COLUMBUS STATE COMMUNITY COLLEGE
FRANKLIN COUNTY

COLUMBUS STATE

COMMUNITY COLLEGE

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2020

PLATTENBURG
Certified Public Accountants

OHIO AUDITOR OF STATE
KEITH FABER

88 East Broad Street
Columbus, Ohio 43215
IPAReport@ohioauditor.gov
(800) 282-0370

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, 2019 through June 30, 2020. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Keith Faber
Auditor of State
Columbus, Ohio

February 01, 2021

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COLUMBUS STATE COMMUNITY COLLEGE
FRANKLIN COUNTY
FOR THE YEAR ENDED JUNE 30, 2020

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COLUMBUS STATE COMMUNITY COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2020

	CFDA #	Pass Through Number	Expenditures	Passed Through to Sub-recipient
US DEPARTMENT OF EDUCATION				
Direct Recipient				
Student Financial Assistance Cluster:				
Federal Supplemental Educational Opportunity Grants	84.007	N/A	$ 830,154	$ -
Federal Direct Student Loans	84.268	N/A	28,118,967	-
Federal Work-Study Program	84.033	N/A	343,723	-
Federal Pell Grant Program	84.063	N/A	31,126,981	-
Total Student Financial Assistance Cluster			**60,419,825**	**0**
TRIO Cluster:				
TRIO Upward Bound	84.047	N/A	289,288	-
TRIO Student Support Services	84.042	N/A	272,891	-
TRIO Talent Search	84.044	N/A	242,175	-
Total TRIO Cluster			**804,354**	**0**
Investing in Innovation (i3) Fund	84.411	N/A	2,072,700	1,136,100
Higher Education Institutional Aid - Creating a Comprehensive Student Completion Model	84.031	N/A	437,465	-
Higher Education Institutional Aid Supplemental	84.031A	N/A	124,213	-
COVID 19 Higher Education Emergency Relief Fund - Student Aid Portion	84.425E	N/A	2,282,158	-
COVID 19 Higher Education Emergency Relief Fund - Institutional Portion	84.425F	N/A	821,656	-
Total Education Stabilization Fund			3,103,814	0
Passed through The Ohio State University				
Transition Programs for Students with Intellectual Disabilities Into Higher Education	84.407	P407A150080	33,816	-
Passed through Ohio Department of Education				
Career and Technical Education - Basic Grants to States	84.048	3L90	555,574	-
Twenty-First Century Community Learning Centers	84.287	3Y20	443,799	-
Total US Department of Education			**67,995,560**	**1,136,100**
US DEPARTMENT OF AGRICULTURE				
Passed through Ohio Department of Education				
Child Nutrition Cluster:				
Summer Food Service Program for Children	10.559	3GEO	1,098	-
Total Child Nutrition Cluster			1,098	0
Total US Department of Agriculture			**1,098**	**0**
US DEPARTMENT OF LABOR				
Direct Recipient				
H-1B Job Training Grants	17.268	N/A	338,558	95,567
Passed through Franklin County Department of Job and Family Services				
WIOA Cluster				
WIA Adult Program	17.258	N/A	6,228	-
Total WIOA Cluster			6,228	0
Passed through Ohio Department of Job and Family Services				
Trade Adjustment Assistance	17.245	N/A	26,117	-
Passed through Ohio Department of Job and Family Services				
Apprenticeship USA Grants	17.285	N/A	74,915	-
Passed through American Association of Community Colleges				
Apprenticeship USA Grants	17.285	N/A	23,951	-
Passed through Lorain County Community College				
H-1B Job Training Grants	17.268	N/A	13,272	-
Total US Department of Labor			**483,041**	**95,567**
US DEPARTMENT OF VETERANS AFFAIRS				
Direct Recipient				
Vocational Rehabilitation for Disabled Veterans	64.116	N/A	423,854	-
Total US Department of Veterans Affairs			**423,854**	**0**
US SMALL BUSINESS ADMINISTRATION				
Passed through Ohio Department of Development				
Small Business Development Centers	59.037	DEVFSBA18 OSBG-18-301C; DEVFSBA19 OSBG-20-301	518,299	-
Passed through Ohio Development Services Agency				
Small Business Development Centers	59.037	DEVFCV30 OSBG-20-331	14,711	-
Total US Small Business Administration			**533,010**	**0**
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE				
Direct Recipient				
AmeriCorps	94.006	N/A	47,300	-
Total Corporation for National and Community Service			**47,300**	**0**

COLUMBUS STATE COMMUNITY COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2020

	CFDA #	Pass Through Number	Expenditures	Passed Through to Sub-recipient
NATIONAL SCIENCE FOUNDATION				
Direct Recipient				
Education and Human Resources	47.076	N/A	1,303,523	60,217
Passed through Ohio State University Research Foundation				
Education and Human Resources	47.076	60042097-CSCC; RF01144350	39,485	-
Passed through Sinclair Community College				
Education and Human Resources	47.076	CSCC - 1600455	15,990	-
Total National Science Foundation			**1,358,998**	**60,217**
DEPARTMENT OF JUSTICE				
Passed through Ohio Attorney General				
Crime Victim Assistance	16.575	2019-VOCA-132131990	145,708	-
Total Department of Justice			**145,708**	**0**
INSTITUTE OF MUSEUM AND LIBRARY SERVICES				
Direct Recipient				
Grants to States	45.310	N/A	4,935	-
Total Institute of Museum and Library Services			**4,935**	**0**
DEPARTMENT OF DEFENSE				
Direct Recipient				
GenCyber Grants Program	12.903	N/A	27,683	-
Total Department of Defense			**27,683**	**0**
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION				
Direct Recipient				
Aerospace Education Services Program	43.001	N/A	37,862	-
Total National Aeronautics and Space Administration			**37,862**	**0**
DEPARTMENT OF COMMERCE				
Passed through The State of Ohio				
Manufacturing Extension Partnership	11.611	MEPG20200246, MEPG20200518	194,532	-
Total Economic Development Cluster			**194,532**	**0**
DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Direct Recipient				
Health Careers Opportunity Program	93.822	N/A	398,852	-
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	N/A	110,992	-
NIEHS Hazardous Waste Worker Health and Safety Training	93.142	N/A	1,442	-
Total Department of Health and Human Services			**511,286**	**0**
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Passed through the City of Columbus, Ohio				
CDBG-Entitlement Grants Cluster				
Community Development Block Grant	14.218	B18MC390009	23,022	-
Total CDBG-Entitlement Grants Cluster			23,022	0
Total Department of Housing and Unban Development			**23,022**	**0**
TOTAL FEDERAL AWARD EXPENDITURES			**$ 71,787,889**	**$ 1,291,884**

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

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 2020:

CFDA Number	Program Name	Amount
84.268	Federal Subsidized Direct Loans	$ 14,988,077
84.268	Federal Unsubsidized Direct Loans	12,870,675
84.268	Federal PLUS Loans	260,215
	Total Federal Direct Student Loans	$ 28,118,967

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

Board of Trustees
Columbus State Community College

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and discretely presented component unit of Columbus State Community College (the College), a component unit of the State of Ohio, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated October 15, 2020. Our report includes a reference to other auditors who audited the financial statements of the discretely presented component unit, as described in our report on the College's basic financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control over Financial Reporting

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

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

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

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Compliance and Other Matters

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

Purpose of this Report

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

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.
Columbus, Ohio
October 15, 2020

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

Board of Trustees
Columbus State Community College

Report on Compliance for Each Major Federal Program

We have audited the Columbus State Community College's (the College) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the College's major federal programs for the year ended June 30, 2020. The College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the College's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (*Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the College's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the College, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control over Compliance

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

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

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the business-type activities and the discretely presented component unit of the College, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the College's basic financial statements. We issued our report thereon dated October 15, 2020, which contained unmodified opinions on those financial statements. 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. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. We have not performed any procedures to the audited financial statements subsequent to October 15, 2020. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance 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 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.

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.
Columbus, Ohio
January 20, 2021

COLUMBUS STATE COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2020

Section I – Summary of Auditor's Results

Financial Statements

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

Federal Awards

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

Identification of major federal programs:

Student Financial Assistance Cluster
Education Stabilization Fund 84.425
Investing in Innovation 84.411
Education and Human Resources 47.076

Dollar threshold used to distinguish between Type A and Type B Programs	$750,000
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, 2020

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

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COLUMBUS STATE COMMUNITY COLLEGE

COLUMBUS STATE

COMMUNITY COLLEGE

Basic Financial Statements

June 30, 2020

PLATTENBURG
Certified Public Accountants

COLUMBUS STATE COMMUNITY COLLEGE

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Columbus State Community College

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and discretely presented component unit of Columbus State Community College (the College), a component unit of the State of Ohio, as of and for the years ended June 30, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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Opinion

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the College, as of June 30, 2020 and 2019 and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 20 to the financial statements, during 2020, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the College. We did not modify our position regarding this matter.

Other Matters

Required Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2020, on our consideration of the College's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.
Columbus, Ohio
October 15, 2020

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, 2020; and financial activity for the fiscal year July 1, 2019 through June 30, 2020, with selected comparative information for the fiscal years ended June 30, 2019 and June 30, 2018, when appropriate. This discussion should be read in conjunction with the accompanying financial statements and notes herein.

ABOUT THE COLLEGE

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

Founded in 1963 as the Columbus Area Technician School, Columbus State has been serving the Central Ohio region for over 57 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, 93 Associate of Applied Science (A.A.S.) and 14 Associate of Technical Studies (A.T.S.), to prepare graduates for immediate employment. Columbus State has transfer agreements with dozens of four-year institutions. The College offers 24 programs leading to an Associate of Arts degree and 14 programs that lead to an Associate of Science degree. The Associate of Arts and Associate of Science degrees fulfill the freshman and sophomore course requirements of bachelor's degree programs offered by any public university in Ohio and *Preferred Pathway®* partnerships with nine universities guarantee admission to students who successfully complete an associate's degree at Columbus State. The College's Workforce Innovation Center 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

Columbus State is committed to expanding not only access to, but also completion of an affordable, high-quality education for an increasingly diverse student body. After receiving the 2019 Leah Meyer Austin Award from Achieving the Dream (ATD) for increasing graduation rates, completion rates, and retention rates while closing achievement gaps, in February 2020, the College earned the ATD Leader College of Distinction status for its performance improvement rates from 2015-2018 among first-time-ever-in-college African American and Hispanic students, including a breakout for solely African-American males. Also in February 2020, the College was selected as the inaugural community college institutional recipient of the Barefoot & Gardner Award for equitably higher education outcomes. In order to maintain momentum in success and completion outcomes as well as accessibility, College resources continue to be prioritized for integrated supports and innovative, high-quality instruction that meet the unique needs and lifestyles of its students.

Enrollment FTEs (credit hours) for Autumn and Spring semesters combined was nearly flat to FY19, increasing by just 2,289 credit hours, or 0.5%, while headcount (duplicated) increased by 933, or 1.7%. Enrollment FTE for Summer 2019, with nearly half of the revenue accounted for in FY20, was down 3.2% compared to Summer 2018, while headcount decreased 2.6%. Preliminary FTEs for Summer 2020, also with half of the associated revenue accounted for in FY20, is estimated to be up a robust 11.2% over Summer 2019, and headcount is estimated to be up 5.4%. Overall, enrollment for FY20 was nearly flat to FY19, with annualized FTEs decreasing by 0.1%.

The State's FY20-FY21 biennium budget, House Bill 166, allowed for a $5 increase in the in-state tuition rate charged per credit hour in both FY20 and FY21 (3.27% and 3.17%, respectively); as the State's budget was not finalized until July 2019, the increase for FY20 was not implemented until Autumn semester 2019. Overall, revenue from tuition (excluding fees) increased by $2.8 million, 3.75%, compared to FY19, primarily the impact of the new tuition rate but also more growth in *College Credit Plus* at Columbus State locations compared to the growth of classes taught at the high schools. Including other fee revenue and accounting for increased Scholarship Allowances, totaling nearly $706,000 more than FY19, total Student Tuition and Fees, net of Scholarship Allowances, increased by $2.5 million, 4.1%, over FY19.

In FY20, through the *College Credit Plus* program (*CCP*), the State of Ohio's program which allows high school students to earn college credit while still in high school, making higher education more affordable, approximately 6,000 high school students earned credit in both Autumn 2019 and Spring 2020 semesters, earning 57,006 credit hours, an increase of 10.5% over the prior year. Student participation in the *College Credit Plus* program continues to increase, although at a slower rate than the initial years of *CCP*, becoming a larger share of the overall enrollment of the College, approximately 13.5% of total college credits for Autumn 2019 compared to 11.9% for Autumn 2018. As the *CCP* population tends to take fewer classes/credit hours per term than traditional students, headcount typically increases at a higher rate than FTEs; headcount increased by 11.4% in FY20 over FY19, while FTEs increased by 10.5%. Additionally, as nearly two-thirds of *CCP* credits are discounted below standard tuition rates, more downward pressure on tuition revenue continues.

Overall, the College is reporting a negative (decrease) Change in Net Position of $2.6 million for the fiscal year ended June 30, 2020, compared to an increase of $23.2 million for FY19. Excluding entries related to pension and other postemployment benefits (OPEB) expenses discussed below under the section for Implementation of GASB 68 and

GASB 75, the Change in Net Position was an increase of $4.7 million for FY20 compared to an increase of $9.0 million for FY19.

COVID-19 Impact on College Operations and Fiscal Year 2020 Financial Results

The spread of the strain of coronavirus commonly known as COVID-19 has altered the behavior of businesses and people in a manner that has had negative effects on global, state and local economies. On March 10, 2020, the College announced that based on guidance from Ohio Governor, Mike DeWine, classes for the week of March 16-20, 2020 would be canceled, and that rather than classes resuming after spring break on March 16, classes would resume on March 23 and would be shifted from in-person to alternate methods of instruction. This announcement was soon followed by an announcement that the College would roll out telecommuting strategies and modified work schedules to provide all services in a remote environment with most staff working from home except for limited essential services that would be maintained in person (such as the Police Department, Facilities Management, Information Technology, the Bookstore, and some Business Services functions).

