COLUMBUS STATE COMMUNITY COLLEGE
FRANKLIN COUNTY, OHIO

COLUMBUS STATE
COMMUNITY COLLEGE

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2022

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, 2021 through June 30, 2022. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Keith Faber
Auditor of State
Columbus, Ohio

November 17, 2022

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COLUMBUS STATE COMMUNITY COLLEGE
FRANKLIN COUNTY, OHIO
FOR THE YEAR ENDED JUNE 30, 2022

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COLUMBUS STATE COMMUNITY COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2022

	Assistance Listing Number	Pass Through Number	Expenditures	Passed Through to Subrecipient
US DEPARTMENT OF EDUCATION				
Direct Recipient				
Student Financial Assistance Cluster:				
Federal Supplemental Educational Opportunity Grants	84.007	N/A	$ 1,261,138	$ -
Federal Direct Student Loans	84.268	N/A	22,406,724	-
Federal Work-Study Program	84.033	N/A	199,727	-
Federal Pell Grant Program	84.063	N/A	28,020,184	-
Total Student Financial Assistance Cluster			**51,887,773**	**-**
TRIO Cluster:				
TRIO Upward Bound	84.047	N/A	344,577	-
TRIO Student Support Services	84.042	N/A	285,482	-
TRIO Talent Search	84.044	N/A	267,796	-
Total TRIO Cluster			**897,855**	**-**
Higher Education Institutional Aid - Creating a Comprehensive Student Completion Model	84.031	N/A	315,818	-
COVID 19 Higher Education Emergency Relief Fund - Student Aid Portion	84.425E	N/A	23,323,713	-
COVID 19 Higher Education Emergency Relief Fund - Institutional Portion	84.425F	N/A	8,128,150	-
COVID 19 Higher Education Emergency Relief Fund - Strengthening Institutions Program (SIP)	84.425M	N/A	402,661	-
Passed through Ohio Department of Higher Education				
COVID 19 Governors Emergency Education Relief Fund	84.425C	3HQ0	895,742	-
Total Education Stabilization Fund			32,750,266	-
Passed through Ohio Department of Education				
Career and Technical Education - Basic Grants to States	84.048	3L90	531,860	-
Twenty-First Century Community Learning Centers	84.287	3Y20	522,290	-
Total US Department of Education			**86,905,862**	**-**
US DEPARTMENT OF LABOR				
Direct Recipient				
H-1B Job Training Grants	17.268	N/A	368,507	150,837
Passed through Franklin County Department of Job and Family Services				
WIOA Cluster				
WIA Adult Program	17.258	N/A	20,516	-
Total WIOA Cluster			**20,516**	**-**
Passed through Ohio Department of Job and Family Services				
Trade Adjustment Assistance	17.245	N/A	6,572	-
Passed through American Association of Community Colleges				
Apprenticeship USA Grants	17.285	N/A	32,795	-
Passed through Lorain County Community College				
H-1B Job Training Grants	17.268	N/A	106,804	-
Total US Department of Labor			**535,194**	**150,837**
US DEPARTMENT OF VETERANS AFFAIRS				
Direct Recipient				
Vocational Rehabilitation for Disabled Veterans	64.116	N/A	311,008	-
Total US Department of Veterans Affairs			**311,008**	**-**
US SMALL BUSINESS ADMINISTRATION				
Passed through Ohio Development Services Agency				
Small Business Development Centers	59.037	DEVFSBA20 OSBG-21-301; DEVFSBA21 OSBG-22-301	434,613	-
Small Business Development Centers	59.037	DEVFCV30 OSBG-20-331	130,428	-
Passed through the Ohio Department of Development				
State Trade Expansion	59.061	ODOD 2022	2,890	-
Total US Small Business Administration			**567,931**	**-**
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE				
Direct Recipient				
AmeriCorps	94.006	N/A	42,044	-
Total Corporation for National and Community Service			**42,044**	**-**
NATIONAL SCIENCE FOUNDATION				
Direct Recipient				
Education and Human Resources	47.076	N/A	1,041,379	96,214
Passed through The Ohio State University Research Foundation				
Education and Human Resources	47.076	60042097-CSCC; RF01144350	27,504	-
		2134832	75,409	-
Passed through Rutgers University				
Education and Human Resources	47.076	N/A	1,314	-
Total National Science Foundation			**1,145,606**	**96,214**

COLUMBUS STATE COMMUNITY COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2022

	Assistance Listing Number	Pass Through Number	Expenditures	Passed Through to Subrecipient
INSTITUTE OF MUSEUM AND LIBRARY SERVICES				
Direct Recipient				
Grants to States	45.310	N/A	4,543	-
Total Institute of Museum and Library Services			**4,543**	**-**
US DEPARTMENT OF DEFENSE				
Direct Recipient				
GenCyber Grants Program	12.903	N/A	40,562	-
Community Investment	12.600	N/A	22,091	-
Passed through Lorain County Community College				
Basic and Applied Scientific Research	12.300	N/A	11,728	-
Total US Department of Defense			**74,381**	**-**
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION				
Direct Recipient				
Science	43.001	N/A	31,412	-
Total National Aeronautics and Space Administration			**31,412**	**-**
US DEPARTMENT OF COMMERCE				
Direct Recipient				
Manufacturing Extension Partnership	11.611	N/A	152,865	-
Passed through The State of Ohio				
Manufacturing Extension Partnership	11.611	MEPG20200246, MEPG20200518	420,402	-
Total US Department of Commerce			**573,267**	**-**
US DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Direct Recipient				
Health Careers Opportunity Program	93.822	N/A	612,224	-
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	N/A	38,658	-
Passed through The Ohio State University				
Nursing Research	93.361	60076723	24,605	-
Total US Department of Health and Human Services			**675,487**	**-**
US DEPARTMENT OF THE TREASURY				
Direct Recipient				
Emergency Rental Assistance Program	21.023	N/A	412,951	-
Passed through the City of Columbus				
Coronavirus Relief Fund	21.019	N/A	343,810	-
Total US Department of the Treasury			**756,761**	**-**
US Department of Transportation				
Direct Recipient				
Aviation Maintenance Technical Workforce	20.112	N/A	4,430	-
Total US Department of the Transportation			**4,430**	**-**
			$ 91,627,926	**$ 247,051**

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 2022:

Assistance Listing Number	Program Name	Amount
84.268	Federal Subsidized Direct Loans	$ 11,844,807
84.268	Federal Unsubsidized Direct Loans	10,382,053
84.268	Federal PLUS Loans	179,864
	Total Federal Direct Student Loans	$ 22,406,724

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Board of Trustees
Columbus State Community College

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and discretely presented component unit of Columbus State Community College (the College), a component unit of the State of Ohio, as of and for the year ended June 30, 2022, 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 14, 2022. Our report includes a reference to other auditors who audited the financial statements of the discretely presented component unit, as described in our report on the College's basic financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. We noted the College adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*.

Report on Internal Control over Financial Reporting

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

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

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

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Report on Compliance and Other Matters

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

Purpose of this Report

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

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.
Columbus, Ohio
October 14, 2022

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

Board of Trustees
Columbus State Community College

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

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Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

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, 2022, and the related notes to the financial statements, which collectively comprise the College's basic financial statements. We issued our report thereon dated October 14, 2022, which contained unmodified opinions on those financial statements, wherein we noted the College adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. 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 performed 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 14, 2022. 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
November 8, 2022

COLUMBUS STATE COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2022

Section I – Summary of Auditor's Results

Financial Statements

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

Federal Awards

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

Identification of major federal programs:

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

Dollar threshold used to distinguish between Type A and Type B Programs	$2,748,838
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, 2022

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

COLUMBUS STATE COMMUNITY COLLEGE
FRANKLIN COUNTY, OHIO

COLUMBUS STATE

COMMUNITY COLLEGE

BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

PLATTENBURG
Certified Public Accountants

COLUMBUS STATE COMMUNITY COLLEGE

FRANKLIN COUNTY, OHIO

FOR THE YEAR ENDED JUNE 30, 2022

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Columbus State Community College

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the College, as of June 30, 2022, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Columbus State Community College Development Foundation, Inc. (the Foundation) which represents 100 percent of the assets, net position and revenues of the discretely presented component unit as of June 30, 2022, and the respective changes in net position and where applicable cash flows, thereof for the year then ended. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Foundation, is based solely on the report of the other auditors.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 1 to the financial statements, during 2022, the College adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

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Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

Required Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2022, on our consideration of the College's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.
Columbus, Ohio
October 14, 2022

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MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Columbus State Community College's Annual Report presents management's discussion and analysis ("MD&A") of the College's financial position as of June 30, 2022; and financial activity for the fiscal year July 1, 2021 through June 30, 2022, with selected comparative information for the fiscal year ended June 30, 2021, 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 59 years. After its beginning in the basement of Central High School in Columbus, Ohio with an enrollment of 67 students, the School was re-chartered in 1965 as the Columbus Technical Institute (CTI) to serve students in a four-county service district that includes Franklin, Delaware, Union and Madison counties. CTI established itself in Aquinas Hall at the College's current Spring Street location. In 1987, the College was re-chartered as Columbus State Community College in order "to provide additional educational opportunities to area residents" and has risen to prominence as one of the nation's premier comprehensive community colleges.

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

As FY21 ended a full year with instruction and operations mostly on-line as a result of the pandemic, the College was poised to transition back to more in-person activities in FY22. The College had made significant progress over the past decade in meeting long-term student success goals and equitable outcomes but the pandemic shed new light on the challenges that many of our disadvantaged students face. With another surge in cases of a variant of COVID-19, many planned supports and services to meet the needs of students in FY22 as well as the needs of a community and workforce in recovery were impacted. As discussed below, our students continued to be challenged by housing, childcare, inflation and other factors that became higher priorities in many cases, forcing more students to not enroll or continue their education. Primary concerns continued to be the ability to support students in successfully participating remotely and to maintain the equity gains realized over the past 10 years.

Enrollment FTEs (credit hours) for Autumn and Spring semesters combined were 8.6% lower in FY22 than FY21, decreasing by just over 35,000 credit hours, while headcount (duplicated) decreased by 4,083, or 7.7%. Enrollment FTE for Summer 2021, with nearly half of the revenue accounted for in FY22, was down 13.4% compared to Summer 2020, while headcount decreased 10.8%. Summer 2021 enrollment reflected a return closer to pre-pandemic summer semester totals after the surge in Summer 2020 enrollment – believed to be the result of the community being significantly locked down. FTEs for Summer 2022, also with half of the associated revenue accounted for in FY22, was down 9.2% from Summer 2021, and headcount was down 6.2%. Overall, FTE enrollment for FY22 was 9.1% lower than FY21, with headcount (duplicated) decreasing by 7.4%.

The State's FY22-FY23 biennial budget, House Bill 110, allowed for a $5 increase in the in-state tuition rate charged per credit hour in both FY22 and FY23 (3.1% and 3.0%, respectively, across all tuition rates), implemented in Autumn 2021 and Autumn 2022, respectively. Overall, revenue from tuition (excluding fees) was $5.3 million lower than FY21, -6.9%, with the impact of the new tuition rate (3.1%) offset by the decrease in the annualized FTE enrollment (-9.1%). Including other fee revenue, total Student Tuition and Fees, net of Scholarship Allowances, which were $1.8 million lower than FY21, decreased by $1.5 million, -2.6%, from FY21, with the large decrease attributed to enrollment declines noted above offset by an increase of $2.1 million in fees that had not been charged in FY21. Lab fees, parking and some other fees were not charged in FY21 resulting in a decrease in fees of $4.3 million compared to FY20.

The *College Credit Plus* program (*CCP*) is the State of Ohio's program that allows high school students to earn college credit while still in high school, making higher education more affordable to parents and students. At Columbus State, nearly 6,000 high school students earned credit through the *CCP* program in both Autumn 2021 and Spring 2022 semesters, earning 59,154 credit hours, a decrease of 6.7% from the prior year. Student participation in the *CCP* program decreased in FY22, the first decrease since the program's inception, which is attributed to more high schools returning to in-person classes while the mix of in-person to virtual classes at the College did not increase substantially in FY22. As the *CCP* population typically takes fewer classes/credit hours than traditional students, the percentage change in headcount is typically quite different than the percentage change in FTEs; for FY22, FTEs decreased by 6.7% while headcount decreased by 3.2%. As *CCP* courses taught at the high school, accounting for nearly two-thirds of *CCP* credits, are more significantly discounted than those for *CCP* students who take courses online or at one of the College's locations, the latter of which is close to the College's tuition rate, more downward pressure on tuition revenue continues.

Overall, the College is reporting an increase in Change in Net Position of $29.2 million for the fiscal year ended June 30, 2022, compared to an increase of $16.4 million for FY21. 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 $11.6 million compared to an increase of $23.0 million for FY21.

