and other planning costs for Board approved projects including elevator upgrades, parking garage repairs, Davidson Hall exterior and roofing replacements, and the renovation of the Center for Early Learning. Also, included in the chart below are leased assets recorded in accordance with GASB 87 and subscription assets recorded in accordance with GASB 96. Leased assets represent the value of College contracts that convey the control to use their nonfinancial assets for classroom, lab and office space and equipment. These leased assets are amortized over the term of the respective contracts ranging from 2 years to 20 years, plus applicable renewal terms ranging up to 10 years for up to two renewal terms. At June 30, 2023, the College had $9.9 million in leased assets and $1.9 million in accumulated amortization, for a total of $8.0 million in total leased assets, net. Subscription assets represent the value of College contracts that convey the control of the right to use another party's information technology software, alone or in combination with tangible capital assets. These subscription assets are amortized over the term of the contracts ranging from 2 years to 10 years after the commencement date, plus applicable renewal terms ranging from 1 year to 3 years for up to four renewal terms. At June 30, 2023, the College had $14.2 million in subscription assets and $1.7 million in accumulated amortization, for a total of $12.5 million in total subscription assets, net.

The chart below illustrates the College's capital, leased, and subscription assets (by classification) as of June 30, 2023, which totals $372.7 million in capital, leased, and subscription assets and $169.4 million in accumulated depreciation and amortization.



By comparison, as of June 30, 2022, the College had recorded $339.4 million in capital and leased assets and $155.6 million in accumulated depreciation and amortization, for a total of $183.8 million in net capital and leased assets; GASB 96 was not implemented for subscription assets until FY23. A detailed summary of additions, deletions, depreciation and amortization of assets can be found in Note 5 – Capital, Leased, and Subscription Assets.

Outstanding Bond Debt

As of June 30, 2023, the College had $144.9 million of outstanding bond debt, which includes a premium of $3.6 million on the 2018A, 2020A, and 2020B bonds, as follows:

(amounts in millions)

	Series	Principal Outstanding	Premium Outstanding	Total Outstanding
General Receipts Bonds:	2018A	$ 12.2	$ 1.2	$ 13.4
General Receipts Bonds:	2018B	6.4	-	6.4
General Obligation Bonds:	2020A	30.0	1.4	31.4
General Obligation Bonds:	2020B	92.7	1.0	93.7
Total		$ 141.3	$ 3.6	$ 144.9

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

State Support and Enrollment

Of the many factors that impact the budget for the College, there are three that are discussed below: state support, tuition rates and enrollment. State support is appropriated in the State's biennial budget bill as State Share of Instruction (SSI) and is distributed by formula. SSI is projected to represent nearly 48% of the College's operating revenues for FY23, 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 FY24 and FY25, House Bill 33, provides a statewide increase of 1.5% in SSI for each year, the projected increase in SSI for Columbus State for FY24, based on the latest estimate from the Ohio Department of Higher Education, is 0.82%, nearly half of the overall increase. This projection is also substantially less than what the College built into its FY24 budget. The College's increase for the past several biennia had been higher than the overall community college sector as a result of the College's performance within the key success metrics within the State's funding formula as well as the College's enrollment, using a three-year rolling average being down less than most other community colleges. This enrollment estimate for FY24 is, for the first time since FY16, lower than the overall increase for the sector.

Tuition and Enrollment
Tuition increases are limited by the State Legislature. House Bill 33, as enacted, allows for a $5 increase for in-state tuition charged per credit hour in both FY24 and FY25, which represents a 2.9% and 2.8% increase, respectively. (The State does not place tuition limits on out-of-state and international students.) The College assumed that enrollment for FY24 would grow by by 1.7%. This growth estimate was based on the following enrollment strategies: growth in the second year of *Columbus Promise*, a collaboration with the City of Columbus, Columbus City Schools, I Know I Can, and Columbus State; increases in program-specific and geo-specific outreach, recruitment, and marketing activities targeting traditional and adult students; collaboration wth K-12 districts to strengthen supports for *CCP* students matriculating as undergraduates upon high school graduation; and the development of seamless enrollment pathways to degree programs for students completing noncredit basic English classes through the College's Language Institute which has experienced tremendous growth.

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.

Health Sciences

On June 27, 2023, OhioHealth and Columbus State Community College announced an innovative partnership that will double the number of professionals trained in five healthcare fields, addressing a critical need for patient-care specialists throughout central Ohio.

The joint investment, totaling at least $120 million, will address workforce shortages being faced by provider networks throughout the region. Over the next 10 years, Columbus State will double the number of students in nursing, surgical technology, medical imaging, respiratory therapy and sterile processing – five healthcare fields where there is strong demand from both students and employers. The partnership will:

- Establish a new 80,000-square-foot academic building, expected to be called the OhioHealth Center for Health Sciences, and renovate other classrooms and laboratories in an existing campus building, Union Hall. Columbus State will use voter-approved bond funding for the building and renovations, which are collectively anticipated to cost at least $85 million.
- OhioHealth is providing the Columbus State Community College Foundation a $25 million endowment to expand and sustain academic programs at the college that will fund faculty and staff who train healthcare professionals in the five fields targeted for growth. OhioHealth's gift to Columbus State is believed to be one of the largest ever to support a U.S. community college.
- Raise at least $12 million for student support and specialized equipment for medical simulation and other hands-on training. The foundation will raise funds through private philanthropy and grants.
- Collaborate on innovative approaches that support positive educational, workforce and healthcare outcomes for central Ohio residents and employers.

Based in Columbus, Ohio, OhioHealth is a nationally recognized, not-for-profit, charitable, healthcare outreach of the United Methodist Church.

Workforce Growth Strategies

The White House designated Columbus, Ohio among five U.S. Workforce Hub locations on May 16, in recognition of explosive job growth in advanced manufacturing industries including semiconductor production, clean energy, biotechnology, high-performance computing, and transportation. Columbus State is designated as the anchor institution for the Columbus Workforce Hub initiative with a steering committee that includes representatives of employers, economic development organizations, local government partners and K-12 and higher education institutions. Among other goals, the hub will support the work of Columbus State and the Ohio Semiconductor Collaboration Network to quadruple the number of students trained for engineering technology jobs over the next five years to prepare for major economic opportunities created by Intel, Honda/LG, Amgen and other growing employers.

Other Columbus State workforce growth strategies include:

Ohio Semiconductor Collaboration Network
During FY22, Intel announced that it will bring semiconductor or "chip" manufacturing to Ohio with the construction of a $20 billion factory complex in Central Ohio set to open in 2025. With it comes the promise of thousands of good-paying jobs – many that are accessible with an associate degree, new opportunity for

mobility, and the need to develop education, training, research, and a steady supply of talent to support this booming industry.

Intel's Semiconductor Education and Research Program for Ohio was announced at Columbus State in March 2022 as part of the company's pledge to invest $100 million in education and research collaborations with universities, community colleges and technical educators in Ohio and across the U.S. The program is designed to help build a pipeline of talent and bolster research programs. Of its $100 million investment, Intel designated $50 million specifically to Ohio colleges and universities. As part of this investment, Intel awarded $2.8 million to the Ohio Semiconductor Collaboration Network to develop two-year pathways to train and educate individuals to be semiconductor technicians, which represents about 70% of the Intel jobs being created. This work will be led by Columbus State in partnership with the Ohio Association of Community Colleges (OACC) and all Ohio community colleges. Columbus State and OACC leaders will serve as the network's principal investigators responsible for its administration and performance, which over three years has a goal for community colleges statewide to prepare more than 5,000 workers for Intel with 33% of them being from underrepresented students.

Columbus State will launch the first two classes for its new semiconductor technician certificate this fall, toward a 2024 goal of getting students of all ages job ready as fast as nine months. The certificate, developed in conjunction with Intel, will teach technician production fundamentals that are transferable to other advanced technology engineering settings, and fully applicable toward a two-year electro-mechanical engineering degree. The full certificate offer is expected to be available starting in spring semester, with a nine-month benchmark for initial employability, continuing to a year for next-tier technician roles.

Biotechnology And Biopharmaceutical Accelerated Training Programs Continue Growing
Columbus State launched its initial biotechnology bootcamp curriculum in 2022 in collaboration with major area gene therapy employers including Amgen, Andelyn Biosciences and Forge Biologics. This short-term certificate offers clean room production principles to those who have already earned higher education biotechnology credentials and only need to learn aligned manufacturing basics.