Following a Stay At Home Order issued by the Ohio Department of Health and the closure of all non-essential businesses, Governor DeWine announced a phased-in process for re-opening the State, Responsible RestartOhio, guided by principles to protect the health of employees, customers, and their families, supporting community efforts to control the spread of COVID-19, and responsibly getting Ohio back to work. The College also continued on a path to a phased, responsible re-entry to campus, which included a decision to continue in a remote operating status for the Summer 2020 semester, while allowing for limited in-person labs and classes where required and where compliance with social distancing and other safety protocols could be met.

As COVID-19 cases started to surge during the summer and uncertainty increased, it was decided in June 2020 that the College would continue operating in a low-density environment throughout the fall to ensure the health and safety of students and employees. This meant that non-business essential employees continued to work remotely and that courses continued to be primarily virtual as long as program accreditation requirements could be met and student success and equity could be achieved.

In the spring of 2020, as businesses were shut down to help flatten the curve of the coronavirus and as unemployment increased, the negative impact on the two primary sources of the State's General Revenue Fund (GRF) – sales tax and income tax revenue – was significant. Ultimately, State funding to the community college section, the State's Share of Instruction (SSI), was reduced by 3.8% in FY20, or $76.7 million. This resulted in a $2.7 million reduction to the College's final FY20 SSI allocation of $69.8 million, which was evenly reduced from May and June's SSI payments received by the College. The Ohio Department of Higher Education (ODHE) was able to avoid higher reductions to State colleges and universities by absorbing larger reductions to non-SSI line items. As discussed previously, enrollment for Spring semester remained nearly flat to the prior year, despite the disruption to courses immediately following spring break when all courses were transitioned to virtual delivery, followed by an 11.2% increase in enrollment for Summer 2020 compared to Summer 2019. Despite the challenges of operating in the COVID-19 environment for the last three months of the fiscal year, revenues from tuition and fees for FY20 exceeded the College's revised budget, approved in January 2020, by approximately $1.6 million as a result of higher enrollment in the Spring and Summer semesters and lower discounts compared to budget. Overall, total operating revenues for FY20 landed approximately $3.0 million below the revised budget and $3.2 million above the prior year. Net general fund operating revenues exceeded expenses by $2.7 million, before investment and interest income (not a budgeted revenue item), the result of savings from vacant positions and significantly reduced fourth quarter spending on operations as the College moved to virtual instruction and services.

The federal government took several actions to assist colleges and universities in dealing with the effects of the COVID-19 pandemic, including a $14 billion allocation in CARES Act to higher education institutions. Overall, the College was awarded $12.56 million in CARES Act funding, with at least half required to be awarded to eligible students in the form of emergency financial aid grants. The remaining half, or $6.28 million, can be used by institutions for expenses related to the coronavirus. Of this amount, approximately $822,000 was used in Fiscal Year 2020 to provide stipends to faculty for their work transitioning in-person courses to virtual delivery. The balance of $5.46 million was assumed for support of eligible expenses in the FY21 operational budget.

GASB 68 and GASB 75

The net pension liability (NPL) is the largest single liability reported by the College at June 30, 2020 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 postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension liability or net OPEB liability. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and State law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

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

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service
2 Minus plan assets available to pay these benefits

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

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

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

In accordance with GASB 68 and GASB 75, the College's statements prepared on an accrual basis of accounting include an annual pension expense of $3,121,397, and an annual OPEB credit of $3,849,888 (STRS expense $294,653, SERS credit $1,023,144) 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

As Columbus State continues to manage through the changing business environment of higher education and continued declines in non-*CCP* enrollment, the focus remains on its strategic priorities of student success, workforce development and civic engagement. Funding from grants continues to provide critical resources for advancing these strategic priorities, including the development of new instructional practices, integrated supports and other innovative initiatives. In the past six years, grants at Columbus State have risen from 24 grants totaling $12M to 98 grants equaling $70.4M. The driving focus for FY20 was integration among departments and sustainability for projects. Throughout the fiscal year, 73 proposals were submitted of which 30 were awarded, 28 were not funded, and 15 remain pending.

In addition to the CARES Act funding referenced in the earlier COVID-19 Impact discussion, some of the new grants awarded in FY20 included:

Ohio Development Services Agency: MEP@CSCC

- 1-year award, $1.3M
- Focus area: manufacturing, small businesses, training, research

JPMorgan Chase

- 2-year award, $1,000,000
- Focus area: workforce development, preparing students for technology jobs of the future

Cardinal Health Foundation: The Mid-Ohio Market

- 2-year award, $700,000 (in partnership with Mid-Ohio Foodbank)
- Focus area: financial stability, addressing food insecurity, on campus food pantry

Ohio Department of Higher Education: Choose Ohio First Computer Science

- 2-year award, $330,624
- Focus area: scholarship funding and support for qualified computer science students

National Science Foundation Advanced Technology Education (ATE) Program: Improving Student Mastery of Welding Skills through Real-Time Assessment and Feedback

- 2-year award, $385,594
- Focus area: welding equipment, increasing pathways into welding/trades careers

National Science Foundation Advanced Technology Education (ATE) Program: Improving Automotive Technician Training through a Flexible Industry Apprenticeship Program

- 3-year award, $288,828
- Focus area: automotive, engineering, increasing experiential learning opportunities

Bloomberg Philanthropies Planning Grant

- 1-year award, $330,000
- Focus area: planning grant funding to develop a five-year plan for the Office of Talent Strategy

Grants Highlights for Columbus State:

- Awarded in FY20 was the College's 14th NSF ATE award in the last six years, more than any other community college in the country;

- Only community college awarded USDOE i3 validation grant;
- One of 3 community colleges awarded a HRSA HCOP grant in the last 10 years;
- One of 6 community colleges awarded a HRSA SAMHSA grant in FY19;
- One of 10 community colleges awarded USDOE Title III, Part A in FY17; and
- One of 23 USDOL Apprenticeship awards and subaward partner on another with Lorain

The College now has been awarded 14 National Science Foundation grants, the largest number of any community college in the nation, totaling over $8.3 million awarded. These grants advance initiatives, including new programs, pathways and credentials, in high demand areas such as data analytics, cyber security, modern manufacturing, STEM programs, and many other advanced technologies. Additionally, Columbus State has been designated as a National Center of Academic Excellence in Cyber Defense Education through academic year 2024 for the AAS in Computer Science with a major in Cybersecurity. This designation is one of two such designations sponsored by the National Security Agency (NSA) and the Department of Homeland Security (DHS).

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

Financial Accountability

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

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

Results for FY19 were released in the spring of 2020 and Columbus State's composite score was 4.8 (adjusted to exclude the impact of GASB 68 and GASB 75). The College maintains an average score of 4.65 on a scale of 0-5 with "5" being a perfect score.

School of Hospitality Management and Culinary Arts

Construction was completed at the beginning of FY20 on a new building, Mitchell Hall. This new 80,000-square-foot, three-floor building now houses the College's Hospitality Management and Culinary Arts Programs, including three state-of-the-art teaching kitchens; specialty labs including pastry, baking, climate-controlled, and beverage; two smart classrooms; and a culinary theatre in addition to a professionally managed, student-staffed restaurant, a retail café and bakery, and a 400-seat banquet and event center with onsite catering and a balcony overlooking downtown.

The total project cost was approximately $34.2 million, financed with a combination of State capital, privately-raised, and local funds. $10 million in State capital funds were included in the FY17-FY18 State Capital Appropriations (SB 310) for this building. Additionally, $2 million was re-appropriated to this project from other FY17-FY18 State Capital Appropriations for the College. In February of 2018, a $2.5 million pledge toward the new building by Cameron Mitchell Restaurants was announced, the lead gift in a $10 million philanthropic campaign led by Cameron Mitchell, CEO and founder of Cameron Mitchell Restaurants and for whom the building, Mitchell Hall, is named.

With $12 million in state capital funding, the balance was financed with two bond issues. In March 2018, the Columbus State Board of Trustees approved a resolution for the issuance and sale of general receipts bonds in a maximum aggregate principal amount not to exceed $23 million, in one or more separate series, as tax-exempt or taxable, among other established parameters. On June 28, 2018, the College closed on the issuance of $13 million Series 2018A General Receipts Bonds, maturing June 1, 2019, and 2027 through 2038, with a true interest cost of 3.522%. On August 2, 2018, the College closed on $9 million General Receipts Bonds, Series 2018B (Federally Taxable). The Series 2018B Bonds were issued as variable rate drawdown bonds, which were fully drawn down in February 2020, prior to the conversion date. As the majority of funds pledged towards the capital campaign will be received over a multi-year pledge period, receipts from the capital campaign will fund the debt service for the Series 2018B Bonds, which mature on August 1, 2026. The Series 2018B were converted to a fixed rate of interest at 1.67% effective August 3, 2020.

As indicated under the COVID-19 discussion, all College non-essential services were converted to virtual formats in the spring of 2020. This resulted in the restaurant and the café and bakery being shut down as well as the suspension of event center activities, recreational cooking classes and most other activities in Mitchell Hall except for a limited number of instructional labs.

Capital Additions and Improvements

In the FY19-FY20 state capital appropriations legislation (House Bill 529), Columbus State's total appropriation was $14.6 million, providing funds for student success renovations and for building and infrastructure repairs, including ADA upgrades, and $1 million appropriated for academic and classroom space upgrades. The College was also funded for FY19-FY20 as a partner in five community projects totaling $1.125 million. This FY19-FY20 State capital appropriation funded most of the projects discussed below. In June 2020, State capital legislation (House Bill 481) re-appropriated $2.275 million of Columbus State's total FY19-FY20 State capital appropriations. Of that re-appropriation, $875,000 was funded for community projects. The remaining portion was unencumbered funds for previously appropriated projects.

A Financial Stability Framework was developed to respond to a key area of focus for students who leave college in good standing because of non-academic causes such as food insecurity, childcare, housing and transportation. As part of this initiative, a project was approved to transform a 2,565 square foot storage building into an active "to-go" food market. This market, the *Mid-Ohio Market at Columbus State*, builds upon an existing partnership with the Mid-Ohio Food Bank to operate a need-based, fresh food market servicing Columbus State students, their families and the community. Design and pre-construction planning commenced in February 2019 while construction continued into FY20 with completion and the building dedication on October 16, 2019. The total project cost was approximately $757,072. Additionally, there were donations of freezers and other equipment to advance the College response to food insecurity.

Following the completion of a major renovation of the cafeteria in Union Hall in FY19, now the *Union Café,* as well as the Phase 2A work that addressed interior building code issues and the replacement of a non-compliant restroom with three new accessible restrooms and the establishment of additional seating space for *Union Café,* the contract for design and pre-construction for Phase 2B was awarded in June 2019 with the work commencing in early FY20. Phase 2B provided for a new accessible ramp and entrance into the cafeteria and improved the visibility of the entry point. The projected final cost for Phase 2B is $1.36 million, to be funded by the College's FY19-FY20 State capital appropriation and was near completion at June 30, 2020.

The contract for the Utility Tunnel Repair Project was also awarded in June 2019 and work commenced in the summer of 2019 addressing replacement and repairs for the tunnels beneath Aquinas, Rhodes, Eibling, Madison, and Franklin Halls. The work included structural repairs, installation of waterproofing systems and surface-mounted lighting, concrete repair, and piping support replacement. The project cost was approximately $1.5 million.

The TL boiler system project was approved by the Board of Trustees in May 2019. This boiler system was identified to be in critical condition and in need of immediate replacement in a Columbus State Facility Conditions Assessment completed in 2017. This project, which commenced in June 2019 at a cost of $600,000, was completed in autumn 2019.

In January 2020, the Board of Trustees approved contracts for the Aquinas Building Envelope Repair and WD 1st and 3rd Floor Renovations. The 2017 Columbus State Facility Conditions Assessment also identified the building envelope of Aquinas Hall, built at its current location on the Columbus Campus in 1925, to be in critical condition and in need of immediate repair. The contract for design and pre-construction was previously approved by the Board of Trustees in May 2019 at a cost of $199,627. The total project budget approved in January 2020 was estimated at $4 million, which included design and construction costs and project contingencies. Construction commenced in the spring of 2020 and is estimated for completion in autumn 2020.

The Workforce Development (WD) Building is home to multiple programs and departments including Workforce Innovation, Experiential Learning, and College Credit Plus. As these programs have expanded and required more collaboration with other programs and departments, it became necessary to renovate the space on the first and third floors in the building to accommodate the needs of these programs. Additionally, other programs, such as the new Advocacy Resource Center, are planned for space on the first floor. The contract for architect and engineering (AE) design services was approved for $47,600 with a total projected budget estimated at $500,000 to be funded by State capital appropriation and local funds. The final costs will be identified during the design and bidding phase which was delayed due to COVID-19 and due to additional planning that will take place for capital plan implementation as a result of the College's upcoming bond issue approved by Franklin County voters (see discussion under FACTORS IMPACTING FUTURE PERIODS).

In June 2020, three contracts were approved by the Board of Trustees: Building Systems Upgrade – Phase 1, Building Systems Upgrade – Phase 2, and Restroom Renovations. The scope of the Building Systems Upgrade project is to upgrade building systems and components at Franklin, Nestor, Columbus, Davidson and Delaware Halls. The systems upgrades include chiller replacements, air handler replacements, boiler replacements and miscellaneous work associated with those building systems. Phase 1 focuses on the chiller replacement in Nestor Hall. The construction contract for this scope of Phase 1 is $432,000. The total project budget for both phases of the Building Systems Upgrade project, including design services, all phases of construction, and contingencies, is $3.8 million and is funded entirely from the FY19-FY20 State capital allocation. Building systems upgrade work commenced in summer 2020 and is estimated to be completed in early 2021.

The third contract approved in June 2020 addresses repairs and renovations needed to bring restroom facilities in four campus buildings up to current building code and ADA compliance as well as upgrade finishes and fixtures within these restrooms. The scope of work includes restrooms located in the Testing Center in Aquinas Hall, first floor of Franklin Hall, first floor of Delaware Hall and the first floor of Nestor Hall. These locations have been identified as the most deficient and most frequently used restrooms on the Columbus Campus. The construction contract for this project is $775,000, combined with the design service contract and project contingency, the total project budget is just over $1 million, funded entirely from the FY19-FY20 State capital allocation. Construction is set to commence in summer 2020 and is anticipated to be completed in early 2021.