Implementation of GASB Statement No. 87

For fiscal year 2022, the College implemented GASB Statement No. 87, *Leases*. The objective of this Statement is to improve accounting and financial reporting for leases. This Statement requires recognition of certain leased assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources and outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, the College, as a lessee, is required to recognize a lease liability and an intangible right-to-use leased asset. A lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The College, however, is not a lessor for any leases accounted for under GASB 87.

The College has leases for classroom, lab and office space at its Dublin and Bolton Field Regional Learning Centers and also leases multi-functional devices (printers, copiers, faxes, etc.) under leases that give the College the right to use the underlying assets as described above. The implementation of GASB 87 resulted in the College recognizing Leased Assets and a Leased Liability in the amount of $5,575,626 each as of June 30, 2021. Further information related to the implementation of GASB 87 can be found in Note 8.

COVID-19 Impact on College Operations and Fiscal Year 2022 Financial Results

Additional surges of coronavirus, commonly known as COVID-19, continued to alter the behavior of businesses and people throughout FY22. While the College had planned to return to more in-person instruction and services, such services and campus density remained comparable to FY21. Additionally, enrollment in FY22 was nearly 10% lower than before the pandemic.

Continuing uncertainty with regards to revenue estimates made development of the FY22 budget challenging. State funding to the community college sector, the State's Share of Instruction (SSI), was 3.8% higher for the College in FY22 than FY21 but net tuition revenue, excluding other fees, decreased by 6.9% as a result of continued enrollment declines. Revenue from other fees, however, were higher than the prior year (increasing by $2.1 million) primarily related to lab fees and parking revenues that were waived in FY21. Total tuition and fees, net of scholarship allowances, was $1.5 million, or 2.6%, lower than FY21. Overall, total operating revenues for FY22 landed approximately $11.4 million below the FY22 budget and $2.3 million below the prior year. Net general fund operating revenues were $296K below expenses, before investment and interest income (not a budgeted revenue item), near breakeven. Savings from vacant positions and overall lower spending on operations because of continued virtual and hybrid instruction and services mitigated the impact of enrollment declines on revenue.

Actions taken by the federal government in the first year of the pandemic to assist colleges and universities in dealing with the its effects continued to provide much needed support in FY22. Federal relief grants awarded included the Coronavirus Aid, Relief, and Economic Security (CARES, March 27, 2020) Act, the Coronavirus Response and Relief Supplemental Appropriations (CRRSA, December 27, 2020) Act, and the American Rescue Plan (ARP, March 11, 2021) Act, collectively, HEERF funds (Higher Education Emergency Relief Funds). Additionally, funding from each of the above Acts was provided to the State of Ohio which in turn, allocated funds to the College through Coronavirus Relief Funds (CRF) and Governor's Education Emergency Relief (GEER) to support COVID-19 recovery. For the HEERF awards, portions were required to be awarded to eligible students in the form of emergency financial aid pass-through grants and the remainder could be used by institutions for expenses related to supporting students and employees from impacts of the pandemic.

A summary of awards through FY22 follows:

HEERF Institutional	$	53.6
HEERF Students		38.4
Title III		4.1
State of Ohio CRF		4.7
State of Ohio Mental Health CRF		0.1
State of Ohio GEER Mental Health		0.2
State of Ohio GEER SSI		0.7
	$	101.8
		(amounts in millions)

A provision in the HEERF Institutional funding allowed the College to draw down federal funds for operational revenue shortfalls, lost revenue, which was $11.4 million in FY22 as noted above. Additionally, an automatic extension to use the balance of these federal awards will provide an estimated $18.3 million for FY23.

GASB 68 and GASB 75

The net pension liability (NPL) remains the largest single liability reported by the College at June 30, 2022 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27," adopted by the College in FY15. In FY18, the College adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revised accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the College's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability, and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB and net OPEB asset.

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

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

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

2. Minus plan assets available to pay these benefits

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

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

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

In accordance with GASB 68 and GASB 75, the College's statements prepared on an accrual basis of accounting include an annual pension credit of $87,251,873, and an annual OPEB credit of $4,365,867 (STRS credit $52,872,998, SERS credit $38,744,742) 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

With the support of the federal and state pandemic relief funding for recovery initiatives noted above, Columbus State has managed the changing environment of higher education and the national declining enrollment trend while remaining focused on its strategic priorities. Those priorities are student success, workforce development, and civic engagement with an increased focused on community partnerships. Progress has been made towards the objectives of the Central Ohio Compact—a regional strategy led by Columbus State that includes public and private colleges and universities, K-12 school districts, small businesses, workforce and economic development professionals and government officials. All of these groups remain dedicated to college completion and career success, with an increased prioritization on talent development for the region's economy, especially those sectors having the most urgent workforce shortages.

Funding from grants continued to provide critical resources for advancing these strategic priorities and objectives of the Central Ohio Compact, including the development of new instructional practices, integration supports, and other innovative initiatives.

Some of the new grants awarded in FY22 include:

Bloomberg Philanthropies
- 2-year award, $2.5 million
- Focus area: Creation of regional talent ecosystem

United States Department of Education TRiO Upward Bound
- 5-year award, $1,664,995
- Focus area: Pre-college student success program

National Science Foundation S-STEM (Information Technology)
- 5-year award, $1.5 million
- Focus area: Full scholarship program, information systems technology

Ohio Department of Higher Education Choose Ohio First (Nursing & Welding)
- 5-year award, $736,750
- Focus area: Tuition based scholarship program, nursing and welding

Franklin County Emergency Rental Assistance Program
- 15-month award, $972,064
- Focus area: Non-academic support for students with housing at risk

The College supported a portfolio of 107 federal, state, local, and private grants totaling an estimated value of $56.2 million during fiscal year 2022. These resources have allowed the College to adapt and accelerate the work of student success and workforce development by providing the necessary infrastructure in personnel and resources that would otherwise be funded from the College's increasingly limited operating budget. Some multi-year grants are set to expire over the upcoming two fiscal years, but the College will continue to maintain the strategy to pursue additional funding to sustain this work, while also reallocating within the operating budget to integrate and operationalize practices that have proven successful in advancing strategic priorities.

Financial Accountability

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

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

Columbus State's composite score for FY21 was 4.4 (adjusted to exclude the impact of GASB 68 and GASB 75). The College maintains an average score of 4.63 on a scale of 0-5 with "5" being a perfect score.

Capital Additions and Improvements

Capital additions and improvements were lower in FY22 compared to prior years with net additions of $7.7 million. While capital planning and design work continued, some projects were delayed and more difficult to estimate due to market conditions such as long lead times for materials, labor shortages, and inflation.

In the FY21-22 State capital appropriations legislation (SB 310), Columbus State's total appropriation was $14.75 million, providing funds for student success renovations and for building and infrastructure repairs. Funding totaling $2.5 million was also appropriated for community projects. All State capital appropriations are being considered in conjunction with the College's capital implementation planning discussed below under the Bond Issue section and, along with philanthropy, will help to realize the $441 million Educational Facilities and Technology Plan approved by the Board of Trustees in September 2019. The following describes some of the more significant projects in process during FY22.

In late FY20, contracts were approved by the Board of Trustees for the following projects where work continued but neared completion in FY22:

- Building Systems Upgrade – Phase 1 and Phase 2, to upgrade building systems and components in Franklin, Nestor, Columbus, Davidson, and Delaware Halls. The systems upgrades include chiller replacements, air handler replacements, boiler replacements and miscellaneous work associated with those building systems. The total project budget for both phases of the Building Systems Upgrade project, including design services, all phases of construction, and contingencies, was $3.8 million and was funded from State capital allocations.

- Restroom Renovations, to address 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 - locations identified as the most deficient and most frequently used restrooms on the Columbus Campus. The total project budget was just over $1 million, funded from State capital allocations.

With the first issuance of bonds in October 2020 related to the Franklin County, Ohio voted bond issue, as discussed below, planning quickly began for priority deferred maintenance needs. In several actions between March and June, 2021, the Board approved Architect and Engineering (A/E) design services for several deferred maintenance and renovation projects. These projects along with the initial estimated project costs are listed below, with A/E services continuing in FY22:

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

** progressed to Board approval for construction phase in FY22, see table below*
*** this project was canceled; the space will be used for different purposes*

While the architect and engineering design phase concluded on many of the above projects, additional projects were identified to begin and presented to the Board for approval as indicated in the table below:

Project Description	Funding Source	Status	Estimated Cost
Roof Replacements: * 4 buildings: Nestor, Delaware, Eibling, and Bolton Field Aviation Building * A/E approved by the Board last year, May 2021; construction contracts approved by the Board in March 2022 * Construction anticipated start spring 2023	2020 Bond Proceeds	Construction Phase	$5,111,800
Moeller Hall Geology Lab: * Architect and Engineering contract approved by the Board in March 2022 * A/E expected to be completed in fall 2022 followed by construction design and bidding phase	State Capital	A/E	$280,360
Rhodes Hall Lower Level: * A/E contract approved by the Board in March 2022 * A/E expected to be completed in summer 2022 with construction bidding phase by fall 2022	Local funds	A/E	$700,000
Early Childhood Development Center: * A/E contract approved by the Board in April 2022 * A/E expected to be completed in fall 2022 followed by construction design and bidding phase in fall 2022	2020 Bond Proceeds	A/E	$2,300,000
Davidson Hall Exterior Upgrades and Door Replacements: * A/E approved by the Board in May 2022 * A/E expected to be completed in fall 2022 followed by construction design and bidding phase in fall 2022	2020 Bond Proceeds	A/E	$2,125,000
Campus Elevator Upgrades: * A/E approved by the Board last year, May 2021; construction contracts approved by the Board in May 2022 * Project will replace elevators in 6 buildings: Davidson, Nestor, Madison, Rhodes, Aquinas, and Franklin * Construction anticipated to commence in fall 2022	2020 Bond Proceeds	Construction	$2,142,061
Moeller Hall Boiler and Chiller Upgrades: * A/E approved by the Board in May 2022 * A/E expected to be completed in fall 2022 followed by construction design and bidding phase in fall 2022	State Capital	A/E	$2,300,000
Parking Garage Upgrades and Connecting Pedestrian Bridge: * A/E approved by the Board in May 2021; construction contract approved by the Board in May 2022 * Construction anticipted to commence summer 2022 and be completed by spring 2023	2020 Bond Proceeds	Construction	$4,083,440
Center for Technology and Learning Lab Upgrades: * A/E approved by the Board in May 2022 * A/E expected to be completed in fall followed by construction design and bidding phase in fall 2022	State Capital	A/E	$1,000,000

Additions to capital assets in FY22 related to those projects that were completed included $1M for ADA restrooms in Franklin Hall and $3.6 million for 4 chillers and a boiler. The most significant additions to Construction in Progress include progress on Nestor Hall Auditorium ($586K), elevator upgrades ($102K), switchgear upgrades ($125K), and the parking garage ($300K).

BOND ISSUE

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

On July 17, 2020, the Board of Trustees approved a Bond Resolution authorizing the issuance of bonds in an amount not to exceed $300 million. On September 10, 2020, $30,000,000 Facilities Construction and Improvement Bonds, Series 2020A (Tax-Exempt) and $120,000,000 Facilities Construction and Improvement Bonds, Series 2020B (Federally Taxable) were priced in the market with closing taking place on October 8, 2020. The Series 2020A Bonds are subject to redemption at the option of the College on any date on or after June 1, 2030. The Series 2020B Bonds maturing after December 1, 2029 are subject to redemption at the option of the College on any date on or after December 1, 2029. Interest on the Bonds will be paid each June 1 and December 1, beginning June 1, 2021. The Bonds are voted general obligation debt of the Columbus State Community College, Ohio, a state community college district of the State of Ohio, and the full faith, credit and revenue of the College are irrevocably pledged for the prompt payment of the principal of and interest on the Bonds. The College plans to issue additional general obligation bonds in an amount not to exceed $150 million, which is the remaining voted authority from the $300 million voted bond issue, to finance additional capital projects, the timing of which is to be determined.

In light of the continued impact of COVID-19 and remote/hybrid operations through FY22, the implementation of the College's Capital Plan is being re-evaluated and updated 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 re-evaluation of the implementation and Phase I priorities is nearly complete, the College continues to address its most critical deferred maintenance needs, some of which are noted in the prior section on Capital Additions and Improvements.

In FY22, proceeds for the first full year were received from the tax levied in Franklin County for tax year 2020 (received in August 2021) and tax year 2021 (received in March 2022), amounting to just over $18 million and representing the majority of the amount reported on the Statement of Revenues, Expenses, and Changes in Net Position as Other Nonoperating Revenue, $24.2 million. Debt service (principle and interest) funded by these proceeds totaled $16.2 million in FY22.