Building on that initial success, the College has created biotechnology and biopharmaceutical short-term certificates within its Accelerated Training Centers programs to skill up workers who may have aligned manufacturing or healthcare backgrounds. Participants may have limited or no experience in the fields. Completers of biopharmaceutical Accelerated Training Center certificates are prepared to become biomedicine production technicians, then may choose to continue on to earn biotech certificates that teach the higher-level stage of gene therapy development.

These programs are anticipated to grow in autumn of FY24, including within new center locations anticipated to come on line in the third or fourth quarter of FY24.

Emerging EV Curriculum
Columbus State is in early discussions with Honda, a longtime employer partner and the initial collaborator in the College's Modern Manufacturing Work Study curriculum, to leverage its certificate model for short-term training ultimately scalable to a degree for EV jobs coming to Central Ohio soon. Honda is rapidly working to fulfill its Ohio investment commitment to transform its vehicle production to EV over the next several years.

Construction Worker Demand
Columbus State's Construction and Skilled Trades programs are on track for a double-digit year-over-year enrollment increase, returning to pre-pandemic levels as these professions boom throughout Central Ohio. The college welcomes skilled trades commitments announced in the summer 2023 to increase area apprenticeship opportunities, which will benefit Columbus State students studying in these disciplines.

Rapid Growth Of In-Demand IT Programs
Columbus State continues to see double-digit growth in key IT degree enrollment: software development, cybersecurity and network administration. The College is also at the halfway point in creating a data analytics degree, currently offering a one-year certificate in the IT discipline. Other academic areas are looking to replicate the Information Systems Technology Department's success by creating fully online degrees utilizing hybrid in-person/online "high-flex" classrooms, enabling students from throughout Ohio to access these in-demand and highly employable programs.

Workday

The College started implementation of a new Enterprise Resource Planning and Student Information System (ERP/SIS), Workday, to support and streamline processes in a single cloud-based system in spring 2021. Columbus State will use the Workday project as the catalyst for building consistent, efficient, and sustainable capabilities in systems and processes; ensuring equitable outcomes and a seamless experience for students; and enabling faculty and staff to effectively deliver services. The College went live with the first phase of this initiative, Platform, representing financial and human resources systems and processes, in March 2023.

While the College continues to adjust to Platform, implementation work for the student information system is planned to kick-off in the fall of calendar year 2023 with go live of the first workstreams beginning in academic year 2024-2025.

NSF National IT Center

Through a $7.5 million federal grant announced in August 2023, Columbus State Community College will launch a new center focused on creating and scaling up the high-demand training needed to fuel the country's technology-enabled economic growth.

The National Information Technology Innovation Center (NITIC) will work with employers, community colleges across the country and others to prepare highly skilled technicians through credential programs that take two years or less. Columbus State is the lead institution in the NITIC, joined by partners from Collin College (McKinney, Texas in the Dallas-Fort Worth metroplex), Lone Star College (Houston, Texas), Maricopa Community Colleges (Phoenix, Arizona), and Sinclair College (Dayton, Ohio).

Funded through the National Science Foundation as part of its Advanced Technological Education (ATE) program the NITIC will be the sole ATE national center focused on IT education. There is enormous demand for IT training, as technician jobs in STEM-enabled industries are expected to grow at double the pace of average U.S. job growth over the next 10 years. The NITIC grant is awarded for five years, with a potential renewal for a second five-year term.

S&P

As of September 13, 2023, S&P Global Ratings reviewed the rating on the College's Series 2018A general receipts bonds and upgraded its rating from A+ to AA. The upgrade reflects the application of S&P's new "Global Not-For-Profit Education Providers" criteria, published in April 2023. The AA rating on the College's Series 2020 general obligation debt was affirmed; the outlook on all ratings is stable.

COLUMBUS STATE COMMUNITY COLLEGE

STATEMENT OF NET POSITION
As of June 30, 2023

	2023	
ASSETS	**Columbus State Community College**	**Component Unit Development Foundation**
Current Assets		
Cash and Cash Equivalents	$ 8,891,665	$ 8,930,708
Investments - Short-Term	53,830,966	8,313,918
Investments - Current Restricted	77,840,307	-
Accounts, Loans and Pledges Receivable	13,928,698	28,564,642
Inventories	1,828,302	-
Other Assets	2,682,245	377,123
Total Current Assets	159,002,183	46,186,391
Noncurrent Assets		
Cash and Cash Equivalents	1,040,942	-
Investments	103,332,152	5,465,744
Investments - Noncurrent Restricted	62,478,644	-
Other Noncurrent Assets - Pledges Receivable	-	2,009,726
Net OPEB Asset - STRS	10,549,656	-
Capital, Leased and Subscription Assets, Net	203,256,789	-
Total Noncurrent Assets	380,658,183	7,475,470
TOTAL ASSETS	**539,660,366**	**53,661,861**
DEFERRED OUTFLOWS OF RESOURCES		
Unamortized Loss on Bond Refunding	-	-
Pension STRS	23,204,206	-
Pension SERS	11,027,362	-
OPEB STRS	864,970	-
OPEB SERS	3,575,681	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	**38,672,219**	**-**
TOTAL ASSETS AND DEFERRED OUTFLOWS	**$ 578,332,585**	**$ 53,661,861**

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

COLUMBUS STATE COMMUNITY COLLEGE

STATEMENT OF NET POSITION
As of June 30, 2023

	2023	
	Columbus State Community College	Component Unit Development Foundation
LIABILITIES		
Current Liabilities		
Accounts Payable and Accrued Liabilities	$ 24,780,069	$ 1,840,689
Debt, Current Portion	10,973,924	-
Lease Liability, Current Portion	1,152,573	-
Subscription Liability, Current Portion	2,473,309	-
Unearned Revenue	8,664,624	129,536
Total Current Liabilities	48,044,499	1,970,225
Noncurrent Liabilities		
Debt, Long-Term Portion	133,952,098	-
Long-Term Liabilities		
Compensated Absences	1,472,596	-
Net Pension Liability STRS	90,571,678	-
Net Pension Liability SERS	67,806,505	-
Net OPEB Liability STRS	-	-
Net OPEB Liability SERS	16,602,777	-
Lease Liability, Long-Term Portion	7,262,264	-
Subscription Liability, Long-Term Portion	8,978,700	-
Total Noncurrent Liabilities	326,646,618	-
TOTAL LIABILITIES	**374,691,117**	**1,970,225**
DEFERRED INFLOWS OF RESOURCES		
Pension STRS	13,398,851	-
Pension SERS	4,250,862	-
OPEB STRS	9,140,116	-
OPEB SERS	18,538,026	-
TOTAL DEFERRED INFLOWS OF RESOURCES	**45,327,855**	**-**
TOTAL LIABILITIES AND DEFERRED INFLOWS	**420,018,972**	**1,970,225**
NET POSITION		
Net Investment in Capital Assets	144,079,877	-
Restricted		
Nonexpendable	-	31,779,445
Expendable	46,853,398	14,036,056
Unrestricted	(32,619,662)	5,876,135
TOTAL NET POSITION	**$ 158,313,613**	**$ 51,691,636**

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 Year Ended June 30, 2023

	2023	
REVENUES	**Columbus State Community College**	**Component Unit Development Foundation**
Operating Revenues		
Student Tuition and Fees (Net of Scholarship Allowance of $23,771,200 in 2023)	$ 57,416,022	$ -
Federal Grants and Contracts	59,942,098	-
State and Local Grants and Contracts	3,440,655	-
Private Grants and Contracts	8,347,016	32,419,649
Sales and Services of Educational Departments	463,031	-
Auxiliary Enterprises		
Bookstore	8,494,476	-
Other	353,013	-
Columbus State Community Partners	-	-
Other Operating Revenues	611,590	-
Total Operating Revenues	**139,067,901**	**32,419,649**
EXPENSES		
Operating Expenses		
Educational and General		
Instruction and Departmental Research	85,659,742	-
Public Service	40,179,633	-
Academic Support	7,718,996	-
Student Services	22,142,243	-
Institutional Support	37,073,583	6,647,959
Operation and Maintenance of Plant	19,368,164	-
Scholarships and Fellowships	15,263,271	1,816,157
Depreciation and Amortization Expense	13,887,732	-
Auxiliary Enterprises		
Bookstore	7,990,066	-
Other	225,780	-
Columbus State Community Partners	66,854	-
Total Operating Expense	**249,576,064**	**8,464,116**
Operating Income (Loss)	**(110,508,163)**	**23,955,533**
NONOPERATING REVENUES (EXPENSES)		
State Appropriations	77,911,943	-
Unrestricted Investment Income (Net of Investment Expense)	1,758,074	186,281
Restricted Investment Income (Net of Investment Expense)	2,273,381	632,301
Interest on Capital Asset Related Debt	(2,685,298)	-
Pell Grant	29,582,503	-
Other Nonoperating Revenue (Expense)	12,780,323	-
Net Nonoperating Revenues	**121,620,926**	**818,582**
Income (Loss) Before Other Revenues and Expenses	**11,112,763**	**24,774,115**
Capital Appropriations	3,750,714	-
Change in Net Position	**14,863,477**	**24,774,115**
NET POSITION		
Net Position-Beginning of Year	**143,450,136**	**26,917,521**
Net Position-End of Year	**$ 158,313,613**	**$ 51,691,636**