Columbus State Community Partners

The Board of Trustees of the College approved its Master Plan in 2013 and has implemented many components of that plan to best utilize the College's facilities, land and physical assets to enhance high quality, affordable higher education options for students. Since 2016, the College has been working with the City of Columbus on a development plan for the areas surrounding the College's downtown Columbus Campus, known as the Creative Campus district. After determining that real estate planning, strategy, and corresponding activities throughout the regions served by the College require real estate and community expertise and the capability to proceed in an efficient and expedited manner, the Board approved a Resolution on May 23, 2019, to establish an affiliate of the College to carry out such real estate activities. This affiliate, Columbus State Community Partners ("CSCP"), was incorporated and initially organized as an Ohio nonprofit corporation under Chapter 1702 of the Ohio Nonprofit

Corporation Law where the College would be the sole member. Articles of Incorporation of CSCP have been executed and filed with the Office of the Ohio Secretary of State. The Board of the CSCP is composed of two members of the College's Board of Trustees, two members of the Foundation's Board of Directors, and three community members with initial terms staggered to expire 2020 through 2022. Officers were elected on December 18, 2019. CSCP has taken no action or made recommendations to the College on real estate matters to date. CSCP 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.

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, 2020. The total amount of assets and deferred outflows minus liabilities and deferred inflows equals net position. The net position is categorized as follows:

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

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

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

The Columbus State Community College Development Foundation, Inc. (the "Foundation") is a legally separate, tax-exempt organization that exists to provide financial assistance to the educational programs, services and facilities of the College. Because the restricted resources held by the Foundation can only be used by or for the benefit of the College, the Foundation is considered a component unit of the College and is discretely presented in the College's financial statements in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, The Financial Reporting Entity as amended by GASB Statement No. 39, Determining Whether Certain Organizations are Component Units and GASB No. 61, The Financial Reporting Entity: Omnibus. There are also separately issued financial statements for the Foundation. Operating results are not included in this Management Discussion and Analysis. Additional information regarding the Foundation is included in Note 17 and in the separately issued Foundation financial statements and audit report. Recall that the Statement of Net Position provides the perspective of the College as a whole. Condensed versions of the College's financial statements are presented below, along with a brief summary of the financial information contained therein.

Statements of Net Position (in thousands)

	2020	2019	Difference	2018	Difference
Assets					
Current assets	$ 95,162	$ 96,541	$ (1,379)	$ 99,141	$ (2,600)
Noncurrent assets					
Capital assets	177,863	174,414	3,449	153,018	21,396
Other	72,443	66,201	6,242	62,874	3,327
Total Assets	345,468	337,156	8,312	315,033	22,123
Deferred Outflows of Resources					
Pension	28,211	38,704	(10,493)	46,995	(8,291)
OPEB	3,914	2,102	1,812	1,633	469
Unamortized loss on refunding	58	96	(38)	141	(45)
Total Deferred Outflows of Resources	32,183	40,902	(8,719)	48,769	(7,867)
Total Assets and Deferred Outflows of Resources	$ 377,651	$ 378,058	$ (407)	$ 363,802	$ 14,256
Liabilities					
Current Liabilities					
Accounts payable and accrued	14,975	20,442	(5,467)	13,092	7,350
Debt, current portion	1,640	880	760	1,665	(785)
Capital Lease, Current Portion	190	184	6	179	5
Unearned revenue	9,512	8,438	1,074	7,882	556
Noncurrent liabilities					
Debt, long-term portion	23,702	16,481	7,221	17,448	(967)
Capital Lease	195	385	(190)	569	(184)
Net Pension Liability	171,982	168,861	3,121	179,175	(10,314)
Net OPEB Liability	29,887	33,524	(3,637)	49,733	(16,209)
Long-term liabilities	1,212	1,218	(6)	1,135	83
Total Liabilities	253,295	250,413	2,882	270,878	(20,465)
Deferred Inflows of Resources					
Pension	8,439	12,593	(4,154)	10,356	2,237
OPEB	18,101	14,587	3,514	5,286	9,301
Total Deferred Inflows of Resources	26,540	27,180	(640)	15,642	11,538
Total Liabilities and Deferred Inflows of Resources	279,835	277,593	2,242	286,520	(8,927)
Net Position					
Invested in capital assets	154,160	157,933	(3,773)	148,553	9,380
Restricted	3,174	257	2,917	897	(640)
Unrestricted	(59,518)	(57,725)	(1,793)	(72,168)	14,443
Total Net Position	$ 97,816	$ 100,465	$ (2,649)	$ 77,282	$ 23,183

As of June 30, 2020, current assets totaled $95.2 million compared to $96.5 million in FY19, a decrease of $1.3 million, or 1.43% Cash, cash equivalents and investments – short-term were down $3.6 million, due primarily to a shift from short-term investments (which decreased by $9.6 million) to long-term investments (which increased $6.3 million) and due to spending the bond proceeds from Series 2018A that were remaining at June 30, 2019 near the end of construction of Mitchell Hall. An increase in accounts receivable of $2.3 million, due to delayed invoicing for Spring 2020 semester because of COVID-19 as well as an increase in Summer 2020 semester enrollment of over 11%, offset the impact of the decreased cash, cash equivalents and investments – short-term on the overall decrease in current assets.

Total assets as of June 30, 2020 were $345.5 million compared to $337.2 million in FY19, a 2.5% increase, attributed to an increase of $3.4 million in capital assets, due primarily to the completion of the construction of Mitchell Hall, an increase of $2.4 million in total cash, cash equivalents and total investments, and an increase of $2.4 million in other assets, primarily due to the increase in accounts receivable as discussed above. Capital assets, such as land, buildings, machinery and equipment, remain the largest asset group at $177.9 million (51.5%), followed by cash and investments of $142.1 million (41.1%), and accounts receivable, inventory and other assets at $25.5 million (7.4%); the distribution of assets at June 30, 2020 was comparable to that at June 30, 2019 with no significant shifts noted.

Liabilities

As of June 30, 2020, the College's current liabilities were $26.3 million, compared to $29.9 million in 2019. Of the total in FY20, $9.5 million was unearned revenue (Summer 2020 semester tuition revenue related to FY21, credit bank, and unearned revenues related to grants and contracts), $15.0 million was accounts payable and accrued expenses, and the current portion of long-term debt and capital lease was $1.8 million, which was higher than FY19 due to the Series 2018B issue being fully drawdown and having a repayment schedule established to include monthly principal payments. For FY19, $8.4 million was unearned revenue (Summer 2020 semester tuition revenues related to FY20, credit bank, and unearned revenues related to grants and contracts), $20.4 million was accounts payable and accrued expenses, which was higher than FY20 due to the amounts owed to contractors for the construction of Mitchell Hall at June 30, 2019, and $1.06 million was the current portion of long-term debt and capital lease.

Noncurrent liabilities as of June 30, 2020 were $227.0 million, consisting of $23.7 million in long-term debt (general receipts bonds), other long-term liabilities (primarily compensated absences and capital leases) of $1.4 million, net pension liability of $172.0 million and net OPEB liability in the amount of $29.9 million. By comparison, noncurrent liabilities as of June 30, 2019 were $220.5 million consisting of $16.5 million in bonds payable, $1.6 million in other long-term liabilities, $168.9 million in net pension liability and $33.5 in net OPEB liability. The $6.5 million increase in the noncurrent liabilities is primarily the result of the Series 2018B debt (net of the current portion) that is outstanding at June 30, 2020, offset by the decrease in the Series 2012 for the amount now considered current. For FY20, the change in noncurrent liabilities attributed to net pension and OPEB liabilities was just a $516,000 decrease, much less than the $26.5 million decrease in FY19. 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, 2020 were $253.3 million compared to $250.4 million in FY19. The $2.9 million change is primarily attributed to the increase of $8.0 million for long-term debt (current and noncurrent portions) offset by the decrease in accounts payable and accrued liabilities as a result of amounts owed to contractors for Mitchell Hall.

Net Position

Net position decreased by $2.6 million in FY20. FY20 activity includes an increase to expenses of approximately $7.3 million related to pension and OPEB activity. Excluding the impact of pension and OPEB activities, the net position for FY20 increased by approximately $4.7 million, representing all other College operating, auxiliary, and grant activity, compared to an increase in net position, also excluding the impact of pension activities, of $9.0 million in FY19. Operating revenue increased by $6.4 million. Tuition and fees were up $2.5 million and federal, state, local and private grants and contracts were up $5.0 million, and Auxiliary Enterprise revenues were down $1.1 million.

Tuition and fees were up primarily as a result of an in-state tuition increase of $5 per credit hour implemented in Autumn 2019. While PELL disbursements remained relatively flat to the prior two years, decreasing by just $92,613 from FY19, loans disbursed to students were down $1.3 million with more of the combined financial aid being directly applied to pay tuition and less excess aid being refunded to students. This financial aid that is applied to pay tuition and fees increases the scholarship allowance, which decreases overall net tuition revenue.

Revenue for auxiliary enterprises, the Bookstore and food services, decreased by $1.1 million, in large part the result of continued textbook affordability initiatives for students, including the expansion of an electronic option, *Inclusive Access*. Additionally, with the transition to virtual instruction and teleworking for the majority of College operations in March 2020 due to the pandemic, all food service operations, except for some vending, were suspended and the Bookstore was closed to in-person operations with all sales fulfilled by web orders which had a significant, adverse impact on revenues for the Summer 2020 semester compared to the prior year.

Operating expenses were $26.7 million higher than FY19. Education and general expenses were up $27.2 million with the largest areas of increases being Instructional and Departmental Research ($19.0 million), Operation and Maintenance of Plant ($2.4 million) and Scholarships and Fellowships ($2.5 million). Most of the increase ($21.6 million) was a result of Pension Expense (GASB 68) and OPEB Expense (GASB 75). In FY19, expenses were reduced by $14.2 million as a result of these two required calculations. In FY20, expenses increased by $7.3 million. Please see more information on GASB 68 and GASB 75 under the *Financial and Institutional Highlights* earlier in the MD&A. Excluding the impact of these GASB expenses, total expenses increased by just $5.1 million, or 2.7%, over FY19 with approximately $2.5 million increasing in Scholarships and Fellowships, $1.7 million in Operation and Maintenance of Plant, and nearly $1 million in Depreciation.

Non-operating revenues and expenses combined to increase by $1.9 million in FY20, primarily the result of other non-operating revenue, which increased by $2.6 million. Last year, there were joint use agreements between the College and other organizations that were expensed last year that did not occur this year, as well as a increase in capital transactions that accounted for the increase.

Condensed versions of the College's revenues, expenses and changes in net position for the years ended June 30, 2020, 2019 and 2018 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)

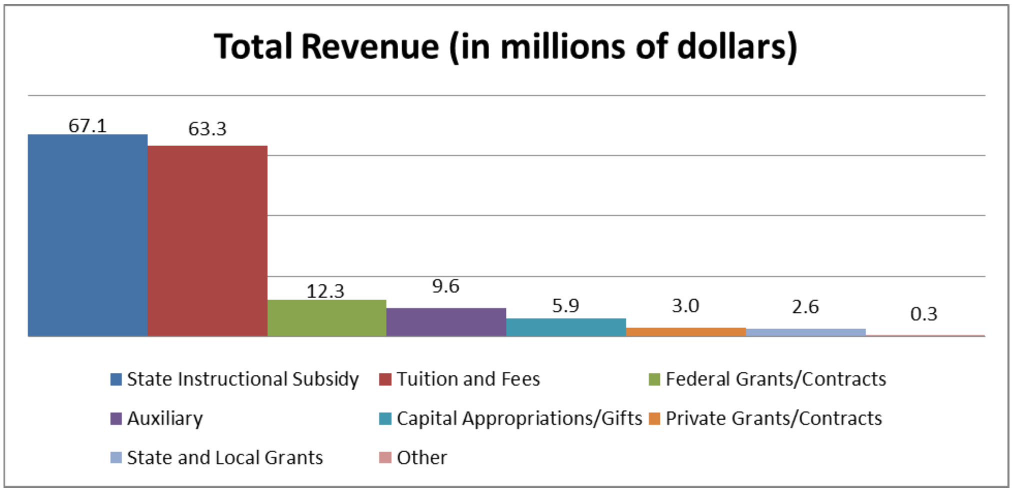
	2020	2019	Difference	2018	Difference
OPERATING REVENUES					
Student tuition and fees (net of scholarship allowances of $23.8, $21.4, and $17.5 million in 2019, 2018, and 2017, respectively)	$ 63,286	$ 60,774	$ 2,512	$ 59,251	$ 1,523
Federal, state, and private grants and contracts	17,981	12,996	4,985	12,738	258
Auxiliary enterprises	9,528	10,656	(1,128)	12,647	(1,991)
Other	303	234	69	211	23
Total operating revenues	91,098	84,660	6,438	84,847	(187)
OPERATING EXPENSES					
Educational and general	172,553	148,737	23,816	101,052	47,685
Scholarships and fellowships	11,064	8,573	2,491	10,877	(2,304)
Depreciation expense	9,215	8,294	921	8,177	117
Auxiliary and Other enterprises	9,540	10,083	(543)	7,548	2,535
Total operating expenses	202,372	175,687	26,685	127,654	48,033
Operating income (loss)	(111,274)	(91,027)	(20,247)	(42,807)	(48,220)
NONOPERATING REVENUES (EXPENSES)					
State appropriations	67,136	67,574	(438)	67,598	(24)
Investment income (net of expense)	4,024	4,126	(102)	848	3,278
Pell Grant Revenue	31,177	31,270	(93)	31,206	64
Other non-operating revenues	359	(2,165)	2,524	(2,301)	136
Net nonoperating revenues	102,696	100,805	1,891	97,351	3,454
Income before capital appropriations	(8,578)	9,778	(18,356)	54,544	(44,766)
Capital appropriations and gifts	5,929	13,405	(7,476)	3,685	9,720
Increase in net position	(2,649)	23,183	(25,832)	58,229	(35,046)
Net position, beginning of year	100,465	77,282	23,183	19,053	58,229
Net position, end of year	$ 97,816	$ 100,465	$ (2,649)	$ 77,282	$ 23,183

Revenues

FY20 revenues totaled $195.3 million, a decrease of $1.6 million (0.8%), compared to $196.9 million in FY19. The largest component of the decrease is the Capital appropriations which decreased by $7.5 million, a result of less State contributions remaining that funded the construction of Mitchell Hall which was completed at the beginning of FY20. Student tuition and fees increased by $2.5 million and federal, state and private grants and contracts increased by $5.0 million, while Auxiliary revenue decreased by $1.1 million due to the impact of virtual and teleworking operations during the pandemic as well as the College's continued efforts to support delivery of instructional materials in ways that decrease the cost for students.