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, 2022. 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)

	2022	2021 Restated	Difference
Assets			
Current assets	$ 143,595	$ 185,276	$ (41,681)
Noncurrent assets			
Capital assets and leased assets	183,794	186,243	(2,449)
Other	195,077	154,992	40,085
Total Assets	522,466	526,511	(4,045)
Deferred Outflows of Resources			
Pension	33,769	31,323	2,446
OPEB	5,712	6,496	(784)
Unamortized loss on refunding	9	29	(20)
Total Deferred Outflows of Resources	39,490	37,848	1,642
Total Assets and Deferred Outflows of Resources	$ 561,956	$ 564,359	$ (2,403)
Liabilities			
Current Liabilities			
Accounts payable and accrued	15,503	16,114	(611)
Debt, current portion	15,719	15,654	65
Lease liability, current portion	689	875	(186)
Unearned revenue	9,668	9,734	(66)
Noncurrent liabilities			
Debt, long-term portion	144,926	160,645	(15,719)
Lease liability	4,207	4,896	(689)
Net pension liability	102,929	190,181	(87,252)
Net OPEB liability	22,978	25,988	(3,010)
Long-term liabilities	1,174	1,032	142
Total Liabilities	317,793	425,119	(107,326)
Deferred Inflows of Resources			
Pension	75,366	1,361	74,005
OPEB	25,347	23,635	1,712
Total Deferred Inflows of Resources	100,713	24,996	75,717
Total Liabilities and Deferred Inflows of Resources	418,506	450,115	(31,609)
Net Position			
Invested in capital assets	150,802	148,785	2,017
Restricted	30,694	26,158	4,536
Unrestricted	(38,046)	(60,699)	22,653
Total Net Position	$ 143,450	$ 114,244	$ 29,206

Assets

As of June 30, 2022, current assets totaled $143.6 million compared to $185.3 million in FY21, a decrease of $41.7 million, or -22.5%. Cash, cash equivalents and short term investments were down $35.3 million, primarily due to a shift from short term investments to long term investments which increased $39.9 million. Accounts, Loans and Pledges Receivable also decreased by $6.8 million, due to cash draws near the end of this fiscal year for transactions related to the spending of federal funds for COVID-19, and decreases in student receivables as federal HEERF funds were used to waive approximately $2.4 million in balances to remove barriers and allow students to continue with their education.

Total assets as of June 30, 2022 were $522.5 million compared to $526.5 million in FY21, an decrease of $4.0 million or -0.8%. Total cash, cash equivalents, and investments increased $3.2 million, and inventory and other current and noncurrent assets increased by $2.0 million, while Accounts, Loans and Pledges Receivable decreased by $6.8 million and capital assets increased by $3.1 million. The largest asset group is cash and investments at $315.8 million (60.4%), followed by capital assets, such as land, buildings, machinery, and equipment, of $183.8 million (35.2%), and accounts receivable, inventory and other assets at $22.9 million (4.4%).

Liabilities

As of June 30, 2022, the College's current liabilities were $41.6 million, compared to $42.4 million in 2021. Accounts payables and accrued liabilities were $0.6 million lower than FY21, and lease liabilities were $0.2 million lower.

Noncurrent liabilities as of June 30, 2022 were $276.2 million, consisting of $144.9 million in long-term debt (general receipts bonds and general obligation bonds), other long-term liabilities (primarily compensated absences) of $1.2 million, net pension liability and OPEB liabilities of $125.9 million, and lease liability in the amount of $4.2 million. By comparison, noncurrent liabilities as of June 30, 2021 were $382.7 million. The decrease of $106.5 million in noncurrent liabilities is primarily the result of the very significant decrease in net pension liability and OPEB liability, $90.3 million, and a $15.7 million decrease in noncurrent long-term debt due to annual debt service payments. 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, 2022 were $317.8 million compared to $425.1 million in FY21. The $107.3 million change is primarily attributed to the changes in noncurrent liabilities noted above, most notable is the $90.3 million decrease in net pension liability and OPEB liability.

Net Position

Net position increased by $29.2 million in FY22. Operating revenue increased by $31.0 million, almost totally the result of federal grants and contracts increasing by $30.6 million. HEERF and other Covid related funding increased from $21.5 million to $54.9 million, or a $33.4 million increase, while all other federal grants combined to decrease by $2.7 million from FY21. Tuition and fees were down $1.5 million and private grants and contracts were up $1.5 million while all other operating revenues were nearly flat to FY21.

Operating expenses were $13.0 million higher than FY21. The largest area of increase was Scholarships and Fellowships which increased $17.8 million, almost totally related to Covid funding which increased from $6.5 million in FY21 to $23.7 million in FY22. Public Service, which includes the institutional portion of federal grants related to COVID-19, increased by $6.4 million and Instruction and departmental research decreased by $10.3 million; all other operating expenses combined for a decrease of $0.9 million from FY21. GASB adjustments for net pension and OPEB liabilities resulted in a decrease of $17.6 million of operating expenses. Net of these GASB entries, operating expenses actually increased by $37.1 million compared to FY21, where Scholarships and Fellowships still accounted for $17.8 million of the increase (not impacted by GASB entries), Instructional and Departmental Research increased by

$5.4 million (7.3%), Public Service increased by $8.8 million (33.4%), and Student Services increased by $3.8 million (23.4%).

Non-operating revenues and expenses combined to increase by $2.6 million in FY22. Other Non-operating revenues increased by $12.8 million, almost all of which was due to a full year of tax receipt revenue, which was new to the college in FY21 and collections represented only half of the year. State Appropriations increased by $2.4 million, while Investment Income (net of expense) decreased by $11.1 million and Pell Grant Revenue decreased by $1.0 million from the prior fiscal year.

Net position increased by $29.2 million in FY22 compared to $16.4 million in FY21, an increase of $12.8 million. Operating revenue increased by $31.0 million, primarily attributed to federal grants and contracts, particularly federal grants provided to support programs impacted by the pandemic, with operating expenses increasing by $13 million, combining for an $18.0 million increase in operating income over FY21. After a $2.6 million increase in nonoperating revenue and expense and a decrease of $7.9 million in capital appropriations, the increase in net position for FY22 was $12.8 million higher than FY21. Excluding GASB entries, net position increased by only $11.8 million in FY22 compared to $23.0 million in FY21, a decrease of $11.9 million.

Condensed versions of the College's revenues, expenses, and changes in net position for the years ended June 30, 2022 and 2021 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)

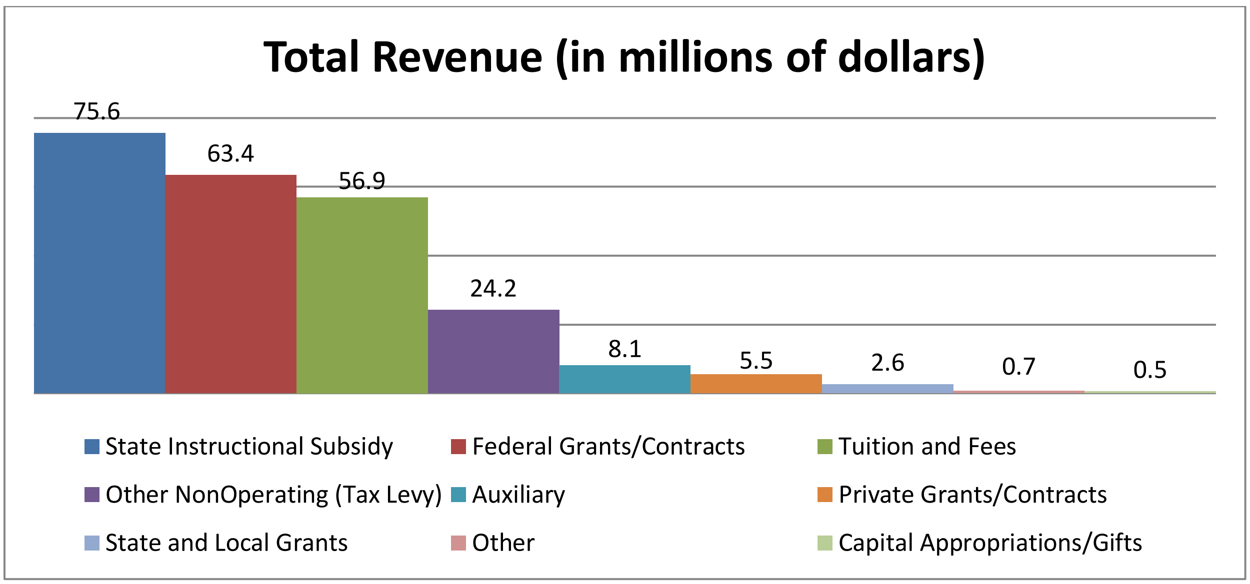
	2022	2021	Difference
OPERATING REVENUES			
Student tuition and fees (net of scholarship allowances of $22.6 and $24.4 million in 2022 and 2021, respectively)	$ 56,943	$ 58,456	$ (1,513)
Federal, state, and private grants and contracts	71,502	39,403	32,099
Auxiliary enterprises	7,896	7,982	(86)
Other	872	370	502
Total operating revenues	137,213	106,211	31,002
OPERATING EXPENSES			
Educational and general	173,836	179,221	(5,385)
Scholarships and fellowships	30,715	12,891	17,824
Depreciation and amortization expense	10,545	9,296	1,249
Auxiliary and other enterprises	7,447	8,195	(748)
Total operating expenses	222,543	209,603	12,940
Operating income (loss)	(85,330)	(103,392)	18,062
NONOPERATING REVENUES (EXPENSES)			
State appropriations	75,630	73,265	2,365
Investment income (net of expense)	(10,666)	397	(11,063)
Pell grant revenue	28,162	29,131	(969)
Other non-operating revenues	20,915	8,644	12,271
Net nonoperating revenues	114,041	111,437	2,604
Income before capital appropriations	28,711	8,045	20,666
Capital appropriations and gifts	495	8,383	(7,888)
Increase in net position	29,206	16,428	12,778
Net position, beginning of year	114,244	97,816	16,428
Net position, end of year	$ 143,450	$ 114,244	$ 29,206

Revenues

FY22 revenues totaled $237.5 million, an increase of $38.2 million (19.2%), compared to $199.3 million in FY21. Federal, state and private grants and contracts increased by $32.1 million, primarily the result of continuing federal grants provided to support operations and programs impacted by the pandemic, state appropriations were $2.4 million higher, and other nonoperating revenue increased $12.9 million due to a full year of tax receipts, while capital appropriations decreased by $7.9 million and student tuition and fees were $1.5 million lower.

The majority of College revenues come from three sources: 1) State instructional subsidy ($75.6 million), 2) Student tuition and fees ($55.9 million), and 3) Federal, state, and private grants and contracts, including Pell grant revenue ($99.7 million). Of $94.1 million in federal and state grants and contracts, 31.1% are awarded to students through the federal Pell grant and Supplemental Educational Opportunity Grant (SEOG) programs. These funds are used for student tuition ($22.5 million) and education-related expenses.

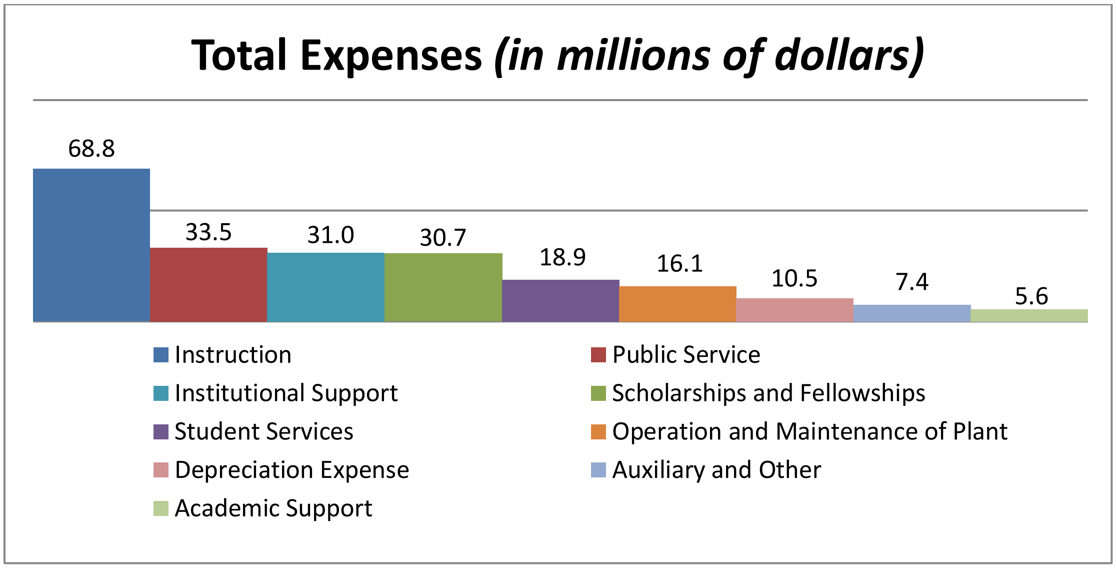
The major sources of College revenues for FY22 are presented below.