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

COLUMBUS STATE COMMUNITY COLLEGE

STATEMENTS OF CASH FLOWS
For the Year Ended June 30, 2023

	2023	
	Columbus State	Component Unit
CASH FLOWS FROM OPERATING ACTIVITIES	**Community College**	**Development Foundation**
Tuition and Fees	$ 55,364,308	$ 61,403
Grants, Gifts and Contracts	69,412,523	8,995,373
Payments to Suppliers	(64,964,536)	(6,715,927)
Payments for Salaries and Benefits	(154,096,947)	-
Payments for Scholarships	(15,263,271)	(1,816,157)
Auxiliary Enterprise Receipts	8,847,190	-
Other Receipts (Payments)	1,074,621	-
Net Cash Provided By (Used In) Operating Activities	**(99,626,112)**	**524,692**
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Appropriations	77,911,943	-
Pell Grant	29,582,503	-
Other Nonoperating Revenues/(Expense)	13,545,067	-
Net Cash Provided By Noncapital Financing Activities	**121,039,513**	**-**
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Capital Appropriations	3,750,714	-
Purchases of Capital, Leased and Subscription Assets	(33,350,936)	-
Principal Paid on Capital Debt	(15,718,924)	-
Interest Paid on Capital Debt	(2,685,298)	-
Proceeds from Lease and Subscription Obligations	18,605,666	-
Principal Paid on Lease and Subscription Obligations	(3,634,685)	-
Interest Paid on Lease and Subscription Obligations	(764,744)	-
Net Cash Used In Capital Financing Activities	**(33,798,207)**	**-**
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale (Purchases) of Investments	4,855,961	885,964
Income on Investments	4,031,455	818,582
Net Cash Provided By (Used In) Investing Activities	**8,887,416**	**1,704,546**
NET CHANGE IN CASH AND CASH EQUIVALENTS	**(3,497,390)**	**2,229,238**
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	**13,429,997**	**6,701,470**
CASH AND CASH EQUIVALENTS - END OF YEAR	**$ 9,932,607**	**$ 8,930,708**

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

COLUMBUS STATE COMMUNITY COLLEGE

STATEMENTS OF CASH FLOWS
For the Year Ended June 30, 2023

	2023	
RECONCILIATION OF NET OPERATING REVENUES (EXPENSES) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	**Columbus State Community College**	**Component Unit Development Foundation**
Operating Loss	$ (110,508,163)	$ 23,955,533
Adjustments to Reconcile Net Operating Loss to Net Cash Provided (Used) By Operating Activities:		
Depreciation and Amortization Expense	13,887,732	-
Changes in Assets and Liabilities and Deferred Inflows of Resources and Deferred Outflows of Resources Which Provided (Used) Cash:		
Receivables, Net	(3,365,452)	(23,362,873)
Inventory	(458,681)	-
Other Assets	(820,415)	-
Accounts Payable & Accrued Liabilities	9,575,782	(67,968)
Unearned Revenue	(1,003,807)	-
Unamortized Loss on Refunding	8,778	-
Net Pension Asset/Liability	55,449,361	-
Net OPEB Asset/Liability	(7,814,460)	-
Deferred Outflows of Resources - Net Pension Expense	(462,118)	-
Deferred Outflows of Resources - Net OPEB Expense	1,271,018	-
Deferred Inflows of Resources - Net Pension Expense	(57,716,983)	-
Deferred Inflows of Resources - Net OPEB Expense	2,331,296	-
Net Cash Provided By (Used In) Operating Activities	**$ (99,626,112)**	**$ 524,692**

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 2023, 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. 96, *Subscription-Based Information Technology Arrangements,* GASB Statement No. 99, *Omnibus 2022,* GASB Statement No. 100, *Accounting Changes and Error Corrections-an amendment of GASB Statement No. 62,* and GASB Statement No. 101, *Compensated Absences*.

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, 2023, 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 10 years for land improvements, 10-45 years for buildings and fixed equipment, 5 years for library books and 5-20 years for equipment. Depreciation expense is not allocated to the functional expenditure categories.

Note 1 - Summary of Significant Accounting Policies (Continued)

Leased Assets
A leased asset is a lessee's right to use an asset over the life of a lease. The asset is calculated as the initial amount of the lease liability, plus any lease payments made to the lessor before the lease commencement date, plus any initial direct costs incurred, minus any lease incentives received. The amortization period of the leased asset is from the lease commencement date to the earlier of the end of the lease term or the end of the useful life of the asset. At the termination of the lease, the leased asset and associated lease liability are removed from the books of the lessee. The difference between the two amounts is accounted for as a gain or loss at that time.

Subscription Assets
A subscription asset is a subscriber's right to use an asset over the life of a subscription-based information technology arrangement (SBITA). The asset is calculated as the initial subscription liability, plus any payments made to the SBITA supplier before commencement of the subscription term, and any capitalizable implementation costs. Amortization of the subscription asset is recognized as an outflow of resources over the subscription term. Preliminary project activity outlays for costs such as selecting a SBITA supplier are expensed as incurred. Initial implementation costs, including ancillary charges to place the subscription asset into service, are capitalized. Operational and any subsequent implementation activities are expensed as incurred unless they meet specific capitalization criteria. At the termination of the subscription, the subscription asset and associated liability are removed from the books of the lessee. The difference between the two amounts is accounted for as a gain or loss at that time.

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, 2023.

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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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, 2023, for pension and OPEB. The deferred outflows of resources related to pension and OPEB plans are explained in Note 12 and Note 13.

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 12 and Note 13.

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.

Implementation of New Accounting Principles and Effect on Previously Reported Net Position

New Accounting Principle. For fiscal year 2023, the College implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for subscription-based information technology arrangements (SBITAs) by governments. This Statement increases the usefulness of governments' financial statements by establishing a definition and providing uniform guidance for reporting SBITAs. Under this Statement, the College is required to recognize a subscription liability and a subscription asset and disclose essential information about each arrangement to provide the scale and important aspects of the College's SBITA activities.

Effect on Previously Reported Net Position. The implementation of the GASB 96 pronouncement had no net effect on the net position as reported at June 30, 2022.

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, 2023, $250,000 of the bank balances were covered by federal deposit insurance and the remaining portions, $10,617,539 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, 2023:

Description	Fair Value
STAR Ohio	$ 31,951,851
Money Market Funds	21,140,479
Commercial Paper	15,441,662
Municipal Bonds	70,626,789
Corporate Bonds	51,198,131
U.S. Government Obligations	55,695,205
U.S. Agency Obligations	51,427,952
Total	$ 297,482,069

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, 2023, 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	$ 31,951,851	$ 31,951,851	$ -	$ -	$ -
Money Market Funds	21,140,479	21,140,479	-	-	-
Commercial Paper	15,441,662	15,441,662	-	-	-
Municipal Bonds	70,626,789	16,552,746	54,074,043	-	-
Corporate Bonds	51,198,131	19,160,159	32,037,972	-	-
U.S. Gov't Obligations	55,695,205	20,985,496	34,709,709	-	-
U.S. Agency Obligations	51,427,952	6,438,880	44,989,072	-	-
Total	$ 297,482,069	$ 131,671,273	$ 165,810,796	$ -	$ -

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

The College held $31,951,851 in STAR Ohio as of June 30, 2023. 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. 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, 2023, Standard & Poor rated STAR Ohio as AAAm.

The credit ratings of the College's interest-bearing investments at June 30, 2023, 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	$ 42,640,201	$ 31,951,851	$ -	$ -	$ 913,970	$ 9,774,380	$ -
AA+/AA/AA-	102,398,438	-	-	-	13,924,748	43,396,017	45,077,673
A+/A/A-	30,108,810	-	-	-	29,708,571	400,239	-
Unrated	122,334,620	-	21,140,479	15,441,662	6,650,842	72,751,358	6,350,279
Total	$ 297,482,069	$ 31,951,851	$ 21,140,479	$ 15,441,662	$ 51,198,131	$ 126,321,994	$ 51,427,952

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, 2023:

Year	Total	STAR Ohio	Money Market	Commercial Paper	US Govt Obligations & Bonds	U.S. Agency Oblig.
2023	100.0%	10.7%	7.1%	5.2%	59.7%	17.3%

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, 2023, 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, 2023.