The majority of College revenues come from three sources: 1) State instructional subsidy ($67.1 million), 2) Student tuition and fees ($63.3 million), and 3) Federal, state, and private grants and contracts, including Pell grant revenue ($49.2 million). Of $46.1 million in federal and state grants and contracts, 69.3% are awarded to students through the federal Pell grant and Supplemental Educational Opportunity Grant (SEOG) programs. These funds are used for student tuition ($24.5 million) and education-related expenses.

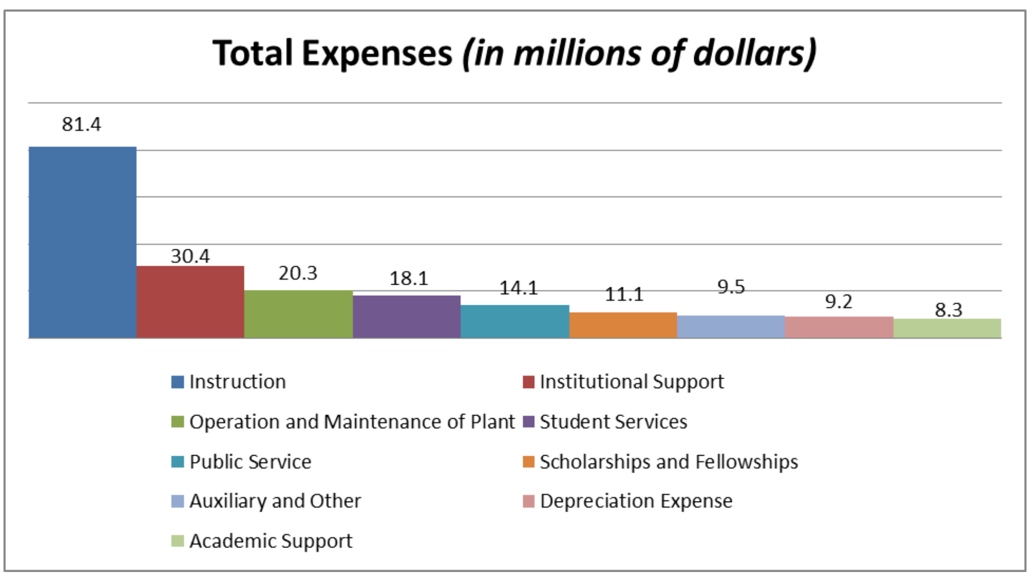
The major sources of College revenues for FY20 are presented below.



Expenses

FY20 expenses totaled $202.4 million compared to $175.7 million in FY19, an increase of $26.7 million, or 15.2%; pension expense adjustments to comply with GASB 68 and GASB 75 accounted for much of the increase, or a $7.3 million increase in expenses for FY20, while in FY19, the decrease in expenses was $14.3M, which amounts to a $21.6 increase in expenses compared to FY19. Excluding these pension and OPEB amounts, expenses increased by $5.1 million, or 2.7%, over FY19, due primarily to 1% compensation adjustments approved in the FY20 budget and first year costs related to the start of Mitchell Hall operations.

FY20 expenses are shown below:



Statement of Cash Flows (in thousands)

Net cash provided (used) by:	2020	2019	2018
Operation activities	($101,500)	($88,731)	($94,684)
Non capital financing activites	99,455	97,345	96,599
Capital financing activities	463	(18,703)	9,645
Investing activities	7,331	12,533	(15,164)
Net increase/(decrease) in cash	5,749	2,444	(3,604)
Cash - beginning of year	9,885	7,441	11,045
Cash - end of year	$15,634	$9,885	$7,441

Ending cash balances for fiscal years 2020, 2019 and 2018 were $15.6, $9.9 million and $7.4 million, respectively. Each month, cash flow projections are evaluated to determine when funds can be invested to maximize investment earnings (typically, at the beginning of each semester when tuition and fees are paid, funds are transferred to *STAROhio*), or when funds should be transferred back for operations (usually during the latter part of each semester). As a result of a change in banking partners, higher cash balances in operating checking accounts are required in order to earn interest which helps to offset banking fees. This resulted in cash balances at the end of FY20 that were higher than FY19 and FY18.

Major sources of cash in FY20 were state appropriations of $67.1 million, tuition and fees of $63.5 million, and gifts, grants, and contracts totaling $16.7 million.

The most significant uses of cash were payments for salaries and benefits of $130.0 million, payments to suppliers of $50.4 million, $12.7 million for the purchase of capital assets, and $11.1 million disbursed for student scholarships and financial aid.

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 in January of each year, and at other times if necessary. The operating budget focuses on revenues and expenses produced from daily operations as well as budgeted expenditures for capital improvements, equipment, and debt service. In addition to College policy, the preparation of general fund operating budgets is guided by *Resource Planning Principles* adopted by the Board in November 2007 and revised in November 2013.

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

As noted on the FY20 Budget Comparison below, College general fund and auxiliary operating revenues exceeded operating expenditures by $3.4 million. General fund revenue was nearly $3 million below what was budgeted in the FY20 revised budget while general fund operating expenses, including budgeted transfers, were approximately $5.6 million less than budgeted, resulting in net revenues of $2.7 million. Operating during the pandemic for last quarter of the fiscal year impacted both revenues and expenses. Revenues fell short of budget primarily due to a reduction in SSI that was withheld from the May and June SSI distributions while expenses were under budget due to vacant positions which were not filled in addition to lower spending as operations shifted to virtual and telework (less conferences, less operating costs of retail operations that were suspended, less supply needs, lower utilities, etc.). Interest income, which is not budgeted pursuant to the Board's *Resource Planning Principles*, added an additional $3.2 million to the net operating results (not reflected in the Budget Comparison below), for a total of $5.9 million. Of the $5.9 million excess operating revenues over operating expenses for the College general fund, including interest, $3.45 million was allocated as of June 30, 2020, including $1.5 million for one-time compensation for personnel, $1.2 million for Student Success and Innovation (includes $1.0 million to create an Office of Diversity, Equity, and Inclusion and $200,000 for Workforce initiatives), $400,000 for Advancement and $350,000 for Scholarships. The remaining $2.4 million, primarily from interest earnings, will be allocated to further advance strategic priorities at a later date.

The analysis below does not include nearly $5.6 million (excluding expenses related to COVID-19) for initiatives approved by the Board of Trustees to be funded by reserves on a non-recurring basis rather than from the current year's operating revenues. Approved non-recurring expenses included: capital equipment ($.75 million), Scholarships ($0.83 million), Student Success and Innovation ($1.3 million), Advancement ($0.84 million), and Mitchell Hall start-up costs ($1.3 million), as well as several other smaller projects.

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

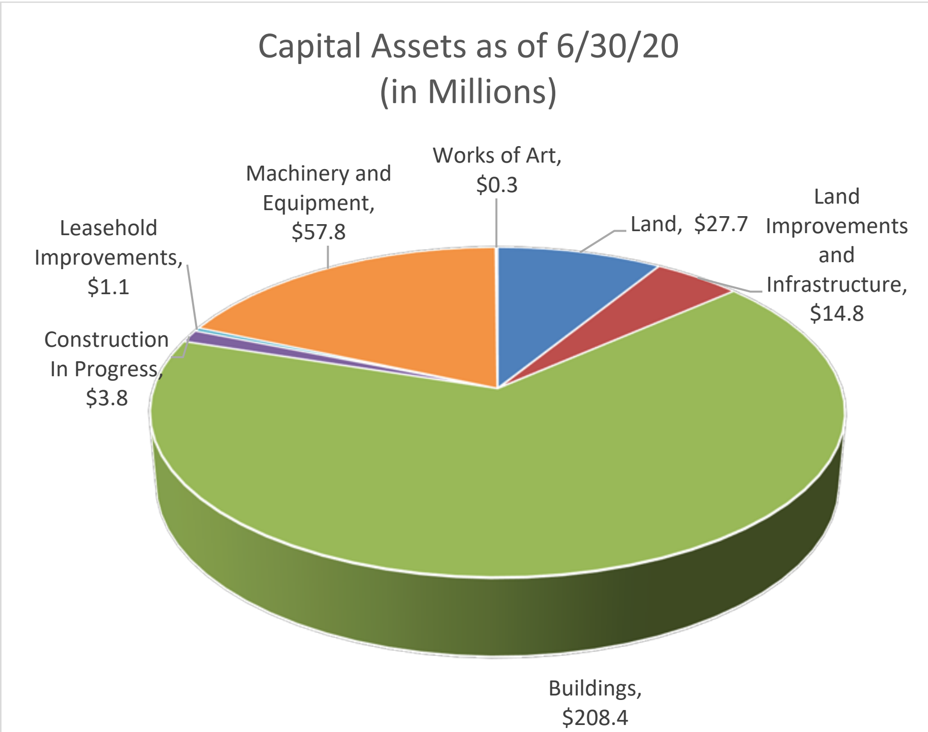
Columbus State Community College
Budget Comparisons – Budget to Actual
FY 20 (in thousands)

Budgeted Operations	Original Budget	Revised Budget	Percent % Change	Actual	Percent % Change
Revenues					
College	$152,851	$154,734	1.23%	$151,779	-1.91%
Auxiliary	9,079	9,529	4.96%	9,856	3.43%
Total Revenues	$161,930	$164,263	1.44%	$161,634	-1.60%
Expenditures					
College	$152,851	$154,734	1.23%	$149,073	-3.66%
Auxiliary	8,896	9,275	4.26%	9,120	-1.67%
Total Expenditures	$161,747	$164,009	1.40%	$158,193	-3.55%
Net Revenues	$183	$254	N/A	$3,441	1255%

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, 2020, the College had $314.0 million in capital assets and $136.1 million in accumulated depreciation, for a total of $177.9 million in net capital assets. The most significant changes from the prior year were an increase in Buildings of $32.2 million with a related decrease in Construction in Progress of $23.3 million, primarily due to the completion of the construction of Mitchell Hall which opened in August 2019.

The chart below illustrates the College's capital assets (by classification) as of June 30, 2020, which total $314.0 million and $136.1 million.



By comparison, as of June 30, 2019, the College had recorded $301.6 million in capital assets and $127.2 million in accumulated depreciation, for a total of $174.4 million in net capital assets. A detailed summary of additions, deletions, and depreciation of assets can be found in Note 5 – Capital Assets.

<u>Outstanding Bond Debt</u>

As of June 30, 2020, the College had $25.34 million of outstanding bond debt, which includes a premium of $1.47 million on the 2018A bonds, as follows:

		(in millions)
General Receipts Bonds:	2012	$ 2.72
General Receipts Bonds:	2018A	$ 12.20
General Receipts Bonds:	2018B	$ 8.95

FACTORS IMPACTING FUTURE PERIODS

COVID-19

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

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

State Support and Enrollment

Of the many factors that impact the budget for the College in normal, non-pandemic periods, there are three that are discussed below: state support, tuition rates and enrollment. State support is appropriated in the biennial budget bill as State Share of Instruction (SSI) and is distributed by formula. SSI is again projected to represent nearly 45% of the College's operating revenues for FY21. Tuition policy, including caps, are also established in the biennial budget bill.

State Support

While the State's biennial budget for FY20 and FY21, House Bill 166, provided for a 2.1% increase in SSI in FY20 and an additional 1.0% increase in FY21 for higher education, projected increases in SSI for Columbus State were more than the amounts approved in the State budget for the entire community college sector. The College's increase being higher is the result of College performance within the key success metrics within the State's funding formula as well as enrollment over a three-year rolling average being down less than other community colleges. As discussed earlier, the State appropriation for SSI for FY21 was reduced by 4.38%, much less than had been anticipated by educational institutions and much less than most State agencies, due to the priority that the Governor continues to place on higher education. While this was positive news, institutions were cautioned that this new FY21 SSI amount was subject to change if the overall budget and supporting State revenue sources were to significantly worsen during the fiscal year compared to current projections.

Ohio's community colleges have agreed in concept to a change to the SSI formula related to developmental education classes but the implementation methodology for the change have not yet been determined. Currently, under the formula component for Success Points, which represents 25% of the formula, points are earned for students completing developmental Math or English and enrolling in the first college-level Math or English course. When the change, as currently proposed, is incorporated into the formula, the developmental education success metric will be replaced with the completion of college-level Math or English within the first 30 credit hours. Several models for transitioning to this change have been proposed which vary based on how quickly the new metrics are included. A slower phase-in, for example, would continue to include the developmental education metrics for FY20 and prior years within the formula's three-year average while a faster phase-in would only include the new metrics. All models project a reduction in SSI for the College compared to a projection of what would have been received in FY22 without the change. It is estimated that the faster phase-in could result in the College receiving $742,000 less in FY22 than what might have otherwise been received (based on FY21 allocations). Overtime, the College expects to recover some or all of the potentially lost funds as student success initiatives related to the "co-requisite" model for math and English are taken to full scale, allowing students who begin nearly ready for college-level coursework to catch up and complete their first year successfully. Another consideration for transitioning these new metrics in the formula is a stop lost provision or bridge funding, but this may be difficult given the State's revenue challenges at this time. The proposed formula change is planned to be effective starting in FY22.

As part of House Bill 166, the State's FY20-FY21 budget, an Employment Metrics Consultation was to be established to study the use of post-graduate and employment measures to be incorporated into the funding formula. This study will consider appropriate data sources and evaluate public policy benefits of adding such measures into the SSI formula to recognize institutional performance of job placement. The study was scheduled to be completed by June 30, 2020.

Tuition and Enrollment

Tuition increases are limited by the State Legislature. House Bill 166, as enacted, allowed for a $5 increase, 3.17%, for in-state tuition charged per credit hour in FY21 (the State does not place tuition limits on out-of-state and international students.) The College also took a conservative position in assuming flat enrollment for FY21 (a slight 0.2% reduction in total credit hours) despite historical trends that indicate enrollment growth for community colleges during recessionary periods. As of September 2020's census day reporting, enrollment was nearly flat to Autumn 2019, as budgeted (up just 0.9%). The FY21 budget assumption of flat enrollment could still be impacted by late-term registrations for the Autumn 2020 semester as well as what trends develop for the Spring 2021 semester and the status of the pandemic at that time.