Expenses

FY22 expenses totaled $222.5 million compared to $209.6 million in FY21, an increase of $12.9 million, or 6.2%, due primarily to emergency grants for students and programs to reengage former students and support community recovery initiatives.

FY22 expenses are shown below:



Statement of Cash Flows (in thousands)

Net cash provided (used) by:	2022	2021
Operation activities	($86,835)	($88,306)
Non capital financing activites	128,204	113,810
Capital financing activities	(27,432)	144,469
Investing activities	(13,920)	(172,194)
Net increase/(decrease) in cash	17	(2,221)
Cash - beginning of year	13,413	15,634
Cash - end of year	$13,430	$13,413

Ending cash balances for fiscal years 2022 and 2021 were $13.4 and $13.4, respectively. Each month, cash flow projections are evaluated to determine when funds can be invested to maximize investment earnings (typically, at the beginning of each semester when tuition and fees are paid, funds are transferred to *STAROhio*), or when funds should be transferred back for operations (usually during the latter part of each semester).

Major sources of cash in FY22 were state appropriations of $75.6 million, tuition and fees of $59.7 million, and gifts, grants, and contracts totaling $75.5 million.

The most significant uses of cash were payments for salaries and benefits of $137.1 million, payments to suppliers of $63.0 million, $30.7 million disbursed for student scholarships and financial aid, and $15.7 million for principal paid on debt.

Budgets

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

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

As noted on the FY22 Budget Comparison below, while a mid-year review of the budget was completed, there was no revision recommended to the Board for action and the budget remained the same for FY22. College general fund and auxiliary operating revenues were $262K less than operating expenditures. General fund revenue was $11.4 million below what was budgeted in the FY22 budget while general fund operating expenses, including budgeted transfers, were $11.1 million less than budgeted, resulting in a net deficit of $296K. Operating during the pandemic continued to impact both revenues and expenses in FY22. Revenues fell well below budget primarily due to a significant enrollment decline, 9% below FY21, even though a rebound of up to 5% was anticipated. Expenses were under budget due to vacant positions which were not filled as soon as anticipated due to recruiting challenges in the current market and lower spending as operations remained largely virtual (i.e., lower spending on conferences, retail operations that were suspended, supplies, printing, utilities, etc.). Interest income/(loss), which is not budgeted pursuant to the Board's *Resource Planning Principles*, resulted in a $4.3 million reduction from overall net operating results (not reflected in the Budget Comparison below).

The analysis below does not include nearly $6.4 million for initiatives approved by the Board of Trustees to be funded by reserves on a non-recurring basis rather than from the current year's operating revenues. Approved non-recurring expenses included: Student Success and Innovation ($0.5 million), technology initiatives ($3.8 million), capital improvements ($0.7 million), capital equipment ($0.9 million), and Advancement ($0.3 million), as well as some other smaller projects.

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

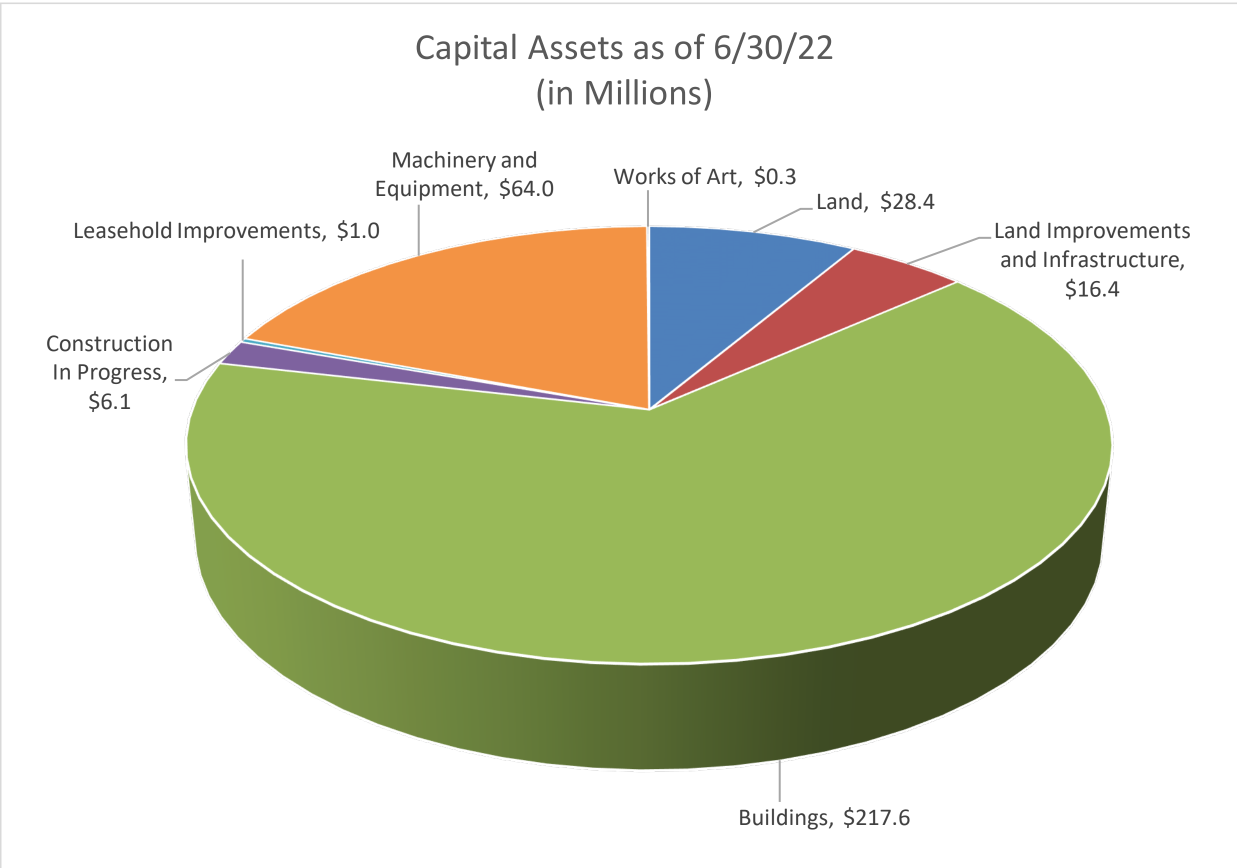
Columbus State Community College
Budget Comparisons – Budget to Actual
FY 22 (in thousands)

Budgeted Operations	Original Budget	Revised Budget	Percent % Change	Actual	Percent % Change
Revenues					
College	$165,497	$165,497	0.00%	$154,090	-6.89%
Auxiliary	8,614	8,614	0.00%	7,631	-11.41%
Total Revenues	$174,111	$174,111	0.00%	$161,721	-7.12%
Expenditures					
College	$165,497	$165,497	0.00%	$154,386	-6.71%
Auxiliary	8,497	8,497	0.00%	7,597	-10.59%
Total Expenditures	$173,994	$173,994	0.00%	$161,983	-6.90%
Net Revenues	$117	$117	0.00%	($262)	N/A

Capital Assets

Capital assets consist of land, land improvements, infrastructure (roads, underground utilities, etc.), buildings, equipment, vehicles, library books, as well as buildings under construction. Capital assets are recorded at "cost" at the time of acquisition. This acquisition cost is allocated over the useful life of the asset and recorded as depreciation expense. At June 30, 2022, the College had $333.8 million in capital assets and $154.8 million in accumulated depreciation, for a total of $179.0 million in net capital assets. The most significant changes from the prior year were an increase in moveable equipment, furniture and library books of $5.0 million, and an increase in Construction in Progress of $2.6 million, primarily due to architect and engineering design and other planning costs for Board approved projects including elevator upgrades, switchgear upgrades, parking garage repairs and Nestor Hall Auditorium.

The chart below illustrates the College's capital assets (by classification) as of June 30, 2022, which totals $333.8 million in capital assets and $154.8 million in accumulated depreciation.



By comparison, as of June 30, 2021, the College had recorded $326.1 million in capital assets and $145.4 million in accumulated depreciation, for a total of $180.7 million in net capital assets. A detailed summary of additions, deletions, and depreciation of assets can be found in Note 5 – Capital Assets.

Outstanding Bond Debt

As of June 30, 2022, the College had $160.6 million of outstanding bond debt, which includes a premium of $3.8 million on the 2018A, 2020A, and 2020B bonds, as follows:

(amounts in millions)

	Series	Principal Outstanding	Premium Outstanding	Total Outstanding
General Receipts Bonds:	2012	$ 0.9	$ -	$ 0.9
General Receipts Bonds:	2018A	12.2	1.3	13.5
General Receipts Bonds:	2018B	7.3	-	7.3
General Obligation Bonds:	2020A	30.0	1.5	31.5
General Obligation Bonds:	2020B	106.4	1.0	107.4
Total		$ 156.8	$ 3.8	$ 160.6

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

FACTORS IMPACTING FUTURE PERIODS

COVID-19

FY23 represents the third full year since the pandemic began and 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 pandemic may include but are not limited to further decline in enrollment; decreases in financial support from the State; and reduction in funding support from donors or other external sources. The College, however, is viewing FY23 as the first year of a three-year recovery for the College as well as continuing to be a leader in community efforts to navigate, respond to and inform strategies for community recovery.

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

State Support and Enrollment

Of the many factors that impact the budget for the College in normal, non-pandemic periods, there are three that are discussed below: state support, tuition rates and enrollment. State support is appropriated in the biennial budget bill as State Share of Instruction (SSI) and is distributed by formula. SSI is projected to represent nearly 48% of the College's operating revenues for FY23, similar to prior years. Tuition policy, including caps, are also established in the biennial budget bill.

State Support

While the State's biennial budget for FY22 and FY23, House Bill 110, provided for a statewide increase of 1.0% in SSI for FY22 and an additional 0.9% increase in FY23, the projected increase in SSI for Columbus State for FY23, based on the latest estimate from the Ohio Department of Higher Education, is 3.1% higher than FY22 before the inclusion of one-time bridge funding provided by the State in FY22 for changes made to the Student Success Points portion of the formula. As has been the case for the past several biennia, the College's increase being higher than the overall community college sector is the result of the College's performance within the key success metrics within the State's funding formula as well as the College's enrollment over a three-year rolling average being down less than most other community colleges.

Tuition and Enrollment

Tuition increases are limited by the State Legislature. House Bill 110, as enacted, allowed for a $5 increase for in-state tuition charged per credit hour in both FY22 and FY23, which represents a 3.1% and 3.0% increase, respectively. (The State does not place tuition limits on out-of-state and international students.) As the first year of the three-year recovery previously referenced, the College assumed that enrollment for FY23 would grow by by 3%. Strategic enrollment strategies to produce this growth include implementing the first year of Columbus Promise, a new collaboration with the City of Columbus, Columbus City Schools, I Know I Can, and Columbus State; offering more courses at the Delaware Campus so that students will be able to complete an entire certificate or degree at that campus; implementing strategies to improve retention; and continuing to administer emergency aid to students through the final year of federal relief funding awarded to the College made possible by a one-year extention.

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

<u>*Ohio Semiconductor Collaboration Network*</u>

During FY22, Intel announced that it will bring semiconductor or "chip" manufacturing to Ohio with the construction of a $20 billion factory complex in Central Ohio set to open in 2025. With it comes the promise of thousands of good-paying jobs – many that are accessible with an associate degree, new opportunity for mobility, and the need to develop education, training, research, and a steady supply of talent to support this booming industry.

Intel's Semiconductor Education and Research Program for Ohio was announced at Columbus State in March 2022 as part of the company's pledge to invest $100 million in education and research collaborations with universities, community colleges and technical educators in Ohio and across the U.S. The program is designed to help build a pipeline of talent and bolster research programs. Of its $100 million investment, Intel designated $50 million specifically to Ohio colleges and universities.

Eight proposals were selected from leading Ohio institutions with each including collaborative efforts with other higher education institutions in Ohio, ultimately representing more than 80 institutions across the state of Ohio. The eight leading institutions will receive $17.7 million in funding over a three-year period. Intel expects this first iteration of the program to produce nearly 9,000 graduates for the industry and provide more than 2,300 scholarships over three years with the priority being to diversify the talent pipeline. As part of this process, Intel awarded $2.8 million to the Ohio Semiconductor Collaboration Network to develop two-year pathways to train and educate individuals to be semiconductor technicians, which represents about 70% of the Intel jobs being created. This work will be led by Columbus State in partnership with the Ohio Association of Community Colleges (OACC) and all Ohio community colleges.