Note 3 - Pledges, Grants and Accounts Receivable

2023	Gross Receivable	Allowance	Net Receivable
Students' and other	$ 38,961,061	$ (29,851,197)	$ 9,109,864
Grants and contracts	4,818,834	-	4,818,834
Total	$ 43,779,895	$ (29,851,197)	$ 13,928,698

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 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, 2023:

Assets and Liabilities Measured at Fair Value on a Recurring Basis

		Fair Value Measurements Using		
	Balance at June 30, 2023	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	$ 21,140,479	$ -	$ 21,140,479	$ -
Commercial Paper	15,441,662	-	15,441,662	-
Municipal Bonds	70,626,789	-	70,626,789	-
Corporate Bonds	51,198,131	-	51,198,131	-
U.S. Gov't Obligations	55,695,205	55,695,205	-	-
U.S. Agency Obligations	51,427,952	-	51,427,952	-
Total investments by fair value level	$ 265,530,218	$ 55,695,205	$ 209,835,013	$ -

Note 5- Capital, Leased, and Subscription Assets

Capital, leased, and subscription asset activity for the year ended June 30, 2023, was as follows:

	Balance June 30, 2022	Additions	Deductions	Balance June 30, 2023
Capital Assets:				
Land	$ 28,375,580	$ 2,727,753	$ -	$ 31,103,333
Works of Art	324,654	-	-	324,654
Construction in Progress	6,117,627	13,981,322	(3,673,713)	16,425,236
Total Cost of Nondepreciable Capital Assets	34,817,861	16,709,075	(3,673,713)	47,853,223
Buildings	217,635,976	-	-	217,635,976
Leasehold Improvements	970,841	-	-	970,841
Improvements other than Buildings	16,409,050	189,280	-	16,598,330
Moveable Equip, Furniture and Library Books	63,963,655	1,520,627	(42,000)	65,442,282
Total Cost of Depreciable Capital Assets	298,979,522	1,709,907	(42,000)	300,647,429
Total Cost of Capital Assets	333,797,383	18,418,982	(3,715,713)	348,500,652
Less Accumulated Depreciation				
Buildings	96,532,924	4,241,455	-	100,774,379
Improvements other than Buildings	6,728,370	4,080,640	-	10,809,010
Moveable Equip, Furniture and Library Books	51,517,905	2,615,632	(42,000)	54,091,537
Total Accumulated Depreciation	154,779,199	10,937,727	(42,000)	165,674,926
Total Capital Assets, Net	179,018,184	7,481,255	(3,673,713)	182,825,726
Leased Assets:				
Buildings	4,788,315	4,370,655	-	9,158,970
Equipment	787,311	-	-	787,311
Total Cost of Leased Assets	5,575,626	4,370,655	-	9,946,281
Less Accumulated Amortization	800,223	1,186,509	-	1,986,732
Total Leased Assets, Net	4,775,403	3,184,146	-	7,959,549
Subscription Assets	-	14,235,011	-	14,235,011
Less Accumulated Amortization	-	1,763,497	-	1,763,497
Total Subscription Assets, Net	-	12,471,514	-	12,471,514
Total Capital, Leased, and Subscription Assets, Net	$ 183,793,587	$ 23,136,915	$ (3,673,713)	$ 203,256,789

Note 6 - Accounts Payable and Accrued Liabilities

	2023
Payable to vendors and contractors	$ 6,078,760
Accrued expenses, primarily payroll and vacation leave	11,574,324
Employee withholdings and deposits payable to third parties	8,599,581
	$ 26,252,665
Current	$ 24,780,069
Noncurrent	1,472,596

Note 7 - Long Term Obligations

Long-term obligations as of June 30, 2023, is summarized as follows:

	Balance June 30, 2022	New Debt	Reduction	Balance June 30, 2023	Current Portion	Noncurrent Portion
Series 2020B bonds with interest rates ranging from .4% to 3% due serially through 2036	$ 106,395,000	$ -	$ (13,655,000)	$ 92,740,000	$ 9,830,000	$ 82,910,000
Premium on Bonds	1,044,195	-	(80,323)	963,872	80,323	883,549
Total Series 2020B	107,439,195	-	(13,735,323)	93,703,872	9,910,323	83,793,549
Series 2020A bonds with interest rates ranging from 2.1% to 3% due serially through 2041	30,000,000	-	-	30,000,000	-	30,000,000
Premium on Bonds	1,477,203	-	(82,067)	1,395,136	82,067	1,313,069
Total Series 2020A	31,477,203	-	(82,067)	31,395,136	82,067	31,313,069
Series 2018B bonds with an interest rate of 1.67% due serially through 2026	7,307,534	-	(894,800)	6,412,734	894,800	5,517,934
Series 2018A bonds with interest rates ranging from 3% to 5% due serially through 2038	12,200,000	-	-	12,200,000	-	12,200,000
Premium on Bonds	1,301,014	-	(86,734)	1,214,280	86,734	1,127,546
Total Series 2018A	13,501,014	-	(86,734)	13,414,280	86,734	13,327,546
Series 2012 bonds with an interest rate of 1.65% due serially through 2023	920,000	-	(920,000)	-	-	-
Total Bonds	160,644,946	-	(15,718,924)	144,926,022	10,973,924	133,952,098
Net Pension Liability						
STRS	55,245,168	35,326,510	-	90,571,678	-	90,571,678
SERS	47,683,654	20,122,851	-	67,806,505	-	67,806,505
Total Net Pension Liability	102,928,822	55,449,361	-	158,378,183	-	158,378,183
Net OPEB Liability						
STRS	-	-	-	-	-	-
SERS	22,977,611	-	(6,374,834)	16,602,777	-	16,602,777
Total Net OPEB Liability	22,977,611	-	(6,374,834)	16,602,777	-	16,602,777
Compensated Absences	7,203,417	515,945		7,719,362	6,246,766	1,472,596
Lease Liability	4,895,865	4,370,655	(851,683)	8,414,837	1,152,573	7,262,264
Subscription Liability	-	14,235,011	(2,783,002)	11,452,009	2,473,309	8,978,700
Total Long-Term Obligations	$ 298,650,661	$ 74,570,972	$ (25,728,443)	$ 347,493,190	$ 20,846,572	$ 326,646,618

Note 7 - Long Term Obligations (Continued)

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

Years ended June 30	Principal	Interest	Total
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	10,753,334	2,342,034	13,095,368
2028	7,125,000	2,230,753	9,355,753
2029-2033	36,735,000	9,126,194	45,861,194
2034-2038	35,910,000	5,033,560	40,943,560
2039-2041	18,510,000	622,781	19,132,781
	$ 141,352,734	$ 26,964,952	$ 168,317,686

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. 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 2020A and 2020B bonds are voted general obligation debt of the College.

Note 8 –Lease Liability – Leased Assets

The College has entered into contracts that convey the control of the right to use their nonfinancial assets (the underlying assets) for classroom, lab and office space and equipment as specified in the contracts for a period of time. The basis and terms of these contracts range from 2 years to 20 years after the commencement date with renewal terms ranging from 1 year to 10 years for up to two terms.

During the period, there were no outflows of resources recognized for variable payments not previously included in the measurement of the lease liability. Also, there were no outflows of resources recognized for other payments, such as residual value guarantees or termination penalties, not previously included in the measurement of the lease liability during the period. There were no commitments under leases before the commencement of the lease term.

Principal and interest amounts for the next five years and thereafter are as follows:

Years ended June 30	Principal	Interest	Total
2024	$ 1,152,573	$ 363,487	$ 1,516,060
2025	968,092	314,117	1,282,209
2026	1,025,941	268,100	1,294,041
2027	1,089,132	219,231	1,308,363
2028	1,080,015	166,658	1,246,673
2029-2033	2,952,086	255,429	3,207,515
2034-2038	67,191	30,604	97,795
2039-2040	79,807	10,362	90,169
	$ 8,414,837	$ 1,627,988	$ 10,042,825

Note 9 –Subscription Liability – Subscription Assets

The College has entered into contracts that convey the control of the right to use another party's information technology (IT) software, alone or in combination with tangible capital assets. The basis and terms of these contracts range from 2 years to 10 years after the commencement date with renewal terms ranging from 1 year to 3 years for up to four terms. The subscription term includes any periods of noncancellable right to use the underlying IT assets. The subscription term also includes periods covered by an option to extend when it is reasonably certain that the College or SBITA supplier will exercise the option or to terminate when it is reasonably certain that the College or SBITA supplier will not exercise the option.