The College's in-state tuition rate remains one of the lowest among Ohio's community colleges and the lowest of Ohio's nine state 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.

Ohio Revised Code Section 3358.11

As part of House Bill 166, 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. In consideration of the new authority permitted by R.C. 3358.11 in order to make the investments necessary in facilities and technology to continue meeting the growing and evolving educational and workforce needs of Central Ohio, the College's Board of Trustees approved a Resolution of Necessity in October 2019, followed by a Resolution to Procced in November 2019 to place a bond issue on the ballot in Franklin County, Ohio, for the March 17, 2020 Primary election (votes counted April 28, 2020 due to delay caused by COVID-19 concerns). The bond issue, Issue 21, was passed by a 60-40 margin, allowing for a bond issue in an amount not to exceed $300 million (0.65 mil, 24 years maximum maturity).

On July 17, 2020, the Board of Trustees approved a Bond Resolution authorizing the issuance of bonds in an amount not to exceed $300 million. On September 10, 2020, $30,000,000 Facilities Construction and Improvement Bonds, Series 2020A (Tax-Exempt) and $120,000,000 Facilities Construction and Improvement Bonds, Series 2020B (Federally Taxable) were priced in the market with closing taking place on October 8, 2020. The Series 2020A Bonds are subject to redemption at the option of the College on any date on or after June 1, 2030. The Series 2020B Bonds maturing after December 1, 2029 are subject to redemption at the option of the College on any date on or after December 1, 2029. Interest on the Bonds will be paid each June 1 and December 1, beginning June 1, 2021. The Bonds are voted general obligation debt of the Columbus State Community College, Ohio, a state community college district of the State of Ohio, and the full faith, credit and revenue of the College are irrevocably pledged for the prompt payment of the principal of and interest on the Bonds. The College plans to issue additional general obligation bonds in an amount not to exceed $150 million, which is the remaining voted authority from the $300 million voted bond issue, to finance additional capital projects, the timing of which is to be determined. Additionally, in light of the impact of COVID-19 and other recent events, the implementation of the District's Capital Plan is being re-evaluated in order to be most responsive to the economic and service needs of the region, specifically Franklin County, where facilities' needs may now be re-prioritized based on public health needs, shifts in industry needs, extended work from home models, and other factors. While the implementation and Phase I priorities are re-evaluated over the next year, the College will address its most critical deferred maintenance needs.

COLUMBUS STATE COMMUNITY COLLEGE

STATEMENTS OF NET POSITION
As of June 30, 2020 and 2019

	2020		2019	
	Columbus State Community College	Component Unit Development Foundation	Columbus State Community College	Component Unit Development Foundation
ASSETS				
Current Assets				
Cash and Cash Equivalents	$ 14,728,501	$ 4,694,927	$ 8,702,501	$ 4,379,997
Investments - Short-Term	60,670,497	6,435,574	70,308,032	4,818,182
Investments - Current Restricted	1,539,134	-	1,513,823	-
Accounts, Loans and Pledges Receivable	14,788,503	3,449,613	12,494,229	3,124,581
Inventories	1,714,152	-	1,701,517	-
Other Assets	1,721,425	377,123	1,821,165	376,487
Total Current Assets	95,162,212	14,957,237	96,541,267	12,699,247
Noncurrent Assets				
Cash and Cash Equivalents	906,118	-	1,182,942	-
Investments	64,283,082	5,065,487	57,977,303	4,059,096
Other Noncurrent Assets - Pledges Receivable	-	3,856,652	-	4,497,311
Net OPEB Asset - STRS	7,253,819	-	7,041,179	-
Capital Assets, Net	177,862,536	-	174,414,386	-
Total Noncurrent Assets	250,305,555	8,922,139	240,615,810	8,556,407
TOTAL ASSETS	**345,467,767**	**23,879,376**	**337,157,077**	**21,255,654**
DEFERRED OUTFLOWS OF RESOURCES				
Unamortized Loss on Bond Refunding	57,954	-	95,665	-
Pension STRS	20,077,981	-	27,131,152	-
Pension SERS	8,133,010	-	11,572,606	-
OPEB STRS	951,683	-	992,337	-
OPEB SERS	2,962,934	-	1,109,640	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	**32,183,562**	**-**	**40,901,400**	**-**
TOTAL ASSETS AND DEFERRED OUTFLOWS	**$ 377,651,329**	**$ 23,879,376**	**$ 378,058,477**	**$ 21,255,654**

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

COLUMBUS STATE COMMUNITY COLLEGE

STATEMENTS OF NET POSITION
As of June 30, 2020 and 2019

	2020		2019	
	Columbus State Community College	Component Unit Development Foundation	Columbus State Community College	Component Unit Development Foundation
LIABILITIES				
Current Liabilities				
Accounts Payable and Accrued Liabilities	$ 14,974,799	$ 304,099	$ 20,442,177	$ 144,581
Debt, Current Portion	1,640,667	-	880,000	-
Capital Lease, Current Portion	189,695	-	184,259	-
Unearned Revenue	9,511,829	-	8,438,034	-
Total Current Liabilities	26,316,990	304,099	29,944,470	144,581
Noncurrent Liabilities				
Debt, Long-Term Portion	23,701,815	-	16,481,216	-
Long-Term Liabilities				
Compensated Absences	1,211,703	-	1,217,978	-
Capital Lease	195,290	-	384,985	-
Net Pension Liability STRS	96,854,250	-	96,346,957	-
Net Pension Liability SERS	75,127,789	-	72,513,685	-
Net OPEB Liability STRS	-	-	-	-
Net OPEB Liability SERS	29,886,719	-	33,523,967	-
Total Noncurrent Liabilities	226,977,566	-	220,468,788	-
TOTAL LIABILITIES	**253,294,556**	**304,099**	**250,413,258**	**144,581**
DEFERRED INFLOWS OF RESOURCES				
Pension STRS	7,025,254	-	10,255,857	-
Pension SERS	1,413,722	-	2,336,707	-
OPEB STRS	9,061,065	-	11,161,572	-
OPEB SERS	9,040,324	-	3,425,866	-
TOTAL DEFERRED INFLOWS OF RESOURCES	**26,540,365**	**-**	**27,180,002**	**-**
TOTAL LIABILITIES AND DEFERRED INFLOWS	**279,834,921**	**304,099**	**277,593,260**	**144,581**
NET POSITION				
Net Investment in Capital Assets	154,160,721	-	157,933,170	-
Restricted				
Nonexpendable	-	4,918,836	-	5,868,113
Expendable	3,173,920	14,689,676	256,903	11,491,037
Unrestricted	(59,518,233)	3,966,765	(57,724,856)	3,751,923
TOTAL NET POSITION	**$ 97,816,408**	**$ 23,575,277**	**$ 100,465,217**	**$ 21,111,073**

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

COLUMBUS STATE COMMUNITY COLLEGE

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the Years Ended June 30, 2020 and 2019

	2020		2019	
	Columbus State Community College	Component Unit Development Foundation	Columbus State Community College	Component Unit Development Foundation
REVENUES				
Operating Revenues				
Student Tuition and Fees (Net of Scholarship Allowances of $24,457,893 in 2020 and $23,751,830 in 2019)	$ 63,285,685	$ -	$ 60,774,206	$ -
Federal Grants and Contracts	12,296,206	-	8,038,449	-
State and Local Grants and Contracts	2,644,517	-	2,898,539	-
Private Grants and Contracts	3,040,031	4,643,713	2,059,083	6,724,042
Sales and Services of Educational Departments	14,068	-	65,957	-
Auxiliary Enterprises				
Bookstore	9,315,269	-	10,421,744	-
Other	213,226	-	233,574	-
Columbus State Community Partners	50,000			
Other Operating Revenues	239,395	-	168,197	-
Total Operating Revenues	**91,098,397**	**4,643,713**	**84,659,749**	**6,724,042**
EXPENSES				
Operating Expenses				
Educational and General				
Instruction and Departmental Research	81,397,111	-	62,403,245	-
Public Service	14,059,096	-	12,842,549	-
Academic Support	8,335,166	-	8,152,757	-
Student Services	18,065,626	-	18,043,729	-
Institutional Support	30,441,456	3,071,348	29,480,510	2,840,829
Operation and Maintenance of Plant	20,254,249		17,814,480	-
Scholarships and Fellowships	11,064,641	453,130	8,573,216	545,011
Depreciation Expense	9,215,290	-	8,293,841	-
Auxiliary Enterprises				
Bookstore	9,420,187	-	10,000,585	-
Other	81,932	-	82,156	-
Columbus State Community Partners	37,829			
Total Operating Expense	**202,372,583**	**3,524,478**	**175,687,068**	**3,385,840**
Operating Income (Loss)	**(111,274,186)**	**1,119,235**	**(91,027,319)**	**3,338,202**
NONOPERATING REVENUES (EXPENSES)				
State Appropriations	67,136,142	-	67,574,585	-
Unrestricted Investment Income (Net of Investment Expense)	3,973,358	437,923	3,771,335	230,061
Restricted Investment Income (Net of Investment Expense)	50,985	907,046	354,696	443,810
Interest on Capital Asset Related Debt	(783,152)	-	(665,960)	-
Pell Grant	31,177,301	-	31,269,914	-
Other Nonoperating Revenue (Expense)	1,142,011	-	(1,498,999)	-
Net Nonoperating Revenues	**102,696,645**	**1,344,969**	**100,805,572**	**673,871**
Income (Loss)Before Other Revenues and Expenses	**(8,577,541)**	**2,464,204**	**9,778,253**	**4,012,073**
Capital Appropriations	5,928,732	-	13,404,853	-
Change in Net Position	**(2,648,809)**	**2,464,204**	**23,183,106**	**4,012,073**
NET POSITION				
Net Position-Beginning of Year	**100,465,217**	**21,111,073**	**77,282,111**	**17,099,000**
Net Position-End of Year	**$ 97,816,408**	**$ 23,575,277**	**$ 100,465,217**	**$ 21,111,073**

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

COLUMBUS STATE COMMUNITY COLLEGE

STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2020 and 2019

	2020		2019	
	Columbus State Community College	Component Unit Development Foundation	Columbus State Community College	Component Unit Development Foundation
CASH FLOWS FROM OPERATING ACTIVITIES				
Tuition and Fees	$ 63,483,238	$ -	$ 59,810,691	$ 42,387
Grants, Gifts and Contracts	16,685,702	4,959,340	14,779,601	5,464,463
Payments to Suppliers	(50,351,990)	(2,911,830)	(38,576,690)	(3,138,724)
Payments for Salaries and Benefits	(129,961,760)	-	(127,158,922)	-
Payments for Scholarships	(11,064,641)	(453,130)	(8,573,216)	(545,011)
Auxiliary Enterprise Receipts	9,455,516	-	10,752,966	-
Other Receipts (Payments)	253,463	-	234,154	-
Net Cash Provided By (Used In) Operating Activities	**(101,500,472)**	**1,594,380**	**(88,731,416)**	**1,823,115**
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
State Appropriations	67,136,142	-	67,574,585	-
Pell Grant	31,177,301	-	31,269,914	-
Other Nonoperating Revenues/(Expense)	1,142,011	-	(1,498,999)	-
Net Cash Provided By Noncapital Financing Activities	**99,455,454**	**-**	**97,345,500**	**-**
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES				
Capital Appropriations	5,928,732	-	13,404,853	-
Purchases of Capital Assets	(12,663,440)	(636)	(29,689,908)	(376,487)
Principal Paid on Debt	(966,734)	-	(1,751,735)	-
Proceeds from New Debt	8,948,000	-	-	-
Interest Paid on Capital Debt	(783,152)	-	(665,960)	-
Net Cash Used In Capital Financing Activities	**463,406**	**(636)**	**(18,702,750)**	**(376,487)**
CASH FLOWS FROM INVESTING ACTIVITIES				
Sale (Purchases) of Investments	3,306,445	(2,623,783)	8,407,449	(316,078)
Income on Investments	4,024,343	1,344,969	4,126,031	673,871
Net Cash Provided By (Used In) Investing Activities	**7,330,788**	**(1,278,814)**	**12,533,480**	**357,793**
NET CHANGE IN CASH AND CASH EQUIVALENTS	**5,749,176**	**314,930**	**2,444,814**	**1,804,421**
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	**9,885,443**	**4,379,997**	**7,440,629**	**2,575,576**
CASH AND CASH EQUIVALENTS - END OF YEAR	**$ 15,634,619**	**$ 4,694,927**	**$ 9,885,443**	**$ 4,379,997**

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

COLUMBUS STATE COMMUNITY COLLEGE

STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2020 and 2019

	2020		2019	
	Columbus State Community College	Component Unit Development Foundation	Columbus State Community College	Component Unit Development Foundation
RECONCILIATION OF NET OPERATING REVENUES (EXPENSES) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating Loss	$ (111,274,186)	$ 1,119,235	$ (91,027,319)	$ 3,338,202
Adjustments to Reconcile Net Operating Loss to Net Cash Provided (Used) By Operating Activities:				
Depreciation Expense	9,215,290	-	8,293,841	-
Changes in Assets and Liabilities and Deferred Inflows of Resources and Deferred Outflows of Resources Which Provided (Used) Cash:				
Receivables, Net	(2,294,274)	315,627	361,897	(1,217,192)
Inventory	(12,635)	-	(184,121)	-
Other Assets	99,740	-	173,026	-
Accounts Payable & Accrued Liabilites	(5,657,913)	159,518	7,253,982	(297,895)
Unearned Revenue	1,073,796	-	555,767	-
Unamortized Loss on Refunding	37,711	-	45,726	-
Net Pension Asset/Liability	3,121,397	-	(10,313,683)	-
Net OPEB Asset/Liability	(3,849,888)	-	(23,250,126)	-
Deferred Outflows of Resources - Net Pension Expense	10,492,767	-	8,290,829	-
Deferred Outflows of Resources - Net OPEB Expense	(1,812,640)	-	(468,974)	-
Deferred Inflows of Resources - Net Pension Expense	(4,153,588)	-	2,236,639	-
Deferred Inflows of Resources - Net OPEB Expense	3,513,951	-	9,301,100	-
Net Cash Provided By (Used In) Operating Activities	**$ (101,500,472)**	**$ 1,594,380**	**$ (88,731,416)**	**$ 1,823,115**

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 Columbus State Community College Development Foundation, as a component unit of the College.