Columbus State and OACC leaders will serve as the network's principal investigators responsible for its administration and performance, which over three years has a goal for community colleges statewide to prepare more than 5,000 workers for Intel with 33% of them being from underrepresented students.

Workday

The College has initiated the implementation of a new Enterprise Resource Planning and Student Information System (ERP/SIS), Workday, to support and streamline processes in a single cloud-based system. Columbus State will use the Workday project as the catalyst for building consistent, efficient, and sustainable capabilities in systems and processes; ensuring equitable outcomes and a seamless experience for students; and enabling faculty and staff to effectively deliver services.

Guiding principles for this transformation are:

- Put students first
- Focus on outcomes rather than current processes
- Integrate and communicate broadly
- Consolidate systems and embrace Workday
- Empower and support project team and employees

The first phase of this initiative, Platform, representing financial and human resources systems and processes, is targeted for implementation in January 2023, followed by the student information system beginning in academic year 2024-2025.

Capital Implementation

As discussed under Bond Issue, the implementation of the College's Capital Plan is being re-evaluated and updated in order to be most responsive to the economic and service needs of the region. While re-evaluation of the implementation and Phase I priorities is nearly complete, the College continues to address its most critical deferred maintenance needs, some of which were noted in the section on Capital Additions and Improvements. Several projects were approved for architect and engineering design by June 30, 2022, with the expectation to proceed to the construction phase in FY23. This work may continue to be challenged by the current economic and inflationary conditions as well as workforce challenges related to labor shortages, particularly in the trades.

COLUMBUS STATE COMMUNITY COLLEGE

STATEMENT OF NET POSITION
As of June 30, 2022

	2022	
ASSETS	**Columbus State Community College**	**Component Unit Development Foundation**
Current Assets		
Cash and Cash Equivalents	$ 11,776,894	$ 6,701,470
Investments - Short-Term	60,916,317	10,353,624
Investments - Current Restricted	57,107,484	-
Accounts, Loans and Pledges Receivable	10,563,246	3,845,425
Inventories	1,369,621	-
Other Assets	1,861,830	377,123
Total Current Assets	143,595,392	21,277,642
Noncurrent Assets		
Cash and Cash Equivalents	1,653,103	-
Investments	90,435,621	4,312,002
Investments - Noncurrent Restricted	93,878,606	-
Other Noncurrent Assets - Pledges Receivable	-	3,366,070
Net OPEB Asset - STRS	9,110,030	-
Capital and Leased Assets, Net	183,793,587	-
Total Noncurrent Assets	378,870,947	7,678,072
TOTAL ASSETS	**522,466,339**	**28,955,714**
DEFERRED OUTFLOWS OF RESOURCES		
Unamortized Loss on Bond Refunding	8,778	-
Pension STRS	24,947,718	-
Pension SERS	8,821,732	-
OPEB STRS	995,050	-
OPEB SERS	4,716,619	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	**39,489,897**	**-**
TOTAL ASSETS AND DEFERRED OUTFLOWS	**$ 561,956,236**	**$ 28,955,714**

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

COLUMBUS STATE COMMUNITY COLLEGE

STATEMENT OF NET POSITION
As of June 30, 2022

	2022	
	Columbus State Community College	**Component Unit Development Foundation**
LIABILITIES		
Current Liabilities		
Accounts Payable and Accrued Liabilities	$ 15,502,912	$ 2,038,193
Debt, Current Portion	15,718,924	-
Lease Liability, Current Portion	688,919	-
Unearned Revenue	9,668,431	-
Total Current Liabilities	41,579,186	2,038,193
Noncurrent Liabilities		
Debt, Long-Term Portion	144,926,022	-
Long-Term Liabilities		
Compensated Absences	1,173,971	-
Net Pension Liability STRS	55,245,168	-
Net Pension Liability SERS	47,683,654	-
Net OPEB Liability STRS	-	-
Net OPEB Liability SERS	22,977,611	-
Lease Liability, Long-Term Portion	4,206,946	
Total Noncurrent Liabilities	276,213,372	-
TOTAL LIABILITIES	**317,792,558**	**2,038,193**
DEFERRED INFLOWS OF RESOURCES		
Pension STRS	49,571,591	-
Pension SERS	25,795,105	-
OPEB STRS	9,775,616	-
OPEB SERS	15,571,230	-
TOTAL DEFERRED INFLOWS OF RESOURCES	**100,713,542**	**-**
TOTAL LIABILITIES AND DEFERRED INFLOWS	**418,506,100**	**2,038,193**
NET POSITION		
Net Investment in Capital Assets	150,802,318	-
Restricted		
Nonexpendable	-	6,185,350
Expendable	30,693,465	16,104,586
Unrestricted	(38,045,647)	4,627,585
TOTAL NET POSITION	**$ 143,450,136**	**$ 26,917,521**

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

COLUMBUS STATE COMMUNITY COLLEGE

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the Year Ended June 30, 2022

	2022	
	Columbus State Community College	**Component Unit Development Foundation**
REVENUES		
Operating Revenues		
Student Tuition and Fees (Net of Scholarship Allowance of $22,562,386 in 2022)	$ 56,943,441	$ -
Federal Grants and Contracts	63,390,103	-
State and Local Grants and Contracts	2,600,648	-
Private Grants and Contracts	5,510,771	6,648,145
Sales and Services of Educational Departments	18,862	-
Auxiliary Enterprises		
Bookstore	7,769,606	-
Other	126,320	-
Columbus State Community Partners	200,000	-
Other Operating Revenues	653,636	-
Total Operating Revenues	**137,213,387**	**6,648,145**
EXPENSES		
Operating Expenses		
Educational and General		
Instruction and Departmental Research	68,837,936	-
Public Service	33,458,680	-
Academic Support	5,575,269	-
Student Services	18,916,681	-
Institutional Support	30,958,459	5,350,817
Operation and Maintenance of Plant	16,088,307	
Scholarships and Fellowships	30,715,261	269,409
Depreciation and Amortization Expense	10,545,455	-
Auxiliary Enterprises		
Bookstore	7,217,432	-
Other	83,270	-
Columbus State Community Partners	146,295	-
Total Operating Expense	**222,543,045**	**5,620,226**
Operating Income (Loss)	**(85,329,658)**	**1,027,919**
NONOPERATING REVENUES (EXPENSES)		
State Appropriations	75,629,791	-
Unrestricted Investment Income (Net of Investment Expense)	(4,979,973)	(370,210)
Restricted Investment Income (Net of Investment Expense)	(5,686,091)	(1,069,081)
Interest on Capital Asset Related Debt	(3,273,037)	-
Pell Grant	28,161,701	-
Other Nonoperating Revenue (Expense)	24,188,632	-
Net Nonoperating Revenues	**114,041,023**	**(1,439,291)**
Income (Loss) Before Other Revenues and Expenses	**28,711,365**	**(411,372)**
Capital Appropriations	495,112	-
Change in Net Position	**29,206,477**	**(411,372)**
NET POSITION		
Net Position-Beginning of Year	**114,243,659**	**27,328,893**
Net Position-End of Year	**$ 143,450,136**	**$ 26,917,521**

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

COLUMBUS STATE COMMUNITY COLLEGE

STATEMENTS OF CASH FLOWS
For the Year Ended June 30, 2022

	2022	
	Columbus State Community College	Component Unit Development Foundation
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and Fees	$ 59,716,709	$ 65,938
Grants, Gifts and Contracts	75,518,561	6,337,832
Payments to Suppliers	(63,015,831)	(4,089,032)
Payments for Salaries and Benefits	(137,099,108)	-
Payments for Scholarships	(30,715,260)	(269,409)
Auxiliary Enterprise Receipts	8,087,922	-
Other Receipts (Payments)	672,498	-
Net Cash Provided By (Used In) Operating Activities	**(86,834,509)**	**2,045,329**
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Appropriations	75,629,791	-
Pell Grant	28,161,701	-
Other Nonoperating Revenues/(Expense)	24,412,074	-
Net Cash Provided By Noncapital Financing Activities	**128,203,566**	**-**
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Capital Appropriations	495,112	-
Purchases of Capital Assets	(8,096,913)	-
Principal Paid on Debt	(15,653,924)	-
Proceeds from New Debt	-	-
Interest Paid on Capital Debt	(3,273,037)	-
Principal Paid on Lease Obligations	(679,761)	
Interest Paid on Lease Obligations	(223,442)	
Net Cash Used In Capital Financing Activities	**(27,431,965)**	**-**
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale (Purchases) of Investments	(3,253,755)	1,925,051
Income on Investments	(10,666,064)	(1,439,291)
Net Cash Provided By (Used In) Investing Activities	**(13,919,819)**	**485,760**
NET CHANGE IN CASH AND CASH EQUIVALENTS	**17,273**	**2,531,089**
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	**13,412,724**	**4,170,381**
CASH AND CASH EQUIVALENTS - END OF YEAR	**$ 13,429,997**	**$ 6,701,470**

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

COLUMBUS STATE COMMUNITY COLLEGE

STATEMENTS OF CASH FLOWS
For the Year Ended June 30, 2022

	2022	
RECONCILIATION OF NET OPERATING REVENUES (EXPENSES) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	**Columbus State Community College**	**Component Unit Development Foundation**
Operating Loss	$ (85,329,658)	$ 1,027,919
Adjustments to Reconcile Net Operating Loss to Net Cash Provided (Used) By Operating Activities:		
Depreciation and Amortization Expense	10,545,455	-
Changes in Assets and Liabilities and Deferred Inflows of Resources and Deferred Outflows of Resources Which Provided (Used) Cash:		
Receivables, Net	6,847,529	(244,375)
Inventory	514,766	-
Other Assets	(1,140,531)	-
Accounts Payable & Accrued Liabilities	(664,746)	1,261,785
Unearned Revenue	(65,225)	-
Unamortized Loss on Refunding	20,024	-
Net Pension Asset/Liability	(87,251,873)	-
Net OPEB Asset/Liability	(4,365,867)	-
Deferred Outflows of Resources - Net Pension Expense	(2,446,575)	-
Deferred Outflows of Resources - Net OPEB Expense	785,054	-
Deferred Inflows of Resources - Net Pension Expense	74,005,215	-
Deferred Inflows of Resources - Net OPEB Expense	1,711,923	-
Net Cash Provided By (Used In) Operating Activities	**$ (86,834,509)**	**$ 2,045,329**

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

Note 1 - Summary of Significant Accounting Policies

Reporting Entity

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

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

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

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

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

Basis of Accounting

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

Note 1 - Summary of Significant Accounting Policies (Continued)

Basis of Presentation

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

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

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

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

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

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

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

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

GASB Pronouncements

In fiscal year 2022, the College implemented or is in the process of evaluating implementation of the following Governmental Accounting Standards issued by the Governmental Accounting Standards Board (GASB): GASB Statement No. 87, *Leases,* GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period,* GASB Statement No. 96, *Subscription-Based Information Technology Arrangements,* GASB Statement No. 99, *Omnibus 2022,* GASB Statement No. 100, *Accounting Changes and Error Corrections-an amendment of GASB Statement No. 62,* and GASB Statement No. 101, *Compensated Absences*.

Note 1 - Summary of Significant Accounting Policies (Continued)

Management Estimates

The preparation of financial statements in conformity with accounting principles, generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenditures during the reporting periods. Actual results could differ from those estimates. Management estimates primarily relate to collectability of receivables and compensated absences.

Cash and Cash Equivalents

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

Investments

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

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

Accounts Receivables

At June 30, 2022, accounts receivable consist primarily of student tuition and fees, and intergovernmental grants and contracts.

Inventory

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

Capital Assets

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

Note 1 - Summary of Significant Accounting Policies (Continued)

Leased Assets

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

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, 2022.

Operating Activities

The College defines operating activities, as reported on the Statement of Revenues, Expenses, and Changes in Net Position, as those that generally result from exchange transactions, such as payments received for providing goods and services and payments made for goods and services received. Nearly all the College's non-grant expenses are from exchange transactions. All revenues from programmatic sources are considered to be operating revenues. Included in non-operating revenues are state appropriations, Pell grant revenues, investment income, and gifts in accordance with GASB Statement No. 35. Gifts (pledges) that are received on an installment basis are recorded at net present value.

Scholarship and Allowances and Student Aid

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

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

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

Deferred Outflows and Deferred Inflows

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. Deferred outflows represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense) until then. For the College, deferred outflows of resources are reported on the statement of net position at June 30, 2022 for an unamortized loss on bond refunding, for pension, and for OPEB.

Note 1 - Summary of Significant Accounting Policies (Continued)

The deferred charge on refunding in the amount of $8,778 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.