During the period, there were no outflows of resources recognized for variable payments not previously included in the measurement of the subscription liability. Also, there were no outflows of resources recognized for other payments, such as termination penalties, not previously included in the measurement of the subscription liability during the period. There were no commitments under SBITAs before the commencement of the subscription term.

Short-term SBITAs with a maximum possible term of 12 months or less, including any options to extend, regardless of their probability of being exercised are recognized as outflows of resources.

Principal and interest amounts for the next five years and thereafter are as follows:

Years ended June 30	Principal	Interest	Total
2024	$ 2,473,309	$ 368,521	$ 2,841,830
2025	2,082,407	285,055	2,367,462
2026	1,309,093	210,484	1,519,577
2027	1,227,307	169,971	1,397,278
2028	1,280,001	132,635	1,412,636
2029-2031	3,079,892	157,832	3,237,724
	$ 11,452,009	$ 1,324,498	$ 12,776,507

On September 1, 2023, the College entered into a multi-year, consulting agreement to implement additional modules of an existing SBITA. The full amount of the increase to the asset and liability is not known at this time. Right-of-use of this asset will not occur prior to June 30, 2024.

Note 10 - 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 $7,719,362 as of June 30, 2023.

Note 11 - 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 12 - 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.

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 retirement systems to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each retirement

Note 12 - Defined Benefit Pension Plans (Continued)

system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension 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, 2023.

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, 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.

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. New benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. The COLA is indexed to the percentage increase in the CPI-W, not to exceed 2.5 percent and with a floor of 0 percent. The Retirement Board approved a 2.5 percent COLA for calendar year 2023.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the College is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS'

Note 12 - Defined Benefit Pension Plans (Continued)

Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2023, 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 year 2023. The College's contractually required contribution to SERS was $7,173,454 for fiscal year 2023.

Plan Description - State Teachers Retirement System (STRS)

Plan Description – College licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple-employer public employee retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about STRS' fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Web site at 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 on or after July 1, 2017, to 0 percent upon a determination by its actuary that it was necessary 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. Effective July 1, 2022, an ad-hoc COLA of 3 percent of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2023 as long as they retired prior to July 1, 2018. Eligibility changes will be phased in August 1, 2023, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 34 years of service credit and any age. Further adjusting to five years of service and age 65, or 35 years of service credit and any age as of August 1, 2028.

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 to 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.

Note 12 - Defined Benefit Pension Plans (Continued)

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. The fiscal year 2023 employer and employee contribution rate of 14 percent was equal to the statutory maximum rates. For fiscal year 2023, the full employer contribution was allocated to pension.

The College's contractually required contribution to STRS was $7,786,519 for fiscal year 2023.

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, 2023, the net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Note 12 - Defined Benefit Pension Plans (Continued)

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	$ 67,806,505	$ 90,571,678	$ 158,378,183
Proportion of the Net Pension Liability:			
Current Measurement Date	1.25363820%	0.40742764%	
Prior Measurement Date	1.29234150%	0.43207888%	
Change in Proportionate Share	-0.03870330%	-0.02465124%	
Pension Expense	$ 3,546,432	$ 8,683,801	$ 12,230,233

At June 30, 2023, 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	$ 2,746,219	$ 1,159,434	$ 3,905,653
Changes of assumptions	669,058	10,838,709	11,507,767
Net difference between projected and actual earnings on pension plan investments	-	3,151,696	3,151,696
Changes in employer proportionate share	438,631	267,848	706,479
College contributions subsequent to the measurement date	7,173,454	7,786,519	14,959,973
Total Deferred Outflows of Resources	$ 11,027,362	$ 23,204,206	$ 34,231,568
Deferred Inflows of Resources			
Differences between expected and actual experience	$ 445,134	$ 346,465	$ 791,599
Changes of assumptions	-	8,158,432	8,158,432
Net difference between projected and actual earnings on pension plan investments	2,366,137	-	2,366,137
Changes in employer proportionate share	1,439,591	4,893,954	6,333,545
Total Deferred Inflows of Resources	$ 4,250,862	$ 13,398,851	$ 17,649,713

Note 12 - Defined Benefit Pension Plans (Continued)

$14,959,973 reported at June 30, 2023, as deferred outflows of resources related to pension resulting from College contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2024	$ (11,738)	$ (1,267,972)	$ (1,279,710)
2025	(937,273)	(1,793,808)	(2,731,081)
2026	(3,380,078)	(4,104,823)	(7,484,901)
2027	3,932,135	9,185,439	13,117,574
Total	$ (396,954)	$ 2,018,836	$ 1,621,882

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.

Note 12 - Defined Benefit Pension Plans (Continued)

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

	June 30, 2022	June 30, 2021
Inflation	2.4 percent	2.4 percent
Future Salary Increases, including inflation	3.25 percent to 13.58 percent	3.25 percent to 13.58 percent
COLA or Ad Hoc COLA	2 percent, on or after April 1, 2018, COLAs for future retirees will be delayed for three years following commencement	2 percent, on or after April 1, 2018, COLAs for future retirees will be delayed for three years following commencement
Investment Rate of Return	7 percent net of system expenses	7 percent net of system expenses
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)	Entry Age Normal (Level Percent of Payroll)

Mortality rates were based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.2 percent for males and set forward 2 years and adjusted 81.35 percent for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

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

The long-term return expectation for the Pension Plan Investments has been determined by using a building-block approach and assumes a time horizon, as defined in SERS' *Statement of Investment 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%	-0.45%
US Equity	24.75%	5.37%
Non-US Equity Developed	13.50%	6.22%
Non-US Equity Emerging	6.75%	8.22%
Fixed Income/Global Bonds	19.00%	1.20%
Private Equity	11.00%	10.05%
Real Estate/Real Assets	16.00%	4.87%
Multi-Asset Strategy	4.00%	3.39%
Private Debt/Private Credit	3.00%	5.38%
Total	100.00%	

Note 12 - Defined Benefit Pension Plans (Continued)

Discount Rate The total pension liability for 2022 was calculated using the discount rate of 7 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 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 current discount rate, 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 or one percentage point higher than the current rate.

As of June 30, 2023	1% Decrease (6 percent)	Current Discount Rate (7 percent)	1% Increase (8 percent)
College's proportionate share of the net pension liability (dollars in thousands)	$ 99,808	$ 67,807	$ 40,846

Actuarial Assumptions - STRS

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

	June 30, 2022	June 30, 2021
Inflation	2.5 percent	2.5 percent
Projected Salary Increases	From 2.5 percent to 8.5 percent based on age	12.5 percent at age 20 to 2.5 percent at age 65
Investment Rate of Return	7 percent net of investments expense, including inflation	7 percent net of investments expense, including inflation
Discount Rate of Return	7 percent	7 percent
Payroll Increases	3 percent	3 percent
Cost-of-Living Adjustments (COLA)	0 percent	0 percent

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

Note 12 - Defined Benefit Pension Plans (Continued)

improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disable Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

For 2021, post-retirement 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. 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, 2022, valuations are based on the results of an actuarial experience study for the period July 1, 2016, through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

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

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

*Final target weights reflected October 1, 2022.
**10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent and is net of 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 12 - Defined Benefit Pension Plans (Continued)

Discount Rate The discount rate used to measure the total pension liability was 7 percent as of June 30, 2022. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with the 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, 2022. Therefore, the long-term expected rate of return on pension plan investments of 7 percent was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2022.

Sensitivity of the College's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the College's proportionate share of the net pension liability calculated using the current period discount rate assumption, 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 or one-percentage-point higher than the current rate:

As of June 30, 2023	1% Decrease (6 percent)	Current Discount Rate (7 percent)	1% Increase (8 percent)
College's proportionate share of the net pension liability (dollars in thousands)	$ 136,821	$ 90,572	$ 51,459

Changes between Measurement Date and the Fiscal Year End

In May 2023, the Board approved the following:

- Retirees who started receiving benefits on June 1, 2019, or earlier will receive a 1 percent cost-of-living adjustment (COLA) in fiscal year 2024. The increase will be added to the base benefit on the retirement date anniversary.
- For teachers now in the classroom, the current retirement eligibility rule requiring 34 years of service for an unreduced retirement has been extended five years through July 2028. The requirement was scheduled to increase to 35 years of service on August 1, 2023.

Any effect on the net pension liability is not known at this time.