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.

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.

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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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 2020, the College was in the process of evaluating implementation of the following Governmental Accounting Standards issued by the Governmental Accounting Standards Board (GASB): GASB Statement No. 83, *Certain Asset Retirement Obligations*, GASB Statement No. 84, *Fiduciary Activities*, GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements,* GASB Statement No. 87, *Leases*, and GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. On May 8, 2020, the GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance.* The Statement is intended to provide relief to governments and other stakeholders in light of the COVID-19 pandemic.

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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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, 2020 and 2019, accounts receivable consist primarily of student tuition and fees, and intergovernmental grants and contracts.

Inventory

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

Capital Assets

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

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, 2020 and 2019.

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 of the

Note 1 - Summary of Significant Accounting Policies (Continued)

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

Scholarship and Allowances and Student Aid

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

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

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

Deferred Outflows and Deferred Inflows

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. Deferred outflows represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense) until then. For the College, deferred outflows of resources are reported on the statement of net position at June 30, 2020 and 2019 for an unamortized loss on bond refunding, for pension, and for OPEB. The deferred charge on refunding in the amount of $57,954 and $95,665, respectively, resulted from the difference in the carrying value of refunded debt and its reacquisition price. The deferred outflows of resources related to pension and OPEB plans are explained in Note 11 and Note 12.

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

Pensions and Other Postemployment Benefits (OPEB)

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

Other Significant Accounting Policies

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

Note 2 - Cash, Cash Equivalents and Investments

Statement No. 3 as amended by Statement No. 40 of the Governmental Accounting Standards Board requires the College to disclose essential risk information about deposits and investments. The disclosure requirements cover four main areas: credit risk, interest rate and investment maturity, interest rate sensitivity and foreign exchange exposure. Current restricted investments on the statement of net position represent 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, 2020 and 2019, $500,000 and $250,000, respectively, of the bank balances were covered by federal deposit insurance and the remaining portions, $16,562,504 and $11,762,210, respectively, were uninsured but collateralized by pools of securities pledged by the depository bank and held in the name of the bank.

The following summarizes the value of investments at June 30, 2020 and 2019:

	Fair Value	
Description	**2020**	**2019**
STAR Ohio/STAR Plus	$ 26,938,018	$ 30,436,130
Money Market Funds	560,513	2,382,766
Commercial Paper	17,913,071	11,278,170
Municipal Bonds	6,314,826	2,156,581
Corporate Bonds	29,063,130	8,288,718
U.S. Government Obligations	2,945,834	5,516,508
U.S. Agency Obligations	42,757,321	69,740,285
Total	$ 126,492,713	$ 129,799,158

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 investment policy limits investment portfolio maturities to five years or less.

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

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

		Investment Maturities (in years)			
	Fair Value	Less than 1	1 to 5	6 to 10	More than 10
STAR Ohio/STAR Plus	$ 26,938,018	$ 26,938,018	$ -	$ -	$ -
Money Market Funds	560,514	560,514	-	-	-
Commercial Paper	17,913,071	17,913,071	-	-	-
Municipal Bonds	6,314,826	370,967	5,943,859	-	-
Corporate Bonds	29,063,130	3,874,680	25,188,450	-	-
U.S. Gov't Obligations	2,945,834	1,636,209	1,309,625	-	-
U.S. Agency Obligations	42,757,320	10,916,172	31,841,148	-	-
Total	$ 126,492,713	$ 62,209,631	$ 64,283,082	$ -	$ -

As of June 30, 2019, the College had the following investments and maturities:

		Investment Maturities (in years)			
	Fair Value	Less than 1	1 to 5	6 to 10	More than 10
STAR Ohio/STAR Plus	$ 30,436,130	$ 30,436,130	$ -	$ -	$ -
Money Market Funds	2,382,766	2,382,766	-	-	-
Commercial Paper	11,278,170	11,278,170	-	-	-
Municipal Bonds	2,156,581	907,105	1,249,476	-	-
Corporate Bonds	8,288,718	-	8,288,718	-	-
U.S. Gov't Obligations	5,516,508	-	5,516,508	-	-
U.S. Agency Obligations	69,740,285	26,817,684	42,922,601	-	-
Total	$ 129,799,158	$ 71,821,855	$ 57,977,303	$ -	$ -

The College held $26,938,018 and $30,436,130 in STAR Ohio and STAR Plus investments as of June 30, 2020 and 2019, respectively. STAR Ohio is an external investment pool and is considered a cash equivalent under GASB Statement No. 9. Oversight of the pool is through the Ohio Treasurer of State. STAR Plus is endorsed by the Ohio Treasurer of State, administered by Public Funds Administrator (PFA), an Ohio business and is fully FDIC insured. 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, 2020 and 2019, Standard & Poor rated STAR Ohio and STAR Plus investments as AAm and U.S. Government and Agency Obligations were rated AA+. Included in U.S. Agency Obligations were $7,000,095 and $998,790 in short term discount notes, as of June 30, 2020 and 2019, respectively. The government money market funds and U.S. Agency short term discount notes were not rated.

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

Credit Rating (S&P)	Total	STAR Ohio/ STAR Plus	Money Market	Commercial Paper	Corporate Bonds	US Govt Obligations & Muni Bonds	US Agency Obligations
AAAm	$ 25,584,283	$ 24,319,573	$ -	$ -	$ 1,013,690	$ 251,020	$ -
AA+/AA/AA-	$ 55,697,780	-	-	-	18,646,016	2,799,733	34,252,031
Unrated	$ 45,210,650	2,618,445	560,513	17,913,071	9,403,424	6,209,907	8,505,290
Total	$ 126,492,713	$ 26,938,018	$ 560,513	$ 17,913,071	$29,063,130	$ 9,260,660	$ 42,757,321

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

The credit ratings of the College's interest-bearing investments at June 30, 2019, are as follows:

Credit Rating (S&P)	Total	STAR Ohio/ STAR Plus	Money Market	Commercial Paper	Corporate Bonds	US Govt Obligations & Muni Bonds	US Agency Obligations
AAAm	$ 28,848,454	$ 27,856,964	$ -	$ -	$ 991,490	$ -	$ -
AA+/AA/AA-	$ 74,228,159	-	2,264,105	-	3,588,843	2,156,581	66,218,630
Unrated	$ 26,722,545	2,579,166	118,661	11,278,170	3,708,385	5,516,508	3,521,655
Total	$ 129,799,158	$ 30,436,130	$ 2,382,766	$ 11,278,170	$ 8,288,718	$ 7,673,089	$ 69,740,285

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, 2020 and 2019:

Year	Total	STAR Ohio	Money Market	Commercial Paper	US Govt Obligations & Bonds	U.S. Agency Oblig.
2020	100.0%	21.3%	0.4%	14.2%	30.3%	33.8%
2019	100.0%	23.4%	1.8%	8.7%	12.4%	53.7%

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, 2020 and 2019, 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, 2020 and 2019.

Note 3 - Pledges, Grants and Accounts Receivable

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

2019	Gross Receivable	Allowance	Net Receivable
Students' and other	$ 39,400,620	$ (28,340,075)	$ 11,060,545
Grants and contracts	1,433,684	-	1,433,684
Total	$ 40,834,304	$ (28,340,075)	$ 12,494,229

Note 4 – Fair Value Measurements

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

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

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

Assets and Liabilites Measured at Fair Value on a Recurring Basis

		Fair Value Measurements Using		
	Balance at June 30, 2020	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level:				
Money Market Funds	$ 560,513	$ -	$ 560,513	$ -
Commercial Paper	17,913,071	-	17,913,071	-
Municipal Bonds	6,314,826	-	6,314,826	-
Corporate Bonds	29,063,130	-	29,063,130	-
U.S. Gov't Obligations	2,945,834	2,945,834	-	-
U.S. Agency Obligations	42,757,321	-	42,757,321	-
Total investments by fair value level	$ 99,554,695	$ 2,945,834	$ 96,608,861	$ -

Note 4 – Fair Value Measurements (Continued)

The College had the following recurring fair value measurements of June 30, 2019:

Assets and Liabilites Measured at Fair Value on a Recurring Basis

		Fair Value Measurements Using		
	Balance at June 30, 2019	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	$ 2,382,766	$ -	$ 2,382,766	$ -
Commercial Paper	11,278,170	-	11,278,170	-
Municipal Bonds	2,156,581	-	2,156,581	-
Corporate Bonds	8,288,718	-	8,288,718	-
U.S. Gov't Obligations	5,516,508	5,516,508	-	-
U.S. Agency Obligations	69,740,285	-	69,740,285	-
Total investments by fair value level	$ 99,363,028	$ 5,516,508	$ 93,846,520	$ -

Note 5- Capital Assets

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

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

Note 5- Capital Assets (Continued)

Capital asset activity for the year ended June 30, 2019, was as follows:

	Balance June 30, 2018	Additions	Deductions	Balance June 30, 2019
Land	$27,719,338	-	-	$27,719,338
Works of art	286,500	-	-	286,500
Construction in progress	4,366,774	24,657,895	(1,899,951)	27,124,718
Total cost of nondepreciable capital assets	32,372,612	24,657,895	(1,899,951)	55,130,556
Buildings	172,104,770	4,073,251	(6,238)	176,171,783
Leasehold improvements	1,224,344	-	-	1,224,344
Improvements other than buildings	13,936,111	749,061	(6,867)	14,678,305
Moveable equip, furniture and library books	52,237,692	2,109,855	10,725	54,358,272
Total cost of depreciable capital assets	239,502,917	6,932,167	(2,380)	246,432,704
Total cost of capital assets	271,875,529	31,590,062	(1,902,331)	301,563,260
Less accumulated depreciation				
Buildings	74,728,859	4,719,423	-	79,448,282
Improvements other than buildings	3,945,228	731,298	-	4,676,526
Moveable equip, furniture and library books	40,183,122	2,843,120	(2,176)	43,024,066
Total Accumulated Depreciation	118,857,209	8,293,841	(2,176)	127,148,874
Capital assets, net	$153,018,320	$23,296,221	$ (1,900,155)	$174,414,386

Note 6 - Accounts Payable and Accrued Liabilities

	2020	2019
Payable to vendors and contractors	4,197,101	10,455,605
Accrued expenses, primarily payroll and vacation leave	9,558,092	8,734,956
Employee withholdings and deposits payable to third parties	2,431,309	2,469,594
	16,186,502	21,660,155
Current	14,974,799	20,442,177
Noncurrent	1,211,703	1,217,978

Note 7 - Long Term Obligations

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

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

Note 7 - Long Term Obligations (Continued)

Long-term debt as of June 30, 2019 is summarized as follows:

	Balance June 30, 2018	Addition/ New Debt	Reduction	Balance June 30, 2019	Current Portion	Noncurrent Portion
Series 2018A bonds with interest rates ranging from 4.0% to 5.0% due serially through 2038	$ 13,000,000	$ -	$ (800,000)	12,200,000	$ -	$ 12,200,000
Premium on Bonds	1,647,951	-	(86,735)	1,561,216	-	1,561,216
Total Series 2018A	14,647,951	-	(886,735)	13,761,216	-	13,761,216
Series 2012 bonds with an interest rate of 1.65% due serially through 2023	4,465,000	-	(865,000)	3,600,000	880,000	2,720,000
Total Bonds	19,112,951	-	(1,751,735)	17,361,216	880,000	16,481,216
Net Pension Liability						
STRS	102,959,009	-	(6,612,052)	96,346,957	-	96,346,957
SERS	76,215,316	-	(3,701,631)	72,513,685	-	72,513,685
Total Net Pension Liability	179,174,325	-	(10,313,683)	168,860,642	-	168,860,642
Net OPEB Liability						
STRS	16,910,311	-	(16,910,311)	-	-	-
SERS	32,822,603	701,364	-	33,523,967	-	33,523,967
Total Net OPEB Liability	49,732,914	701,364	(16,910,311)	33,523,967	-	33,523,967
Compensated Absences	5,159,086	285,591	-	5,444,677	4,226,699	1,217,978
Capital Lease	748,224	-	(178,980)	569,244	184,259	384,985
Total Long-Term Liabilities	$ 253,927,500	$ 986,955	$ (29,154,709)	$ 225,759,746	$ 5,290,958	$ 220,468,788

Note 7 - Long Term Obligations (Continued)

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

Years ended June 30	Principal	Interest	Total
2021	1,830,362	752,527	2,582,889
2022	1,995,090	742,853	2,737,943
2023	1,814,800	707,217	2,522,017
2024	894,800	677,094	1,571,894
2025	894,800	662,151	1,556,951
2026-2038	16,823,133	4,671,781	21,494,914
	$ 24,252,985	$ 8,213,623	$ 32,466,608

The 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 College closed on $9,000,000 General Receipts Bonds (the "Bonds"), Series 2018B (Federally Taxable), on August 2, 2018, for the purpose of financing a portion of the costs of the acquisition, construction, furnishing and equipping of a building for the School of Hospitality Management and Culinary Arts, including all related costs constituting "costs of facilities" as defined in Revised Code Section 3345.12(A)(10). The Bonds are authorized to be issued as drawdown bonds, where $9,000,000 represents the maximum authorized amount, not the total principal borrowed at closing, which can be drawn down for up to 24 months until the conversion date (as defined in the Series 2018B Bond Form included with the Eighth Supplemental Trust Agreement). The entire principal amount of the Series 2018B Bonds shall mature on August 1, 2026. The Bonds shall bear interest at variable interest rates, in accordance with the formula and terms set forth in the Series 2018B Bond Form. On any date on or after the conversion date, the College may provide notice of its election to convert the then-outstanding principal amount to a fixed rate of interest, in accordance with the formula and terms set forth in the Series 2018B Bond Form. In no event shall the fixed rate exceed six percent (6.00%) per annum.

Note 8 – Operating Leases

The College leases office space, parking, and classroom space for its off-campus sites and equipment under operating leases, which have ending dates ranging through 2042. Lease expense charged to operations was $1,808,331 and $2,298,704 during 2020 and 2019, respectively. Future minimum lease payments under operating leases at June 30, 2020, are as follows:

2021	1,008,922
2022	927,924
2023	937,047
2024	897,055
2025 - 2042	4,887,010
	$ 8,657,958

Note 9 - Compensated Absences

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

The liability for the cost of vacation and sick leave benefits is approximately $5,941,349 and $5,444,677 as of June 30, 2020 and 2019, respectively.