Implementation of New Accounting Principles and Effect on Previously Reported Net Position
New Accounting Principle. For fiscal year 2022, the College implemented GASB Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain leased assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources and outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use leased asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

Effect on Previously Reported Net Position. The implementation of the GASB 87 pronouncement had no net effect on the net position as reported at June 30, 2021:

Net Position, June 30, 2021	$ 114,243,659
Adjustments-Presentation Changes:	
Leased Assets	5,575,626
Lease Liability	(5,575,626)
Restated Net Position, June 30, 2021	$ 114,243,659

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

Note 2 - Cash, Cash Equivalents, and Investments

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

Custodial Credit Risk—Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a formal deposit policy for custodial credit risk. At June 30, 2022, $250,000 of the bank balances were covered by federal deposit insurance and the remaining portions, $13,570,598 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, 2022:

Description	Fair Value
STAR Ohio/STAR Plus	$ 30,561,445
Money Market Funds	15,638,626
Commercial Paper	30,902,270
Municipal Bonds	73,816,669
Corporate Bonds	59,335,680
U.S. Government Obligations	58,306,842
U.S. Agency Obligations	33,776,496
Total	$ 302,338,028

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

As of June 30, 2022, 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	$ 30,561,445	$ 30,561,445	$ -	$ -	$ -
Money Market Funds	15,638,626	15,638,626	-	-	-
Commercial Paper	30,902,270	30,902,270	-	-	-
Municipal Bonds	73,816,669	16,301,613	57,515,056	-	-
Corporate Bonds	59,335,680	16,451,270	42,884,410	-	-
U.S. Gov't Obligations	58,306,842	7,777,927	50,528,915	-	-
U.S. Agency Obligations	33,776,496	390,650	33,385,846	-	-
Total	$ 302,338,028	$ 118,023,801	$ 184,314,227	$ -	$ -

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

The College held $30,561,445 in STAR Ohio as of June 30, 2022. STAR Ohio is an external investment pool and is considered a cash equivalent under GASB Statement No. 9. Oversight of the pool is through the Ohio Treasurer of State. The fair value of the College's position in the pool is the same as the value of its pool shares.

Credit Risk. Credit risk is the risk that an issuer or counterparty to an investment will be unable to fulfill its obligations. As of June 30, 2022, Standard & Poor rated STAR Ohio as AAAm and U.S. Government and Agency Obligations were rated AA+.

The credit ratings of the College's interest-bearing investments at June 30, 2022, are as follows:

Credit Rating (S&P)	Total	STAR Ohio	Money Market	Commercial Paper	Corporate Bonds	US Govt Obligations & Muni Bonds	US Agency Obligations
AAAm	$ 41,255,416	$ 30,561,445	$ -	$ -	$ 922,300	$ 9,771,671	$ -
AA+/AA/AA-	84,290,547	-	-	-	16,396,277	42,452,628	25,441,642
A+/A/A-	38,330,387	-	-	-	36,355,117	1,975,270	-
Unrated	138,461,678	-	15,638,626	30,902,270	5,661,986	77,923,942	8,334,854
Total	$ 302,338,028	$ 30,561,445	$ 15,638,626	$ 30,902,270	$ 59,335,680	$ 132,123,511	$ 33,776,496

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, 2022:

Year	Total	STAR Ohio	Money Market	Commercial Paper	US Govt Obligations & Bonds	U.S. Agency Oblig.
2022	100.0%	10.1%	5.2%	10.2%	63.3%	11.2%

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, 2022, 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, 2022.

Note 3 - Pledges, Grants and Accounts Receivable

2022	Gross Receivable	Allowance	Net Receivable
Students' and other	$ 36,807,530	$ (29,663,897)	$ 7,143,633
Grants and contracts	3,419,613	-	3,419,613
Total	$ 40,227,143	$ (29,663,897)	$ 10,563,246

Note 4 – Fair Value Measurements

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

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

The College had the following recurring fair value measurements of June 30, 2022:

Assets and Liabilities Measured at Fair Value on a Recurring Basis

		Fair Value Measurements Using		
	Balance at June 30, 2022	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level:				
Money Market Funds	$ 15,638,626	$ -	$ 15,638,626	$ -
Commercial Paper	30,902,270	-	30,902,270	-
Municipal Bonds	73,816,669	-	73,816,669	-
Corporate Bonds	59,335,680	-	59,335,680	-
U.S. Gov't Obligations	58,306,842	58,306,842	-	-
U.S. Agency Obligations	33,776,496	-	33,776,496	-
Total investments by fair value level	$ 271,776,583	$ 58,306,842	$ 213,469,741	$ -

Note 5- Capital Assets and Leased Assets

Capital asset and leased asset activity for the year ended June 30, 2022, was as follows:

	Restated Balance June 30, 2021	Additions	Deductions	Balance June 30, 2022
Capital Assets:				
Land	$ 28,375,580	$ -	$ -	$ 28,375,580
Works of Art	324,654	-	-	324,654
Construction in Progress	4,545,215	2,633,121	(1,060,709)	6,117,627
Total Cost of Nondepreciable Capital Assets	33,245,449	2,633,121	(1,060,709)	34,817,861
Buildings	216,334,482	1,301,494	-	217,635,976
Leasehold Improvements	1,094,840	-	(123,999)	970,841
Improvements other than Buildings	16,219,770	189,280	-	16,409,050
Moveable Equip, Furniture and Library Books	59,177,280	5,033,727	(247,352)	63,963,655
Total Cost of Depreciable Capital Assets	292,826,372	6,524,501	(371,351)	298,979,522
Total Cost of Capital Assets	326,071,821	9,157,622	(1,432,060)	333,797,383
Less Accumulated Depreciation				
Buildings	90,629,279	5,903,645	-	96,532,924
Improvements other than Buildings	6,110,962	741,407	(123,999)	6,728,370
Moveable Equip, Furniture and Library Books	48,665,077	3,100,180	(247,352)	51,517,905
Total Accumulated Depreciation	145,405,318	9,745,232	(371,351)	154,779,199
Total Capital Assets, Net	180,666,503	(587,610)	(1,060,709)	179,018,184
Leased Assets:				
Buildings	4,788,315	-	-	4,788,315
Equipment	787,311	-	-	787,311
Total Cost of Leased Assets	5,575,626	-	-	5,575,626
Less Accumulated Amortization	-	800,223	-	800,223
Total Leased Assets, Net	5,575,626	(800,223)	-	4,775,403
Total Capital and Leased Assets, Net	$ 186,242,129	$ (1,387,833)	$ (1,060,709)	$ 183,793,587

Note 6 - Accounts Payable and Accrued Liabilities

	2022
Payable to vendors and contractors	$ 3,629,145
Accrued expenses, primarily payroll and vacation leave	9,562,806
Employee withholdings and deposits payable to third parties	3,484,932
	$ 16,676,883
Current	$ 15,502,912
Noncurrent	1,173,971

Note 7 - Long Term Obligations

Long-term debt as of June 30, 2022, is summarized as follows:

	Restated Balance June 30, 2021	New Debt	Reduction	Balance June 30, 2022	Current Portion	Noncurrent Portion
Series 2020B bonds with interest rates ranging from .4% to 3% due serially through 2036	$ 120,000,000	$ -	$ (13,605,000)	$ 106,395,000	$ 13,655,000	$ 92,740,000
Premium on Bonds	1,124,518	-	(80,323)	1,044,195	80,323	963,872
Total Series 2020B	121,124,518	-	(13,685,323)	107,439,195	13,735,323	93,703,872
Series 2020A bonds with interest rates ranging from 2.1% to 3% due serially through 2041	30,000,000	-	-	30,000,000	-	30,000,000
Premium on Bonds	1,559,270	-	(82,067)	1,477,203	82,067	1,395,136
Total Series 2020A	31,559,270	-	(82,067)	31,477,203	82,067	31,395,136
Series 2018B bonds with an interest rate of 1.67% due serially through 2026	8,202,334	-	(894,800)	7,307,534	894,800	6,412,734
Series 2018A bonds with interest rates ranging from 3% to 5% due serially through 2038	12,200,000	-	-	12,200,000	-	12,200,000
Premium on Bonds	1,387,748	-	(86,734)	1,301,014	86,734	1,214,280
Total Series 2018A	13,587,748	-	(86,734)	13,501,014	86,734	13,414,280
Series 2012 bonds with an interest rate of 1.65% due serially through 2023	1,825,000	-	(905,000)	920,000	920,000	-
Total Bonds	176,298,870	-	(15,653,924)	160,644,946	15,718,924	144,926,022
Net Pension Liability						
STRS	106,762,812	-	(51,517,644)	55,245,168	-	55,245,168
SERS	83,417,883	-	(35,734,229)	47,683,654	-	47,683,654
Total Net Pension Liability	190,180,695	-	(87,251,873)	102,928,822	-	102,928,822
Net OPEB Liability						
STRS	-	-	-	-	-	-
SERS	25,988,124	-	(3,010,513)	22,977,611	-	22,977,611
Total Net OPEB Liability	25,988,124	-	(3,010,513)	22,977,611	-	22,977,611
Compensated Absences	6,511,273	692,144	-	7,203,417	6,029,446	1,173,971
Lease Liability	5,575,626	-	(679,761)	4,895,865	688,919	4,206,946
Total Long-Term Liabilities	$ 404,554,588	$ 692,144	$ (106,596,071)	$ 298,650,661	$ 22,437,289	$ 276,213,372

Note 7 - Long Term Obligations (Continued)

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

Years ended June 30	Principal	Interest	Total
2023	$ 15,469,800	$ 2,863,806	$ 18,333,606
2024	10,724,800	2,605,856	13,330,656
2025	10,769,800	2,539,915	13,309,715
2026	10,824,800	2,463,859	13,288,659
2027	10,753,334	2,342,034	13,095,368
2028-2032	36,875,000	9,835,006	46,710,006
2033-2037	35,780,000	5,957,876	41,737,876
2038-2041	25,625,000	1,220,406	26,845,406
	$ 156,822,534	$ 29,828,758	$ 186,651,292

The Series 2012, Series 2018A, and Series 2018B bonds are serviced by the general receipts of the College, except for receipts expressly excluded as stated in the trust indentures dated December 20, 2012, June 28, 2018, and August 1, 2018. The Series 2020A Serial Bonds are due December 1, 2036 through December 1, 2040, inclusive, and the Series 2020B Serial Bonds are due December 1, 2021 through December 1, 2035, inclusive. The 2020A and 2020B bonds are voted general obligation debt of the College.

Note 8 –Lease Liability – Leased Assets

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

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

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

Years ended June 30	Principal	Interest	Total
2023	$ 688,919	$ 225,068	$ 913,987
2024	731,900	192,338	924,238
2025	494,203	162,640	656,843
2026	529,825	137,125	666,950
2027	569,082	109,777	678,859
2028-2032	1,724,263	165,720	1,889,983
2033-2037	62,404	33,724	96,128
2038-2040	95,269	15,125	110,394
	$ 4,895,865	$ 1,041,517	$ 5,937,382

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 $7,203,417 as of June 30, 2022.

Note 10 - State Support

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

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

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

Note 11 - Defined Benefit Pension Plans

Net Pension Liability

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

Note 11 - Defined Benefit Pension Plans (Continued)

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

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

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

The proportionate share of each plan's unfunded benefits is presented as a long-term *net pension liability* and any liability for the contractually-required pension contribution outstanding at the end of the year is included in current liabilities. The College does not have any contractually-required pension contribution liability recorded at June 30, 2022.

Plan Description - School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

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

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

Note 11 - Defined Benefit Pension Plans (Continued)

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

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost of living adjustment (COLA) on the first anniversary date of the benefit. Beginning April 1, 2018, new benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. The COLA is indexed to the percentage increase in the CPI-W, not to exceed 2.5 percent and with a floor of 0 percent. A three-year COLA suspension was in effect for all benefit recipients for the years 2018, 2019, and 2020. The Retirement Board approved a 0.5 percent COLA for calendar year 2021 and 2.5 percent for 2022.

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 year ended June 30, 2022, the allocation to pension, death benefits, and Medicare B was 14 percent. The Retirement Board did not allocate any employer contribution to the Health Care Fund for fiscal year 2022. The College's contractually required contribution to SERS for retirement was $6,556,404 for fiscal year 2022.

Plan Description - State Teachers Retirement System (STRS)

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

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307.

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of living increases are not affected by this change. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

Note 11 - Defined Benefit Pension Plans (Continued)

Eligibility changes for DB Plan members who retire with actuarially reduced benefits will be phased in until August 1, 2023, when retirement eligibility will be five years of qualifying service credit and age 60, or 30 years of service credit at any age.