Note 13 – Defined Benefit Other Postemployment 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.

Note 13 – Defined Benefit Other Postemployment 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. 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 OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. 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 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 OPEB plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. The following types of credit purchased after January 29, 1981, do not count toward health care coverage eligibility: military, federal, out-of-state, municipal, private school, exempted, and early retirement incentive credit. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Annual Comprehensive Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

Note 13 – Defined Benefit Other Postemployment Benefit (OPEB) Plans (Continued)

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2023, no allocation was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2023, this amount was $25,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2023, the College's surcharge obligation was $221,227.

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 $221,227 for fiscal year 2023. Of this amount, $0 was reported as accrued liabilities.

Plan Description - State Teachers Retirement System (STRS)

Plan Description – 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 year ended June 30, 2023, 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, 2023, the net OPEB liability (asset) was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of that date.

Note 13 – Defined Benefit Other Postemployment 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	$ 16,602,777	$ -	$ 16,602,777
Proportion of the Net OPEB Asset	-	(10,549,656)	(10,549,656)
Proportion of the Net OPEB Liability/Asset			
Current Measurement Date	1.18252520%	0.40742764%	
Prior Measurement Date	1.21408800%	0.43207888%	
Change in Proportionate Share	-0.03156280%	-0.02465124%	
OPEB Expense	$ (2,045,872)	$ (1,945,046)	$ (3,990,918)

At June 30, 2023, 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	$ 139,571	$ 152,939	$ 292,510
Changes of assumptions	2,640,885	449,377	3,090,262
Net difference between projected and actual earnings on OPEB plan investments	86,291	183,644	269,935
Changes in employer proportionate share	487,707	79,010	566,717
College contributions subsequent to the measurement date	221,227	-	221,227
Total Deferred Outflows of Resources	$ 3,575,681	$ 864,970	$ 4,440,651
Deferred Inflows of Resources			
Differences between expected and actual experience	$ 10,620,354	$ 1,584,367	$ 12,204,721
Changes of assumptions	6,815,561	7,480,737	14,296,298
Changes in employer proportionate share	1,102,111	75,012	1,177,123
Total Deferred Inflows of Resources	$ 18,538,026	$ 9,140,116	$ 27,678,142

Note 13 – Defined Benefit Other Postemployment Benefit (OPEB) Plans (Continued)

$221,227 reported as deferred outflows of resources related to OPEB resulting from College contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (adjustment to net OPEB asset) in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2024	$ (3,471,139)	$ (2,463,586)	$ (5,934,725)
2025	(3,403,641)	(2,356,221)	(5,759,862)
2026	(2,933,852)	(1,129,271)	(4,063,123)
2027	(1,881,044)	(468,324)	(2,349,368)
2028	(1,317,255)	(614,547)	(1,931,802)
Thereafter	(2,176,641)	(1,243,197)	(3,419,838)
Total	$(15,183,572)	$ (8,275,146)	$(23,458,718)

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.

Note 13 – Defined Benefit Other Postemployment Benefit (OPEB) Plans (Continued)

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

	June 30, 2022	June 30, 2021
Inflation	2.4 percent	2.4 percent
Future Salary Increases, Including Inflation		
Wage Increases	3.25 percent to 13.58 percent	3.25 percent to 13.58 percent
Investment Rate of Return	7 percent net of investment expense, including inflation	7 percent net of investment expense, including inflation
Fiduciary Net Position is Projected to be Depleted	2044	2042
Municipal Bond Index Rate:		
Measurement Date	3.69 percent	1.92 percent
Prior Measurement Date	1.92 percent	2.45 percent
Single Equivalent Interest Rate (SEIR), net of plan investment expense, including price inflation:		
Measurement Date	4.08 percent	2.27 percent
Prior Measurement Date	2.27 percent	2.63 percent
Health Care Cost Trend Rate:		
Medicare	5.125 percent to 4.4 percent	5.125 percent to 4.4 percent
Pre-Medicare	6.75 percent to 4.4 percent	6.75 percent to 4.4 percent
Medical Trend Assumption	7 percent to 4.4 percent	7 percent to 4.4 percent

Mortality rates among healthy retirees were based on the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.2 percent for males and set forward 2 years and adjusted 81.35 percent for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females. Mortality rates for contingent survivors were based on PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5 percent for males and adjusted 122.5 percent for females. Mortality rates for actives is based on PUB-2010 General Amount Weighted Below Median Employee mortality table.

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

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2016 through 2020 and was adopted by the Board in 2021.

Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a long-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 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

Note 13 – Defined Benefit Other Postemployment Benefit (OPEB) Plans (Continued)

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, 2020, five-year experience study, are summarized as follows:

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

Discount Rate The discount rate used to measure the total OPEB liability at June 30, 2022, was 4.08 percent. The discount rate used to measure total OPEB liability prior to June 30, 2021, was 2.27 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the contribution rate of 1.5 percent of projected covered payroll each year, which includes a 1.5 percent payroll surcharge and no contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make all projected future benefit payments of current System members by SERS actuaries. The Municipal Bond Index Rate is used in the determination of the SEIR for both the June 30, 2022, and the June 30, 2021, total OPEB liability. The Municipal Bond Index rate is the single rate that will generate a present value of benefit payments equal to the sum of the present value determined by the long-term expected rate of return, and the present value determined by discounting those benefits after the date of depletion. The Municipal Bond Index Rate is 3.69 percent at June 30, 2022, and 1.92 percent at June 30, 2021.

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 and higher than the current discount rate. Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower and higher than the current rate.

Note 13 – Defined Benefit Other Postemployment Benefit (OPEB) Plans (Continued)

As of June 30, 2023	1% Decrease (3.08 percent)	Current Discount Rate (4.08 percent)	1% Increase (5.08 percent)
College's proportionate share of the net OPEB liability (dollars in thousands)	$ 20,621	$ 16,603	$ 13,359

As of June 30, 2023	1% Decrease (6% decreasing to 3.4%)	Current Trend Rate (7% decreasing to 4.4%)	1% Increase (8% decreasing to 5.4%)
College's proportionate share of the net OPEB liability (dollars in thousands)	$ 12,804	$ 16,603	$ 21,565

Actuarial Assumptions – STRS

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

	June 30, 2022	June 30, 2021
Projected salary increases	Varies by service from 2.5 percent to 12.5 percent	Varies by service from 2.5 percent to 12.5 percent
Investment Rate of Return	7 percent, net of investment expenses, including inflation	7 percent, net of investment expenses, including inflation
Payroll Increases	3 percent	3 percent
Discount Rate of Return	7 percent	7 percent
Health Care Cost Trends:		
Medical		
Pre-Medicare	7.5 percent initial, 3.94 percent ultimate	5 percent initial, 4 percent ultimate
Medicare	-68.78 percent initial, 3.94 percent ultimate	-16.18 percent initial, 4 percent ultimate
Prescription Drug		
Pre-Medicare	9 percent initial, 3.94 percent ultimate	6.5 percent initial, 4 percent ultimate
Medicare	-5.47 percent initial, 3.94 percent ultimate	29.98 percent initial, 4 percent ultimate

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

For 2022, healthy retirees post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110 percent for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95 percent for females, projected forward generationally using mortality improvement scale MP-2020.

Note 13 – Defined Benefit Other Postemployment Benefit (OPEB) Plans (Continued)

For disabled retirees, mortality rates are based on Pub-2010 Teachers Disable Annuitant Table projected forward generationally using mortality improvement scale MP-2020. For 2021, healthy retirees 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 July 1, 2022, valuations are based on the results of an actuarial experience study for the period July 1, 2016, through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

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 Rate of Return**
Domestic Equity	26.00%	6.60%
International Equity	22.00%	6.80%
Alternatives	19.00%	7.38%
Fixed Income	22.00%	1.75%
Real Estate	10.00%	5.75%
Liquidity Reserves	1.00%	1.00%
Total	100.00%	

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

**10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent and is net of 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 percent as of June 30, 2022. 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, 2022. Therefore, the long-term expected rate of return on health care plan investments of 7 percent was applied to all periods of projected health care costs to determine the total OPEB liability as of June 30, 2022.

Note 13 – Defined Benefit Other Postemployment Benefit (OPEB) Plans (Continued)

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, calculated using the current period discount rate assumption, 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 or one percentage point higher 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.