Note 10 - State Support

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

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

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

Note 11 - Defined Benefit Pension Plans

Net Pension Liability

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

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-

Note 11 - Defined Benefit Pension Plans (Continued)

term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

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

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

The proportionate share of each plan's unfunded benefits is presented as a long-term *net pension liability* and any liability for the contractually-required pension contribution outstanding at the end of the year is included in current liabilities. The College does not have any contractually-required pension contribution liability recorded at June 30, 2020 or June 30, 2019.

Plan Description - School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

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

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

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.

Note 11 - Defined Benefit Pension Plans (Continued)

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

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the College is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal years ended June 30, 2020 and 2019, the allocation to pension, death benefits, and Medicare B was 14 percent and 13.50 percent, respectively. The remaining 0.50 percent of the 14 percent employer contribution rate in fiscal year 2019 was allocated to the Health Care Fund. The College's contractually required contributions to SERS for retirement were $6,191,011 and $5,814,312 for fiscal years 2020 and 2019, respectively.

Plan Description - State Teachers Retirement System (STRS)

Plan Description – College faculty members participate in STRS Ohio, a cost-sharing multiple-employer public employee retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about STRS' fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Web site at 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 to preserve the fiscal integrity of the retirement system. Effective August 1, 2017 through July 1, 2019, any member could retire with reduced benefits who had (1) five years of service credit and age 60; (2) 27 years of service credit and age 55; or (3) 30 years of service credit regardless of age. For unreduced benefits, members could retire between August 1, 2017 and July 1, 2019 with 32 years of service credit at any age or at age 65 with 5 years of service credit. Effective August 1, 2019, age and service requirements for retirement under the DB plan are as follows:

Note 11 - Defined Benefit Pension Plans (Continued)

Eligibility Requirements for Unreduced Benefit	
For Retirement Dates	**Minimum Age and Years of Service**
8/1/12019 - 7/1/2021	Any age and 33 yrs.; or age 65 and 5 yrs.
8/1/2021 - 7/1/2023	Any age and 34 yrs.; or age 65 and 5 yrs.
8/1/2023 - 7/1/2026	Any age and 35 yrs.; or age 65 and 5 yrs.
On or after 8/1/2026	Age 60 and 35 yrs.; or age 65 and 5 yrs.

Eligibility Requirements for Actuarially Reduced Benefit	
For Retirement Dates	**Minimum Age and Years of Service**
8/1/2019 - 7/1/2021	Any age and 30 yrs.; or age 55 and 28 yrs.; or age 60 and 5 yrs.
8/1/2021 - 7/1/2023	Any age and 30 yrs.; or age 55 and 29 yrs.; or age 60 and 5 yrs.
On or after 8/1/2023	Any age and 30 yrs.; or age 60 and 5 yrs.

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

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

Note 11 - Defined Benefit Pension Plans (Continued)

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For the fiscal years ended June 30, 2020 and 2019, employer and employee contribution rate of 14 percent was equal to the statutory maximum rates. For fiscal years 2020 and 2019, the full employer contribution was allocated to pension.

The College's contractually required contributions to STRS were $7,379,390 and $7,122,494 for fiscal years 2020 and 2019, respectively.

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

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

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

For the fiscal year ended June 30, 2019, the net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The College's proportion of the net pension liability was based on the College's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	SERS	STRS	Total
Proportionate Share of the Net Pension Liability	$72,513,685	$96,346,957	$168,860,642
Proportion of the Net Pension Liability	1.26613130%	0.43818461%	
Pension Expense	$6,074,947	$7,075,644	$13,150,591

Note 11 - Defined Benefit Pension Plans (Continued)

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

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

Note 11 - Defined Benefit Pension Plans (Continued)

At June 30, 2019, 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	$3,976,918	$2,223,983	$6,200,901
Changes of assumptions	1,637,516	17,074,498	18,712,014
Changes in employer proportionate share	143,860	710,179	854,039
College contributions subsequent to the measurement date	5,814,312	7,122,494	12,936,806
Total Deferred Outflows of Resources	$11,572,606	$27,131,154	$38,703,760
Deferred Inflows of Resources			
Differences between expected and actual experience	-	$629,204	$629,204
Net difference between projected and actual earnings on pension plan investments	$2,009,134	5,842,373	7,851,507
Changes in employer proportionate share	327,573	3,784,280	4,111,853
Total Deferred Inflows of Resources	$2,336,707	$10,255,857	$12,592,564

$13,570,401 reported at June 30, 2020 as deferred outflows of resources related to pension resulting from College contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2021. $12,936,806 reported at June 30, 2019 as deferred outflows of resources related to pension resulting from College contributions subsequent to the measurement date was recognized as a reduction of the net pension liability in the year ended June 30, 2020. 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:			
2021	$1,821,614	$4,843,637	$6,665,251
2022	(1,776,071)	769,722	(1,006,349)
2023	(64,173)	(505,891)	(570,064)
2024	546,907	565,869	1,112,776
Total	$528,277	$5,673,337	$6,201,614

Note 11 - Defined Benefit Pension Plans (Continued)

Actuarial Assumptions - SERS

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

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

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2019, are presented below:

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

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

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

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

Note 11 - Defined Benefit Pension Plans (Continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	1.00 %	0.50 %
US Stocks	22.50 %	4.75 %
Non-US Stocks	22.50 %	7.00 %
Fixed Income	19.00 %	1.50 %
Private Equity	10.00 %	8.00 %
Real Assets	15.00 %	5.00 %
Multi-Asset Strategies	10.00 %	3.00 %
Total	100.00 %	

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

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

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
College's proportionate share of the net pension liability as of:			
June 30, 2020	$105,281	$75,128	$49,841
June 30, 2019	$102,141	$72,514	$47,673
(dollars in thousands)			

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

Note 11 - Defined Benefit Pension Plans (Continued)

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2019, actuarial valuation, are presented below:

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

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

Actuarial assumptions used in the July 1, 2019 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

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

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

* Target weights will be phased in over a 24-month period concluding on July 1, 2019
**10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent and does not include investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Note 11 - Defined Benefit Pension Plans (Continued)

Discount Rate The discount rate used to measure the total pension liability was 7.45 percent as of June 30, 2019. 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 rates 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, 2019. Therefore, the long-term expected rate of return on pension plan investments of 7.45 percent was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2019.

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

	1% Decrease (6.45)	Current Discount Rate (7.45%)	1% Increase (8.45%)
College's proportionate share of the net pension liability as of:			
June 30, 2020	$141,542	$96,854	$59,024
June 30, 2019	$140,702	$96,347	$58,806
(dollars in thousands)			

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

Note 12 – Defined Benefit OPEB Plans

Net OPEB Liability(Asset)

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

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.

Note 12 – Defined Benefit OPEB Plans (Continued)

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

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

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

Plan Description - School Employees Retirement System (SERS)

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

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

Note 12 – Defined Benefit OPEB Plans (Continued)

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 2020, no allocation was made to health care. In fiscal year 2019, 0.5 percent of covered payroll 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 2020 and 2019, this amount was $19,600 and $21,600, respectively. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2020 and 2019, the College's surcharge obligation was $233,914 and $264,430, respectively.

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The contractually required contribution to SERS was $233,914 and $479,775 for fiscal years 2020 and 2019, respectively. Of this amount, $0 and $17,892, was reported as accrued liabilities.

Plan Description - State Teachers Retirement System (STRS)

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

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal years ended June 30, 2020 and 2019, respectively, STRS did not allocate any employer contributions to post-employment health care.

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

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

Note 12 – Defined Benefit OPEB Plans (Continued)

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

The net OPEB liability (asset) was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of that date. The College's proportion of the net OPEB liability (asset) was based on the College's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	SERS	STRS	Total
Proportion of the Net OPEB Liability	$33,523,967	-	$33,523,967
Proportion of the Net OPEB Asset	-	(7,041,179)	(7,041,179)
Proportion of the Net OPEB Liability/Asset			
Current Measurement Date	1.20838870%	0.43818461%	
OPEB Expense	$952,827	($14,891,052)	($13,938,225)

Note 12 – Defined Benefit OPEB Plans (Continued)

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

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

At June 30, 2019, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Note 12 – Defined Benefit OPEB Plans (Continued)

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	$547,229	$822,422	$1,369,651
Changes in employer proportionate share	82,636	169,915	252,551
College contributions subsequent to the measurement date	479,775	-	479,775
Total Deferred Outflows of Resources	$1,109,640	$992,337	$2,101,977
Deferred Inflows of Resources			
Differences between expected and actual experience	-	$410,242	$410,242
Changes of assumptions	3,011,875	9,594,166	12,606,041
Net difference between projected and actual earnings on OPEB plan investments	$50,297	804,395	854,692
Changes in employer proportionate share	363,694	352,769	716,463
Total Deferred Inflows of Resources	$3,425,866	$11,161,572	$14,587,438

$233,914 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, 2021. $479,775 reported as deferred outflows of resources related to OPEB resulting from College contributions subsequent to the measurement date was recognized as a reduction of the net OPEB liability (adjustment to net OPEB asset) in the year ended June 30, 2020. 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:			
2021	($1,839,642)	($1,783,209)	($3,622,851)
2022	(1,041,907)	(1,783,209)	(2,825,116)
2023	(1,020,850)	(1,600,614)	(2,621,464)
2024	(1,024,276)	(1,536,560)	(2,560,836)
2025	(956,639)	(1,426,436)	(2,383,075)
Thereafter	(427,990)	20,646	(407,344)
Total	($6,311,304)	($8,109,382)	($14,420,686)

Note 12 – Defined Benefit OPEB Plans (Continued)

Actuarial Assumptions - SERS

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

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

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

Key methods and assumptions used in calculating the total OPEB liability (asset) in the latest actuarial valuation date of June 30, 2019, are presented below:

Inflation	3.00 percent
Wage Increases	3.50 percent to 18.20 percent
Investment Rate of Return	7.50 percent net of investments expense, including inflation
Municipal Bond Index Rate:	
Measurement Date	3.13 percent
Prior Measurement Date	3.62 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation	
Measurement Date	3.22 percent
Prior Measurement Date	3.70 percent
Medical Trend Assumption	
Medicare	5.25 to 4.75 percent
Pre-Medicare	7.00 to 4.75 percent

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

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

Note 12 – Defined Benefit OPEB Plans (Continued)

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

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	1.00 %	0.50 %
US Stocks	22.50 %	4.75 %
Non-US Stocks	22.50 %	7.00 %
Fixed Income	19.00 %	1.50 %
Private Equity	10.00 %	8.00 %
Real Assets	15.00 %	5.00 %
Multi-Asset Strategies	10.00 %	3.00 %
Total	100.00 %	

Discount Rate The discount rate used to measure the total OPEB liability at June 30, 2019 was 3.22 percent. The discount rate used to measure total OPEB liability prior to June 30, 2019 was 3.70 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the state statute contribution rate of 2.00 percent of projected covered employee payroll each year, which includes a 1.50 percent payroll surcharge and 0.50 percent of contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2025. Therefore, the long-term expected rate of return on OPEB plan assets was used to present value the projected benefit payments through the fiscal year ending June 30, 2024 and the Fidelity General Obligation 20-year Municipal Bond Index rate of 3.13 percent, as of June 30, 2019 (i.e. municipal bond rate), was used to present value the projected benefit payments for the remaining years in the projection. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The projection of future benefit payments for all current plan members was until the benefit payments ran out.

Note 12 – Defined Benefit OPEB Plans (Continued)

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 (2.22%) and higher (4.22%) than the current discount rate (3.22%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.00% decreasing to 3.75%) and higher (8.00% decreasing to 5.75%) than the current rate.

	1% Decrease (2.22%)	Current Discount Rate (3.22%)	1% Increase (4.22%)
College's proportionate share of the net OPEB liability	$36,276,809	$29,886,719	$24,805,849

	1% Decrease (6.00% decreasing to 3.75%)	Current Trend Rate (7.00% decreasing to 4.75%)	1% Increase (8.00% decreasing to 5.75%)
College's proportionate share of the net OPEB liability	$23,945,316	$29,886,719	$37,769,522

Assumption and Benefit Changes Since the Prior Measurement Date

The following changes in key methods and assumptions 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%

Note 12 – Defined Benefit OPEB Plans (Continued)

Actuarial Assumptions – STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2019 actuarial valuation are presented below:

Inflation	2.50 percent
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation
Payroll Increases	3 percent
Discount Rate of Return	7.45 percent, net of investment expense
Health Care Cost Trends:	
Medical:	
Pre-Medicare	5.87% initial, 4% ultimate
Medicare	4.93% initial, 4% ultimate
Prescription Drug:	
Pre-Medicare	7.73% initial, 4% ultimate
Medicare	9.62% initial, 4% ultimate

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

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

Actuarial assumptions used in the June 30, 2019 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

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:

Note 12 – Defined Benefit OPEB Plans (Continued)

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

*Target weights will be phased in over a 24-month period concluding on July 1, 2019.
**10 year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent and does not include investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actual rate of return, without net value added by management.

Discount Rate The discount rate used to measure the total OPEB liability was 7.45 percent as of June 30, 2019 and June 30, 2018. The projection of cash flows used to determine the discount rate assumes STRS Ohio 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. Therefore, the long-term rate of return on health care plan investments of 7.45 percent was used to measure the total OPEB liability as of June 30, 2019 and June 30, 2018.

Sensitivity of the College's Proportionate Share of the Net OPEB Liability to Changes in the Discount and Health Care Cost Trend Rate The following table represents the net OPEB (asset) as of June 30, 2019, calculated using the current period discount rate assumption of 7.45 percent, as well as what the net OPEB (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.45 percent) or one percentage point higher (8.45 percent) than the current assumption. Also shown is the net OPEB (asset) as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

Note 12 – Defined Benefit OPEB Plans (Continued)

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
College's proportionate share of the net OPEB liability (asset)	($6,189,691)	($7,253,819)	($8,148,504)

	1% Decrease	Current Trend Rate	1% Increase
College's proportionate share of the net OPEB liability (asset)	($8,225,499)	($7,253,819)	($6,063,749)

Assumption and Benefit Changes Since the Prior Measurement Date

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 indefinitely.