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

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

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

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

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For the fiscal year ended June 30, 2022, employer and employee contribution rate of 14 percent was equal to the statutory maximum rates. For fiscal year 2022, the full employer contribution was allocated to pension.

The College's contractually required contribution to STRS was $7,335,590 for fiscal year 2022.

Note 11 - Defined Benefit Pension Plans (Continued)

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

For the fiscal year ended June 30, 2022, the net pension liability was measured as of June 30, 2021, 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	$ 47,683,654	$ 55,245,168	$ 102,928,822
Proportion of the Net Pension Liability:			
Current Measurement Date	1.29234150%	0.43207888%	
Prior Measurement Date	1.26119180%	0.44123352%	
Change in Proportionate Share	0.03114970%	-0.00915464%	
Pension Expense	$ (412,711)	$ (1,388,527)	$ (1,801,238)

At June 30, 2022, 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	$ 4,600	$ 1,706,810	$ 1,711,410
Changes of assumptions	1,004,077	15,326,000	16,330,077
Changes in employer proportionate share	1,256,651	579,318	1,835,969
College contributions subsequent to the measurement date	6,556,404	7,335,590	13,891,994
Total Deferred Outflows of Resources	$ 8,821,732	$ 24,947,718	$ 33,769,450
Deferred Inflows of Resources			
Differences between expected and actual experience	$ 1,236,631	$ 346,274	$ 1,582,905
Net difference between projected and actual earnings on pension plan investments	24,558,474	47,610,761	72,169,235
Changes in employer proportionate share	-	1,614,556	1,614,556
Total Deferred Inflows of Resources	$ 25,795,105	$ 49,571,591	$ 75,366,696

Note 11 - Defined Benefit Pension Plans (Continued)

$13,891,994 reported at June 30, 2022, 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, 2023. 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:			
2023	$ (5,228,807)	$ (7,891,325)	$ (13,120,132)
2024	(4,923,892)	(6,836,368)	(11,760,260)
2025	(5,839,118)	(7,394,516)	(13,233,634)
2026	(7,537,960)	(9,837,254)	(17,375,214)
Total	$ (23,529,777)	$ (31,959,463)	$ (55,489,240)

Actuarial Assumptions - SERS

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

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

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

Note 11 - Defined Benefit Pension Plans (Continued)

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

	June 30, 2021	June 30, 2020
Inflation	2.4 percent	3 percent
Future Salary Increases, including inflation	3.25 percent to 13.58 percent	3.5 percent to 18.2 percent
COLA or Ad Hoc COLA	2 percent, on or after April 1, 2018, COLAs for future retirees will be delayed for three years following commencement	2.5 percent
Investment Rate of Return	7 percent net of system expenses	7.5 percent net of investments expense, including inflation
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)	Entry Age Normal (Level Percent of Payroll)

Mortality rates for 2021 were based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.2 percent for males and set forward 2 years and adjusted 81.35 percent for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

Mortality rates for 2020 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, 2020.

The long-term return expectation for the Pension Plan Investments has been determined by using a building-block approach and assumes a time horizon, as defined in SERS' *Statement of Investment Policy*. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating an arithmetic weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalanced uncorrelated asset classes.

Note 11 - Defined Benefit Pension Plans (Continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00%	-0.33%
US Equity	24.75%	5.72%
Non-US Equity Developed	13.50%	6.55%
Non-US Equity Emerging	6.75%	8.54%
Fixed Income/Global Bonds	19.00%	1.14%
Private Equity	11.00%	10.03%
Real Estate/Real Assets	16.00%	5.41%
Multi-Asset Strategy	4.00%	3.47%
Private Debt/Private Credit	3.00%	5.28%
Total	100.00%	

Discount Rate The total pension liability for 2021 was calculated using the discount rate of 7 percent. The discount rate for 2020 was 7.5 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

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

As of June 30, 2022	1% Decrease (6 percent)	Current Discount Rate (7 percent)	1% Increase (8 percent)
College's proportionate share of the net pension liability (dollars in thousands)	$ 79,334	$ 47,684	$ 20,992

Note 11 - Defined Benefit Pension Plans (Continued)

Actuarial Assumptions - STRS

Key methods and assumptions used in the June 30, 2021, actuarial valuation compared to those used in the June 30, 2020, actuarial valuation are presented below:

	June 30, 2021	June 30, 2020
Inflation	2.5 percent	2.5 percent
Projected Salary Increases	12.5 percent at age 20 to 2.5 percent at age 65	12.5 percent at age 20 to 2.5 percent at age 65
Investment Rate of Return	7 percent net of investments expense, including inflation	7.45 percent net of investments expense, including inflation
Discount Rate of Return	7 percent	7.45 percent
Payroll Increases	3 percent	3 percent
Cost-of-Living Adjustments (COLA)	0 percent	0 percent

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

Actuarial assumptions used in the July 1, 2021 valuations are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

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

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

*10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent and is net of investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Note 11 - Defined Benefit Pension Plans (Continued)

Discount Rate The discount rate used to measure the total pension liability was 7 percent as of June 30, 2021, and was 7.45 percent as of June 30, 2020. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with the rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2021. Therefore, the long-term expected rate of return on pension plan investments of 7 percent was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2021.

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

As of June 30, 2022	1% Decrease (6 percent)	Current Discount Rate (7 percent)	1% Increase (8 percent)
College's proportionate share of the net pension liability (dollars in thousands)	$ 103,454	$ 55,245	$ 14,509

Changes between Measurement Date and the Fiscal Year End
In February 2022, the Board approved changes to demographic measures that will impact the June 30, 2022, actuarial valuation. These demographic measures include retirement, salary increase, disability/termination and mortality assumptions. In March 2022, the STRS Board approved benefit plan changes to take effect on July 1, 2022. These changes include a one-time three percent cost-of-living increase (COLA) to be paid to eligible benefit recipients and the elimination of the age 60 requirement for retirement age and service eligibility that was set to take effect in 2026. The effect on the net pension liability is unknown.

Note 12 – Defined Benefit Other Postemployment Benefit (OPEB) Plans

Net OPEB Liability (Asset)

The net OPEB liability (asset) reported on the statement of net position represents a liability (asset) to employees for OPEB. OPEB is a component of exchange transactions-–between an employer and its employees—of salaries and benefits for employee services. OPEB are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period.

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

Note 12 – Defined Benefit Other Postemployment Benefit (OPEB) Plans (Continued)

on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting these estimates annually.

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

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

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

Plan Description - School Employees Retirement System (SERS)

Health Care Plan Description - The College contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing OPEB plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. The following types of credit purchased after January 29, 1981 do not count toward health care coverage eligibility: military, federal, out-of-state, municipal, private school, exempted, and early retirement incentive credit. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS 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 Other Postemployment 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 2022, no allocation was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2022, this amount was $25,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2022, the College's surcharge obligation was $264,209.

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 $264,209 for fiscal year 2022. Of this amount, $0 was reported as accrued liabilities.

Plan Description - State Teachers Retirement System (STRS)

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

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. All benefit recipients pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2022, STRS did not allocate any employer contributions to post-employment health care.

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

For the fiscal year ended June 30, 2022, the net OPEB liability (asset) was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of that date.

Note 12 – Defined Benefit Other Postemployment Benefit (OPEB) Plans (Continued)

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

	SERS	STRS	Total
Proportion of the Net OPEB Liability	$ 22,977,611	$ -	$ 22,977,611
Proportion of the Net OPEB Asset	-	(9,110,030)	(9,110,030)
Proportion of the Net OPEB Liability/Asset			
Current Measurement Date	1.21408800%	0.43207888%	
Prior Measurement Date	1.19577590%	0.44123352%	
Change in Proportionate Share	0.01831210%	-0.00915464%	
OPEB Expense	$ (921,436)	$ (683,245)	$ (1,604,681)

At June 30, 2022, 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	$ 244,924	$ 324,385	$ 569,309
Changes of assumptions	3,604,643	581,908	4,186,551
Changes in employer proportionate share	602,843	88,757	691,600
College contributions subsequent to the measurement date	264,209	-	264,209
Total Deferred Outflows of Resources	$ 4,716,619	$ 995,050	$ 5,711,669
Deferred Inflows of Resources			
Differences between expected and actual experience	$ 11,443,886	$ 1,669,128	$ 13,113,014
Changes of assumptions	3,146,592	5,434,809	8,581,401
Net difference between projected and actual earnings on OPEB plan investments	499,197	2,525,139	3,024,336
Changes in employer proportionate share	481,555	146,540	628,095
Total Deferred Inflows of Resources	$ 15,571,230	$ 9,775,616	$ 25,346,846

Note 12 – Defined Benefit Other Postemployment Benefit (OPEB) Plans (Continued)

$264,209 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, 2023. 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:			
2023	$ (2,613,205)	$ (2,535,272)	$ (5,148,477)
2024	(2,616,705)	(2,472,080)	(5,088,785)
2025	(2,548,465)	(2,362,487)	(4,910,952)
2026	(2,068,146)	(1,059,588)	(3,127,734)
2027	(987,965)	(358,663)	(1,346,628)
Thereafter	(284,334)	7,524	(276,810)
Total	$(11,118,820)	$ (8,780,566)	$(19,899,386)

Actuarial Assumptions - SERS

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

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

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

Note 12 – Defined Benefit Other Postemployment Benefit (OPEB) Plans (Continued)

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2021, compared with June 30, 2020, are presented below:

	June 30, 2021	June 30, 2020
Inflation	2.4 percent	3 percent
Future Salary Increases, Including Inflation		
Wage Increases	3.25 percent to 13.58 percent	3.5 percent to 18.2 percent
Investment Rate of Return	7 percent net of investment expense, including inflation	7.5 percent net of investment expense, including inflation
Municipal Bond Index Rate:		
Measurement Date	1.92 percent	2.45 percent
Prior Measurement Date	2.45 percent	3.13 percent
Single Equivalent Interest Rate (SEIR), net of plan investment expense, including price inflation:		
Measurement Date	2.27 percent	2.63 percent
Prior Measurement Date	2.63 percent	3.22 percent
Medical Trend Assumption:		
Medicare	5.125 percent to 4.4 percent	5.25 percent to 4.75 percent
Pre-Medicare	6.75 percent to 4.4 percent	7 percent to 4.75 percent

For 2021, mortality rates among healthy retirees were based on the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.2 percent for males and set forward 2 years and adjusted 81.35 percent for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females. Mortality rates for contingent survivors were based on PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5 percent for males and adjusted 122.5 percent for females. Mortality rates for actives is based on PUB-2010 General Amount Weighted Below Median Employee mortality table.

For 2020, 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, 2020.

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2015 through 2020 and was adopted by the Board in 2021. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a 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 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

Note 12 – Defined Benefit Other Postemployment Benefit (OPEB) Plans (Continued)

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

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class, as used in the June 30, 2020 five-year experience study, are summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00%	-0.33%
US Equity	24.75%	5.72%
Non-US Equity Developed	13.50%	6.55%
Non-US Equity Emerging	6.75%	8.54%
Fixed Income/Global Bonds	19.00%	1.14%
Private Equity	11.00%	10.03%
Real Estate/Real Assets	16.00%	5.41%
Multi-Asset Strategy	4.00%	3.47%
Private Debt/Private Credit	3.00%	5.28%
Total	100.00%	

Discount Rate The discount rate used to measure the total OPEB liability at June 30, 2021 was 2.27 percent. The discount rate used to measure total OPEB liability prior to June 30, 2021, was 2.63 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the contribution rate of 1.5 percent of projected covered payroll each year, which includes a 1.5 percent payroll surcharge and no contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make all projected future benefit payments of current System members by SERS actuaries. The Municipal Bond Index Rate is used in the determination of the SEIR for both the June 30, 2020 and the June 30, 2021 total OPEB liability. The Municipal Bond Index rate is the single rate that will generate a present value of benefit payments equal to the sum of the present value determined by the long-term expected rate of return, and the present value determined by discounting those benefits after the date of depletion. The Municipal Bond Index Rate is 1.92 percent at June 30, 2021.