As of June 30, 2023	1% Decrease (6 percent)	Current Discount Rate (7 percent)	1% Increase (8 percent)
College's proportionate share of the net OPEB (asset) liability (dollars in thousands)	$ (9,753)	$ (10,550)	$ (11,232)

As of June 30, 2023	1% Decrease	Current Trend Rate	1% Increase
College's proportionate share of the net OPEB (asset) liability (dollars in thousands)	$ (10,943)	$ (10,550)	$ (10,054)

Changes between Measurement Date and the Fiscal Year End

In May 2023, the Board approved the following:

- Retirees who started receiving benefits on June 1, 2019, or earlier will receive a 1 percent cost-of-living adjustment (COLA) in fiscal year 2024. The increase will be added to the base benefit on the retirement date anniversary.
- For teachers now in the classroom, the current retirement eligibility rule requiring 34 years of service for an unreduced retirement has been extended five years through July 2028. The requirement was scheduled to increase to 35 years of service on August 1, 2023.

Any effect on the net OPEB (asset) liability is not known at this time.

Note 14 - 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

Note 14 - Risk Management (Continued)

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. Claims liabilities of $3,190,465 were reported at June 30, 2023, 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.

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
2023	$2,214,317	$18,647,203	$17,671,055	$3,190,465
2022	$2,009,384	$18,082,757	$17,877,824	$2,214,317
2021	$1,730,025	$13,041,240	$12,761,881	$2,009,384

In addition to the expense incurred in claim payments, the College paid $1,789,978, $2,053,069, and $1,798,673 in fees for administration of the self-insurance plans for 2023, 2022, and 2021, respectively.

Note 15 - Capital Projects Commitments

At June 30, 2023, the College was committed to future capital expenditures as follows:

Contractual commitments:		2023
Early Child Development Center	$	2,239,930
Organic Chemistry Labs		761,128
Parking Garage Upgrades		657,097
Geology Lab		139,791
Roof Replacement		1,090,642
Davidson Hall Exterior and Roof Upgrades		1,512,558
Moeller Hall Chiller and Boiler Upgrades		1,368,018
	$	7,769,164

Note 16 – Pending Litigation

At June 30, 2023, 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 17 - Operating Expenses By Natural Classification

The College's operating expenses by natural classification were as follows for the year ended June 30, 2023:

	2023
Salaries and wages	$ 123,895,045
Employee benefits	37,336,847
Impact of GASB 68	(2,729,740)
Impact of GASB 75	(4,212,146)
Utilities	3,665,759
Supplies and other services	62,469,296
Depreciation	13,887,732
Student scholarships and financial aid	15,263,271
	$ 249,576,064

Note 18 - 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, 2023. Uninsured cash funds held by banks are subject to a collateral agreement covering all public funds held by the bank. As of June 30, 2023, the Foundation had bank balances of $6,443,478.

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.

Note 18 - Component Unit Disclosures (Continued)

The following summarizes the cost and fair value of investments of the Foundation at June 30, 2023:

	2023	
	Cost	Fair Value
Equity Funds	$ 280,498	$ 285,644
Common & Preferred Stock	4,610,789	5,632,493
Corporate Debt	8,539,591	7,861,525
	$ 13,430,878	$ 13,779,662

Promises to Give

Unconditional promises to give consist of the following as of June 30, 2023:

	2023
Outstanding Pledges at Year End	$ 31,033,492
Less: Discounts and allowances for uncollectible pledges	(459,124)
Unconditional provises to give, net	$ 30,574,368

As of June 30, 2023:

Amounts to be received in:	Gross Amount	Allowance/ Discount	Net Amount
Less than one year	$ 28,564,642	$ -	$ 28,564,642
One to five years	2,468,850	(459,124)	2,009,726
Total	$ 31,033,492	$ (459,124)	$ 30,574,368

Note 19 - 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, 2023, $3,380,000 has been paid to the annuitants.

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)

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
2023	1.25363820%	$ 67,806,505	$ 46,831,457	144.79%	75.82%
2022	1.29234150%	47,683,654	44,611,664	106.89%	82.86%
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
2023	0.40742764%	$ 90,571,678	$ 52,397,071	172.86%	78.88%
2022	0.43207888%	55,245,168	52,611,171	105.01%	87.78%
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 the College Contributions--Pension
State Teachers 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
2023	$ 7,173,454	$ (7,173,454)	$ -	$ 51,238,957	14.00%
2022	6,556,404	(6,556,404)	-	46,831,457	14.00%
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%

See accompanying notes to the required supplementary information.

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
2023	$ 7,786,519	$ (7,786,519)	$ -	$ 55,617,993	14.00%
2022	7,335,590	(7,335,590)	-	52,397,071	14.00%
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%

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
2023	1.18252520%	$ 16,602,777	$ 46,831,457	35.45%	30.34%
2022	1.21408800%	22,977,611	44,611,664	51.51%	24.08%
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
2023	0.40742764%	$ (10,549,656)	$ 52,397,071	-20.13%	230.73%
2022	0.43207888%	(9,110,030)	52,611,171	-17.32%	174.73%
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
2023	$ 221,227	$ (221,227)	$ -	$ 51,238,957	0.43%
2022	264,209	(264,209)	-	46,831,457	0.56%
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%

(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
2023	$ -	$ -	$ -	$ 55,617,993	0.00%
2022	-	-	-	52,397,071	0.00%
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%

See accompanying notes to the required supplementary information.

Note 1- Net Pension Liability

School Employees Retirement System (SERS)

Changes in Benefit Terms:
2023: There were no changes in benefit terms since the prior measurement period.

2022: Cost of Living Adjustments (COLA) increased from 0.5 percent to 2.5 percent.

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 percent 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 percent and a floor of 0 percent.

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

Changes in Assumptions:
2023: Cost of Living Adjustments (COLA) increased from 2 percent to 2.5 percent for calendar year 2023. This change in assumptions affected the total pension liability since the prior measurement date.

2022: 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 percent to 2.4 percent,
(2) Payroll growth assumption was reduced from 3.5 percent to 1.75 percent,
(3) Assumed real wage growth was increased from 0.5 percent to 0.85 percent,
(4) Cost of Living Adjustments (COLA) was reduced from 2.5 percent to 2 percent,
(5) The discount rate was reduced from 7.5 percent to 7 percent,
(6) Rates of withdrawal, compensation, participation, spouse coverage assumption, retirement, and disability were updated to reflect recent experience, and,
(7) Mortality among active members, service retirees and beneficiaries, and disabled members were updated.

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

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

(1) The assumed rate of inflation was reduced from 3.25 percent to 3 percent,
(2) Payroll growth assumption was reduced from 4 percent to 3.5 percent,
(3) Assumed real wage growth was reduced from 0.75 percent to 0.5 percent,
(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 percent of male rates, and 110 percent of female rates,

(7) Mortality among disabled members was updated to 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, and
(8) The discount rate was reduced from 7.75 percent to 7.5 percent.

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:
2019-2023: 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:
2023: The following changes of assumptions affected the total pension liability since the prior measurement date:

(1) Post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table:
   a. Adjusted 110 percent for males, projected forward generationally using mortality improvement scale MP-2020
(2) Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table:
   a. Adjusted 95 percent for females, projected forward generationally using mortality improvement scale MP-2020
(3) Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disable Annuitant Table:
   a. Projected forward generationally using mortality improvement scale MP-2020
(4) Projected salary increases changed from 2.5 percent to 12.5 percent to 2.5 percent to 8.5 percent

2022: There were changes in assumptions since the prior measurement date, which the discount rate was adjusted to 7 percent from 7.45 percent.

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 percent to 7.45 percent,
(2) The inflation assumption was lowered from 2.75 percent to 2.5 percent,
(3) The payroll growth assumption was lowered to 3 percent,
(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 percent 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:
2017-2023: There were no changes in benefit terms from the amounts reported for these fiscal years.

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

(1) Discount Rate:
- Prior Measurement Date 2.27%
- Measurement Date 4.08%

(2) Municipal Bond Index Rate:
- Prior Measurement Date 1.92%
- Measurement Date 3.69%

(3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:
- Prior Measurement Date 2.27%
- Measurement Date 4.08%

(4) Health care trend rates were updated.

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

(1) Discount Rate:
- Prior Measurement Date 2.63%
- Measurement Date 2.27%

(2) Investment Rate of Return:
- Prior Measurement Date 7.50%
- Measurement Date 7.00%

(3) Assumed Rate of Inflation:
- Prior Measurement Date 3.00%
- Measurement Date 2.40%

(4) Payroll Growth Assumption:
- Prior Measurement Date 3.50%
- Measurement Date 1.75%

(5) Assumed Real Wage Growth:
- Prior Measurement Date 0.50%
- Measurement Date 0.85%

(6) Municipal Bond Index Rate:
- Prior Measurement Date 2.45%
- Measurement Date 1.92%

(7) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:
- Prior Measurement Date 2.63%
- Measurement Date 2.27%

(8) Rates of withdrawal, retirement and disability were updated to reflect recent experience.