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

Note 13 - Risk Management

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

The College is self-insured for its health, dental, vision and workers compensation benefits to its employees. The College self-funds the cost of the programs up to specified stop-loss insurance limits. Coverage during the policy period limits the maximum individual and aggregate losses. Self-insurance costs are accrued based upon the aggregate of the liability for reported claims and an estimated liability for claims incurred but not reported. The estimated liability for claims incurred but not reported was determined based on averages of claims expenses paid during the period. The claims liabilities of $1,730,025 and $1,849,630 were reported at June 30, 2020 and 2019, respectively, as required of GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, which requires that a liability for unpaid claim costs, including estimates of costs relating to incurred but not reported claims be reported.

Note 13 - Risk Management

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
2020	$1,849,630	13,064,923	13,184,528	$1,730,025
2019	$1,744,424	11,756,441	11,651,235	$1,849,630
2018	$1,638,262	12,375,829	12,269,667	$1,744,424

In addition to the expense incurred in claim payments, the College paid $1,598,485, $1,568,313 and $1,276,085 in fees for administration of the self-insurance plans for 2020, 2019, and 2018, respectively.

Note 14 - Capital Projects Commitments

At June 30, 2020 and 2019, the College was committed to future capital expenditures as follows:

Contractual commitments:	2020	2019
Mitchell Hall Construction	1,152,506	4,952,806
Utility Tunnel Repairs	95,068	1,356,982
Campus Building Upgrades	1,242,578	1,523,790
Union Hall ADA Upgrades	108,734	1,252,662
Boiler Replacement and HVAC Upgrade	592,369	633,985
Student Success Initiatives	197,040	326,060
Signage Upgrades	47,738	177,205
Parking Lot Repair	14,164	117,300
Chiller Replacement	2,874,400	-
AQ Hall Envelope Restoration	2,144,272	-
Percent of Art	62,000	-
	$ 8,530,869	$ 10,340,790

Note 15 – Pending Litigation

At June 30, 2020, there were several lawsuits and claims pending against the College. In the opinion of management, the ultimate liabilities, if any, resulting from such lawsuits and claims will not materially affect the financial position of the College.

Note 16 - Operating Expenses By Natural Classification

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

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

The College's operating expenses by natural classification were as follows for the year ended June 30, 2019:

	2019
Salaries and wages	$ 100,231,080
Employee benefits	27,439,345
Impact of GASB 68	213,785
Impact of GASB 75	(14,418,000)
Utilities	3,272,910
Supplies and other services	42,080,891
Depreciation	8,293,841
Student scholarships and financial aid	8,573,216
	$ 175,687,068

Note 17 - Component Unit Disclosures

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

Organization

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

Note 17 - Component Unit Disclosures (Continued)

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, 2020. Uninsured cash funds held by banks are subject to a collateral agreement covering all public funds held by the bank. As of June 30, 2020, the Foundation had bank balances with Huntington National Bank and US Bank of $4,520,941.

Investments

The Foundation's investments are stated at market value, with changes in the market value being recognized as gains and losses during the period in which they occur. Market value is determined by market quotations. Investment earnings from endowment investments are credited to temporarily restricted funds and spent in compliance with donor restrictions placed on earnings. Investment earnings of non-endowment investments are recorded as unrestricted earnings and expended at the discretion of the Foundation's board. The following summarizes the cost and fair value of investments of the Foundation at June 30, 2020 and 2019:

	2020		2019	
	Cost	Fair Value	Cost	Fair Value
Equity Funds	227,022	201,248	108,308	111,076
Common & Preferred Stock	4,987,913	6,234,326	3,699,965	4,707,106
Corporate Debt	4,906,356	5,065,487	3,974,142	4,059,096
	$10,121,291	$11,501,061	$7,782,415	$8,877,278

Promises to Give

Unconditional promises to give consist of the following as of June 30, 2020 and 2019:

	2020	2019
Outstanding Pledges at Year End	$7,397,613	$7,895,791
Less: Discounts and allowances for uncollectible pledges	(91,348)	(403,066)
Unconditional provises to give, net	$7,306,265	$7,492,725

As of June 30, 2020

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

Note 17 - Component Unit Disclosures (Continued)

As of June 30, 2019

Amounts to be received in:	Gross Amount	Allowance/ Discount	Net Amount
Less than one year	$2,995,414	-	$2,995,414
One to five years	$4,900,377	(403,066)	4,497,311
Total	$7,895,791	(403,066)	$7,492,725

Note 18 - Contingency

The College is the beneficiary of potential cash refunds related to the purchase of annuities to fund two charitable gift annuities the College received in prior years. During fiscal year 2010, the College purchased two annuities to fund the obligations. The policies provide that the College will receive refunds of any premium payment in excess of the obligations paid by the policies if all annuitants are deceased. The College paid $3,484,254 in premiums during 2010 to fund the annuities. As of June 30, 2020, $2,600,000 has been paid to the annuitants.

Note 19 – Subsequent Event

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 a closing taking place on October 8, 2020. The Series 2020A Serial Bonds are due December 1, 2036 through December 1, 2040, inclusive, and the Series 2020B Serial Bonds are due December 1, 2021 through December 1, 2035, inclusive. The bonds are voted general obligation debt of the College.

Note 20 – COVID-19

On March 10, 2020, the World Health Organization recognized the outbreak of COVID-19 disease as a pandemic. Governments worldwide continue to take actions to prevent the spread of the outbreak, including event cancellations and quarantines that have created widespread adverse impacts to the global economy as well as business interruptions. The College transitioned its instructional and administrative operations to primarily a virtual setting. The full impact of COVID-19 and the scope of any continued impact on College finances and operations cannot be fully determined at this time. Adverse consequences of the COVID-19 pandemic may include but are not limited to decline in enrollment; additional decreases in financial support from the State; and reduction in funding support from donors or other external sources.

COLUMBUS STATE COMMUNITY COLLEGE

Required Supplementary Information

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

School Employees Retirement System of Ohio

Last Ten Fiscal Years (1)

SERS	2020	2019	2018	2017	2016	2015
College's Proportion of the the Net pension Liability	1.25565080%	1.26613130%	1.2756173%	1.2726363%	1.274032%	1.242285%
College's Proportionate Share of the Net Pension Liability	$75,127,789	$72,513,685	$76,215,316	$93,145,235	$72,697,478	$62,871,338
College's Covered-Employee Payroll	$43,068,678	$42,480,643	$41,068,521	$39,531,879	$38,392,578	$36,140,472
College's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	174.44%	170.70%	185.581%	235.620%	189.36%	173.96%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.85%	71.36%	69.50%	62.98%	69.16%	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	2020	2019	2018	2017	2016	2015
College's Proportion of the the Net pension Liability	0.43796917%	0.43818461%	0.433341646%	0.44265122%	0.45597031%	0.46729176%
College's Proportionate Share of the Net Pension Liability	$96,854,250	$96,346,957	$102,959,009	$148,168,706	$126,016,857	$113,661,528
College's Covered-Employee Payroll	$50,874,957	$49,308,179	$46,931,536	$45,732,807	$47,744,310	$46,672,461
College's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	190.38%	195.40%	219.38%	323.99%	263.94%	243.53%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.40%	77.30%	75.30%	66.80%	72.10%	74.70%

(1) Information prior to 2015 is not available.

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

See accompanying notes to the required supplementary information.

COLUMBUS STATE COMMUNITY COLLEGE

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

School Employees Retirement System	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually Required Contribution	$6,191,011	$5,814,312	$5,734,888	$5,749,593	$5,534,463	$5,374,961	$5,054,314	$5,040,444	$5,811,044	$5,467,455
Contributions in Relation to the Contractually Required Contribution	(6,191,011)	(5,814,312)	(5,734,888)	(5,749,593)	(5,534,463)	(5,374,961)	(5,054,314)	(5,040,444)	(5,811,044)	(5,467,455)
Contribution Deficiency (Excess)	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
College Covered-Employee Payroll	$44,221,507	$43,068,978	$42,480,643	$41,068,521	$39,531,879	$38,392,578	$36,140,472	$39,532,495	$41,553,409	$39,071,110
Contributions as a Percentage of Covered Payroll	14.00%	13.50%	13.50%	14.00%	14.00%	14.00%	13.99%	12.75%	13.98%	13.99%

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

State Teachers Retirement System	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually Required Contribution	$7,379,390	$7,122,494	$6,903,145	$6,570,415	$6,402,593	$6,573,275	$6,534,145	$7,308,424	$7,875,038	$7,570,317
Contributions in Relation to the Contractually Required Contribution	(7,379,390)	(7,122,494)	(6,903,145)	(6,570,415)	(6,402,593)	(6,573,275)	(6,534,145)	(7,308,424)	(7,875,038)	(7,570,317)
Contribution Deficiency (Excess)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
College Covered-Employee Payroll	$52,709,929	$50,874,957	$49,308,179	$46,931,536	$45,732,807	$47,744,310	$46,672,461	$52,203,027	$56,250,269	$54,073,694
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%	14.00%	13.77%	14.00%	14.00%	14.00%	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	2020	2019	2018	2017
College's Proportion of the Net OPEB Liability	1.18843810%	1.20838870%	1.2230185%	1.2168249%
College's Proportionate Share of the Net OPEB Liability	$29,886,719	$33,523,967	$32,822,603	$34,684,010
College's Covered-Employee Payroll	$43,068,978	$42,480,643	$41,068,521	$39,531,879
College's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered-Employee Payroll	69.39%	78.92%	79.92%	87.74%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	15.57%	13.57%	12.46%	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

State Teachers Retirement System of Ohio

Last Ten Fiscal Years (1)

STRS	2020	2019	2018	2017
College's Proportion of the Net OPEB Liability	0.43796917%	0.43818461%	0.43341646%	0.4426512%
College's Proportionate Share of the Net OPEB Liability (Asset)	($7,253,819)	($7,041,179)	$16,910,311	$23,179,225
College's Covered-Employee Payroll	$50,874,957	$49,308,179	$46,931,536	$45,732,807
College's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered-Employee Payroll	-14.26%	-14.28%	36.03%	50.68%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	174.74%	176.00%	47.10%	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)

Net OPEB Liability - SERS	2020	2019	2018
Contractually Required Contribution	$233,914	$479,775	$527,246
Contributions in Relation to the Contractually Required Contribution	(233,914)	(479,775)	(527,246)
Contribution Deficiency (Excess)	$0.00	$0.00	$0.00
College Covered-Employee Payroll	$44,221,507	$43,068,978	$42,480,643
Contributions as a Percentage of Covered Payroll	0.53%	1.11%	1.24%

	2017	2016	2015	2014	2013	2012	2011
Contractually Required Contribution	$336,136	$303,128	$314,819	$297,977	$305,977	$843,025	$1,136,461
Contributions in Relation to the Contractually Required Contribution	(336,136)	(303,128)	(314,819)	(297,977)	(305,977)	(843,025)	(1,136,461)
Contribution Deficiency (Excess)	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
College Covered-Employee Payroll	$41,068,521	$39,531,879	$38,392,578	$36,140,472	$39,532,495	$41,553,409	$39,071,110
Contributions as a Percentage of Covered Payroll	0.82%	0.77%	0.82%	0.82%	0.77%	2.03%	2.91%

(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

Net OPEB Liability - STRS	2020	2019	2018
Contractually Required Contribution	$0	$0	$0
Contributions in Relation to the Contractually Required Contribution	-	-	-
Contribution Deficiency (Excess)	0.00	0.00	0.00
College Covered-Employee Payroll	$52,709,929	$50,874,957	$49,308,179
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%

2017	2016	2015	2014	2013	2012	2011
$0	$0	$0	$456,836	$520,925	$572,692	$537,945
-	-	-	(456,836)	(520,925)	(572,692)	(537,945)
0.00	0.00	0.00	0.00	0.00	0.00	0.00
$46,931,536	$45,732,807	$47,744,310	$46,672,461	$52,203,027	$56,250,269	$54,073,694
0.00%	0.00%	0.00%	0.98%	1.00%	1.02%	0.99%

See accompanying notes to the required supplementary information.

Note 1- Net Pension Liability

School Employees Retirement System (SERS)

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

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

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

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

Changes in Assumptions:
2018-2020: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for these fiscal years.

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

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

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

State Teachers Retirement System (STRS)

Changes in Benefit Terms:
2019-2020: There were no changes in benefit terms from the amounts reported for this fiscal year.

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

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

Changes in Assumptions:
2019-2020: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for this fiscal year.

2018: The following changes of assumptions affected the total pension liability since the prior measurement date:
(1) The long term expected rate of return was reduced from 7.75% to 7.45%,
(2) The inflation assumption was lowered from 2.75% to 2.50%,
(3) The payroll growth assumption was lowered to 3.00%,
(4) Total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation,
(5) The healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016, and
(6) Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

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

Note 2 - Net OPEB (Asset)/Liability

School Employees Retirement System (SERS)

Changes in Benefit Terms:
2017-2020: There were no changes in benefit terms from the amounts reported for these fiscal years.

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

(4) Discount Rate:

Prior Measurement Date	3.70%
Measurement Date	3.22%

(5) Municipal Bond Index Rate:

Prior Measurement Date	3.62%
Measurement Date	3.13%

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

Prior Measurement Date	3.70%
Measurement Date	3.22%

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

(1) Discount Rate:

Prior Measurement Date	3.63%
Measurement Date	3.70%

(2) Municipal Bond Index Rate:

Prior Measurement Date	3.56%
Measurement Date	3.62%

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

Prior Measurement Date	3.63%
Measurement Date	3.70%

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

(1) Discount Rate:

Fiscal Year 2018	3.63%
Fiscal Year 2017	2.98%

(2) Municipal Bond Index Rate:

Fiscal Year 2018	3.56%
Fiscal Year 2017	2.92%

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

Fiscal Year 2018	3.63%
Fiscal Year 2017	2.98%

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

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

State Teachers Retirement System (STRS)

Changes in Benefit Terms:

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

2019: The subsidy multiplier for non-Medicare benefit recipients was increased from 1.900% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased effective January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020. The Board is extending the current Medicare Part B partial reimbursement program for one year. Under this program, benefit recipients currently enrolled in the STRS Ohio Health Care Program and Medicare Part B receive $29.90 per month to reimburse a portion of the Medicare Part B premium. The reimbursement was set to be reduced to $0 beginning January 1, 2020. This impacts about 85,000 benefit recipients.

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

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

Changes in Assumptions:

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

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

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

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

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 2/11/2021

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