(9) Rate of health care participation for future retirees and spouses was updated to reflect recent experience.

(10) Mortality among active members was updated to the following:
   a. PUB-2010 General Amount Weighted Below Median Employee mortality table.

(11) Mortality among service retired members was updated to the following:
  a. PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.2 percent for males and set forward 2 years and adjusted 81.35 percent for females.

(12) Mortality among beneficiaries was updated to the following:
  a. PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5 percent for males and adjusted 122.5 percent for females.

(13) Mortality among disabled member was updated to the following:
  a. PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females.

(14) Mortality rates are projected using a fully generational projection with Scale MP-2020.

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 percent to 3 percent,
(2) Payroll growth assumption was reduced from 4 percent to 3.5 percent,
(3) Assumed real wage growth was reduced from 0.75 percent to 0.5 percent,
(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 percent of male rates, and 110 percent of female rates, and
(7) Mortality among disabled members was updated to 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.

State Teachers Retirement System (STRS)

Changes in Benefit Terms:
2023: Salary increase rates were updated based on the actuarial experience study for the period July 1, 2016, through June 30, 2021, and were changed from age based to service based. Healthcare trends were updated to reflect emerging claims and recoveries experience.

2022: The non-Medicare subsidy percentage was increased effective January 1, 2022, from 2.055 percent to 2.1 percent. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D subsidy was updated to reflect it is expected to be negative in CY2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

2021: There was no change to the claims costs process. Claim curves were updated to reflect the projected 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 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.

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 percent to 1.984 percent 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 percent 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 1.9 percent to 1.944 percent per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased effective January 1, 2019, and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020. The Board is extending the current Medicare Part B partial reimbursement program for one year. Under this program, benefit recipients currently enrolled in the STRS Ohio Health Care Program and Medicare Part B receive $29.90 per month to reimburse a portion of the Medicare Part B premium. The reimbursement was set to be reduced to $0 beginning January 1, 2020. This impacts about 85,000 benefit recipients.

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

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

Changes in Assumptions:
2023: There were no changes in assumptions since the prior measurement date.

2022: There were changes in assumptions since the prior measurement date, which the discount rate was adjusted to 7 percent from 7.45 percent.

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 percent to the long-term expected rate of return of 7.45 percent 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, 2023

	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	$ 1,065,779	$ -
Federal Direct Student Loans	84.268	N/A	21,460,926	-
Federal Work-Study Program	84.033	N/A	167,824	-
Federal Pell Grant Program	84.063	N/A	29,536,927	-
Total Student Financial Assistance Cluster			**52,231,456**	**-**
TRIO Cluster:				
TRIO Upward Bound	84.047	N/A	278,206	-
TRIO Student Support Services	84.042	N/A	335,390	-
TRIO Talent Search	84.044	N/A	277,544	-
Total TRIO Cluster			**891,140**	**-**
Higher Education Institutional Aid	84.031	N/A	255,636	-
COVID 19 Higher Education Emergency Relief Fund - Student Aid Portion	84.425E	N/A	6,871,190	-
COVID 19 Higher Education Emergency Relief Fund - Institutional Portion	84.425F	N/A	23,828,488	-
COVID 19 Higher Education Emergency Relief Fund - Strengthening Institutions Program (SIP)	84.425M	N/A	2,659,622	-
Total Education Stabilization Fund			**33,359,300**	**-**
Passed through Ohio Department of Education				
Career and Technical Education - Basic Grants to States	84.048	3L90	605,407	-
Twenty-First Century Community Learning Centers	84.287	3Y20	319,955	-
Total US Department of Education			**87,662,894**	**-**
US DEPARTMENT OF LABOR				
Direct Recipient				
H-1B Job Training Grants	17.268	N/A	888,383	254,057
Passed through Franklin County Department of Job and Family Services				
WIOA Cluster:				
WIA Adult Program	17.258	N/A	10,636	-
Total WIOA Cluster			**10,636**	**-**
Passed through Ohio Department of Job and Family Services				
Trade Adjustment Assistance	17.245	N/A	3,692	-
Passed through Lorain County Community College				
H-1B Job Training Grants	17.268	N/A	113,794	-
Total US Department of Labor			**1,016,505**	**254,057**
US DEPARTMENT OF VETERANS AFFAIRS				
Direct Recipient				
Veteran Readiness and Employment	64.116	N/A	288,939	-
Total US Department of Veterans Affairs			**288,939**	**-**
US SMALL BUSINESS ADMINISTRATION				
Passed through Ohio Development Services Agency				
Small Business Development Centers	59.037	DEVFSBA21 OSBG-22-301	17,287	-
Total US Small Business Administration			**17,287**	**-**
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE				
Direct Recipient				
AmeriCorps State and National	94.006	N/A	20,733	-
Total Corporation for National and Community Service			**20,733**	**-**

COLUMBUS STATE COMMUNITY COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2023

	Assistance Listing Number	Pass Through Number	Expenditures	Passed Through to Subrecipient
NATIONAL SCIENCE FOUNDATION				
Direct Recipient				
Research and Development Cluster:				
STEM Education	47.076	N/A	781,276	137,021
Passed through The Ohio State University Research Foundation				
Research and Development Cluster:				
STEM Education	47.076	60042097-CSCC; RF01144350;	73,711	-
Passed through Rutgers University				
Research and Development Cluster:				
STEM Education	47.076	N/A	7,623	-
Total Research and Development Cluster			**862,610**	**137,021**
Total National Science Foundation			**862,610**	**137,021**
INSTITUTE OF MUSEUM AND LIBRARY SERVICES				
Direct Recipient				
Grants to States	45.310	N/A	15,743	-
Total Institute of Museum and Library Services			**15,743**	**-**
US DEPARTMENT OF DEFENSE				
Direct Recipient				
GenCyber Grants Program	12.903	N/A	93,124	-
Passed through Lorain County Community College				
Basic and Applied Scientific Research	12.300	N/A	50,447	-
Total US Department of Defense			**143,571**	**-**
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION				
Direct Recipient				
Science	43.001	N/A	1,704	-
Total National Aeronautics and Space Administration			**1,704**	**-**
US DEPARTMENT OF COMMERCE				
Direct Recipient				
Manufacturing Extension Partnership	11.611	N/A	21,559	-
Passed through The State of Ohio				
Manufacturing Extension Partnership	11.611	MEPG20200246, MEPG20200518	693,587	-
Total US Department of Commerce			**715,146**	**-**
US DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Direct Recipient				
Health Careers Opportunity Program (HCOP)	93.822	N/A	454,742	-
Passed through The Ohio State University				
Nursing Research	93.361	60076723	16,797	-
Total US Department of Health and Human Services			**471,539**	**-**
US DEPARTMENT OF THE TREASURY				
Direct Recipient				
Emergency Rental Assistance Program	21.023	N/A	538,012	-
Passed through the City of Columbus				
COVID 19 Coronavirus Relief Fund	21.019	N/A	363,610	-
Total US Department of the Treasury			**901,622**	**-**
US DEPARTMENT OF TRANSPORTATION				
Direct Recipient				
Aviation Maintenance Technical Workforce Grant Program	20.112	N/A	74,253	-
Total US Department of Transportation			**74,253**	-
			$ 92,192,546	**$ 391,078**

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, 2023

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 2023:

Assistance Listing Number	Program Name	Amount
84.268	Federal Subsidized Direct Loans	$ 11,269,795
84.268	Federal Unsubsidized Direct Loans	9,788,648
84.268	Federal PLUS Loans	402,483
	Total Federal Direct Student Loans	$ 21,460,926

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *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, 2023, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated October 30, 2023. 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. We noted the College adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 96, Subscription-Based Information Technology Arrangements.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the College's internal control over financial reporting (internal control) as a basis for designing 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 30, 2023

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

Board of Trustees
Columbus State Community College

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Columbus State Community College (the College) compliance with the types of compliance requirements identified as subject to audit 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, 2023. 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.

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, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

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Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

Report on Internal Control over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of 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 30, 2023

COLUMBUS STATE COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2023

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:

Education Stabilization Fund:
HEERF-Student Aid Portion ALN 84.425E
HEERF-Institutional Portion ALN 84.425F
HEERF-Strengthening Institutions Program ALN 84.425M

Dollar threshold used to distinguish between Type A and Type B Programs	$2,765,776
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, 2023

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 11/21/2023

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