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

Note 12 – Defined Benefit Other Postemployment Benefit (OPEB) Plans (Continued)

As of June 30, 2022	1% Decrease (1.27 percent)	Current Discount Rate (2.27 percent)	1% Increase (3.27 percent)
College's proportionate share of the net OPEB liability (dollars in thousands)	$ 28,472	$ 22,978	$ 18,588

As of June 30, 2022	1% Decrease (5.75% decreasing to 3.4%)	Current Trend Rate (6.75% decreasing to 4.4%)	1% Increase (7.75% decreasing to 5.4%)
College's proportionate share of the net OPEB liability (dollars in thousands)	$ 17,691	$ 22,978	$ 30,039

Actuarial Assumptions – STRS

Key methods and assumptions used in the June 30, 2021, actuarial valuation and the June 30, 2020, are presented below:

	June 30, 2021	June 30, 2020
Projected salary increases	12.5 percent at age 20 to 2.5 percent at age 65	12.5 percent at age 20 to 2.5 percent at age 65
Investment Rate of Return	7 percent, net of investment expenses, including inflation	7.45 percent, net of investment expenses, including inflation
Payroll Increases	3 percent	3 percent
Discount Rate of Return	7 percent	7.45 percent
Health Care Cost Trends:		
Medical		
Pre-Medicare	5 percent initial, 4 percent ultimate	5 percent initial, 4 percent ultimate
Medicare	-16.18 percent initial, 4 percent ultimate	-6.69 percent initial, 4 percent ultimate
Prescription Drug		
Pre-Medicare	6.5 percent initial, 4 percent ultimate	6.5 percent initial, 4 percent ultimate
Medicare	29.98 percent initial, 4 percent ultimate	11.87 percent initial, 4 percent ultimate

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

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

Note 12 – Defined Benefit Other Postemployment Benefit (OPEB) Plans (Continued)

Actuarial assumptions used in the June 30, 2021, valuation are based on the results of an actuarial experience study for the period July 1, 2011, through June 30, 2016.

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

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

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

*10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent and is net of investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Discount Rate The discount rate used to measure the total OPEB liability was 7 percent as of June 30, 2021, and was 7.45 percent as of June 30, 2020. The projection of cash flows used to determine the discount rate assumes STRS continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2021. Therefore, the long-term expected rate of return on health care plan investments of 7 percent was used to measure the total OPEB liability as of June 30, 2021.

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

Note 12 – Defined Benefit Other Postemployment Benefit (OPEB) Plans (Continued)

As of June 30, 2022	1% Decrease (6 percent)	Current Discount Rate (7 percent)	1% Increase (8 percent)
College's proportionate share of the net OPEB (asset) liability (dollars in thousands)	$ (7,687)	$ (9,110)	$ (10,298)

As of June 30, 2022	1% Decrease	Current Trend Rate	1% Increase
College's proportionate share of the net OPEB (asset) liability (dollars in thousands)	$ (10,250)	$ (9,110)	$ (7,700)

Changes between Measurement Date and the Fiscal Year End

In February 2022, the Board approved changes to demographic measures that will impact the June 30, 2022, actuarial valuation. The effect on the net OPEB liability (asset) is unknown.

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. Claims liabilities of $2,214,317 were reported at June 30, 2022 as required of GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, which requires that a liability for unpaid claim costs, including estimates of costs relating to incurred but not reported claims be reported.

Note 13 - Risk Management (Continued)

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

Fiscal Year	Claims Liability Balance at Beginning of Year	Current Year Claims and Changes in Estimates	Claim Payments	Claims Liability Balance at End of Year
2022	$2,009,384	$18,082,757	$17,877,824	$2,214,317
2021	$1,730,025	$13,041,240	$12,761,881	$2,009,384
2020	$1,849,630	$13,064,923	$13,184,528	$1,730,025

In addition to the expense incurred in claim payments, the College paid $2,053,069, $1,798,673, and $1,598,485 in fees for administration of the self-insurance plans for 2022, 2021, and 2020, respectively.

Note 14 - Capital Projects Commitments

At June 30, 2022, the College was committed to future capital expenditures as follows:

Contractual commitments:		2022
Robotics Lab	$	146,436
Early Childhood Development Center		166,575
Campus Lab and Room Upgrades		59,247
Elevator Upgrades		94,368
Student Success Initiatives		96,115
Percent of Art		19,000
Campus Building Upgrades		226,479
Parking Garage Upgrades		3,714,640
Roof Replacement		5,544,143
	$	10,067,003

Note 15 – Pending Litigation

At June 30, 2022, 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, 2022:

	2022
Salaries and wages	$ 105,755,065
Employee benefits	31,955,054
Impact of GASB 68	(15,693,233)
Impact of GASB 75	(1,868,890)
Utilities	3,323,378
Supplies and other services	57,810,955
Depreciation	10,545,455
Student scholarships and financial aid	30,715,261
	$ 222,543,045

Note 17 - Component Unit Disclosures

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

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

Cash, Cash Equivalents, and Investments
The Foundation's cash and cash equivalents are included in the College's consolidated cash, which is insured by the FDIC up to $250,000, as of June 30, 2022. Uninsured cash funds held by banks are subject to a collateral agreement covering all public funds held by the bank. As of June 30, 2022, the Foundation had bank balances of $5,811,262.

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, 2022:

	2022	
	Cost	Fair Value
Equity Funds	$ 253,300	$ 259,557
Common & Preferred Stock	5,435,180	5,781,977
Corporate Debt	9,264,357	8,624,092
	$ 14,952,837	$ 14,665,626

Note 17 - Component Unit Disclosures (Continued)

Promises to Give

Unconditional promises to give consist of the following as of June 30, 2022:

	2022
Outstanding Pledges at Year End	$ 7,674,426
Less: Discounts and allowances for uncollectible pledges	(462,931)
Unconditional provises to give, net	$ 7,211,495

As of June 30, 2022:

Amounts to be received in:	Gross Amount	Allowance/ Discount	Net Amount
Less than one year	$ 3,845,425	$ -	$ 3,845,425
One to five years	3,829,001	(462,931)	3,366,070
Total	$ 7,674,426	$ (462,931)	$ 7,211,495

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, 2022, $3,120,000 has been paid to the annuitants.

COLUMBUS STATE COMMUNITY COLLEGE

Required Supplementary Information

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

School Employees Retirement System of Ohio

Last Ten Fiscal Years (1)

SERS	College's Proportion of the Net Pension Liability	College's Proportionate Share of the Net Pension Liability	College's Covered-Employee Payroll	College's Proportionate Share of the Net Pension Liability as a Percentage of College's Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2022	1.29234150%	$ 47,683,654	$ 44,611,664	106.89%	82.86%
2021	1.26119180%	83,417,883	44,221,507	188.64%	68.55%
2020	1.25565080%	75,127,789	43,068,978	174.44%	70.85%
2019	1.26613130%	72,513,685	42,480,643	170.70%	71.36%
2018	1.27561730%	76,215,316	41,068,521	185.58%	69.50%
2017	1.27263630%	93,145,235	39,531,879	235.62%	62.98%
2016	1.27403160%	72,697,478	38,392,578	189.35%	69.16%
2015	1.24228500%	62,871,338	36,140,472	173.96%	71.70%

(1) Information prior to 2015 is not available.

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

See accompanying notes to the required supplementary information.

COLUMBUS STATE COMMUNITY COLLEGE

Required Supplementary Information

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

State Teachers Retirement System of Ohio

Last Ten Fiscal Years (1)

STRS	College's Proportion of the Net Pension Liability	College's Proportionate Share of the Net Pension Liability	College's Covered-Employee Payroll	College's Proportionate Share of the Net Pension Liability as a Percentage of College's Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2022	0.43207888%	$ 55,245,168	$ 52,611,171	105.01%	87.78%
2021	0.44123352%	106,762,812	52,709,929	202.55%	75.48%
2020	0.43796917%	96,854,250	50,874,957	190.38%	77.40%
2019	0.43818461%	96,346,957	49,308,179	195.40%	77.31%
2018	0.43341646%	102,959,009	46,931,536	219.38%	75.30%
2017	0.44265122%	148,168,706	45,732,807	323.99%	66.80%
2016	0.45597031%	126,016,857	47,744,310	263.94%	72.10%
2015	0.46729176%	113,661,528	46,672,461	243.53%	74.70%

(1) Information prior to 2015 is not available.

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

See accompanying notes to the required supplementary information.

COLUMBUS STATE COMMUNITY COLLEGE

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

SERS	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	College's Covered-Employee Payroll	Contributions as a Percentage of Covered Payroll
2022	$ 6,556,404	$ (6,556,404)	$ -	$ 46,831,457	14.00%
2021	6,245,633	(6,245,633)	-	44,611,664	14.00%
2020	6,191,011	(6,191,011)	-	44,221,507	14.00%
2019	5,814,312	(5,814,312)	-	43,068,978	13.50%
2018	5,734,888	(5,734,888)	-	42,480,643	13.50%
2017	5,749,593	(5,749,593)	-	41,068,521	14.00%
2016	5,534,463	(5,534,463)	-	39,531,879	14.00%
2015	5,374,961	(5,374,961)	-	38,392,578	14.00%
2014	5,054,314	(5,054,314)	-	36,140,472	13.99%
2013	5,040,444	(5,040,444)	-	39,532,495	12.75%

See accompanying notes to the required supplementary information.

COLUMBUS STATE COMMUNITY COLLEGE

Required Supplementary Information

Schedule of the College Contributions--Pension

State Teachers Retirement System of Ohio

Last Ten Fiscal Years

STRS	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	College's Covered-Employee Payroll	Contributions as a Percentage of Covered Payroll
2022	$ 7,335,590	$ (7,335,590)	$ -	$ 52,397,071	14.00%
2021	7,365,564	(7,365,564)	-	52,611,171	14.00%
2020	7,379,390	(7,379,390)	-	52,709,929	14.00%
2019	7,122,494	(7,122,494)	-	50,874,957	14.00%
2018	6,903,145	(6,903,145)	-	49,308,179	14.00%
2017	6,570,415	(6,570,415)	-	46,931,536	14.00%
2016	6,402,593	(6,402,593)	-	45,732,807	14.00%
2015	6,573,275	(6,573,275)	-	47,744,310	13.77%
2014	6,534,145	(6,534,145)	-	46,672,461	14.00%
2013	7,308,424	(7,308,424)	-	52,203,027	14.00%

See accompanying notes to the required supplementary information.

COLUMBUS STATE COMMUNITY COLLEGE

Required Supplementary Information

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

School Employees Retirement System of Ohio

Last Ten Fiscal Years (1)

SERS	College's Proportion of the Net OPEB Liability	College's Proportionate Share of the Net OPEB Liability	College's Covered-Employee Payroll	College's Proportionate Share of the Net OPEB Liability as a Percentage of College's Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2022	1.21408800%	$ 22,977,611	$ 44,611,664	51.51%	24.08%
2021	1.19577590%	25,988,124	44,221,507	58.77%	18.17%
2020	1.18843810%	29,886,719	43,068,978	69.39%	15.57%
2019	1.20838870%	33,523,967	42,480,643	78.92%	13.57%
2018	1.22301850%	32,822,603	41,068,521	79.92%	12.46%
2017	1.21682486%	34,684,010	39,531,879	87.74%	11.49%

(1) Information prior to 2017 is not available.

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

See accompanying notes to the required supplementary information.

COLUMBUS STATE COMMUNITY COLLEGE

Required Supplementary Information

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

State Teachers Retirement System of Ohio

Last Ten Fiscal Years (1)

STRS	College's Proportion of the Net OPEB Liability (Asset)	College's Proportionate Share of the Net OPEB Liability (Asset)	College's Covered-Employee Payroll	College's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of College's Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2022	0.43207888%	$ (9,110,030)	$ 52,611,171	-17.32%	174.73%
2021	0.44123352%	(7,754,676)	52,709,929	-14.71%	182.13%
2020	0.43796917%	(7,253,819)	50,874,957	-14.26%	174.74%
2019	0.43818461%	(7,041,179)	49,308,179	-14.28%	176.00%
2018	0.43341646%	16,910,311	46,931,536	36.03%	47.10%
2017	0.44265120%	23,179,225	45,732,807	50.68%	37.30%

(1) Information prior to 2017 is not available.

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

See accompanying notes to the required supplementary information.

COLUMBUS STATE COMMUNITY COLLEGE

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

SERS	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	College Covered - Employee Payroll	Contributions as a Percentage of Covered Payroll
2022	$ 264,209	$ (264,209)	$ -	$ 46,831,457	0.56%
2021	232,871	(232,871)	-	44,611,664	0.52%
2020	233,914	(233,914)	-	44,221,507	0.53%
2019	479,775	(479,775)	-	43,068,978	1.11%
2018	527,246	(527,246)	-	42,480,643	1.24%
2017	336,136	(336,136)	-	41,068,521	0.82%
2016	303,128	(303,128)	-	39,531,879	0.77%
2015	314,819	(314,819)	-	38,392,578	0.82%
2014	297,977	(297,977)	-	36,140,472	0.82%
2013	305,977	(305,977)	-	39,532,495	0.77%

(1) Includes Surcharge

See accompanying notes to the required supplementary information.

COLUMBUS STATE COMMUNITY COLLEGE

Required Supplementary Information

Schedule of the College's Contribution--OPEB

State Teachers Retirement System of Ohio

Last Ten Fiscal Years

STRS	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	College's Covered-Employee Payroll	Contributions as a Percentage of Covered Payroll
2022	$ -	$ -	$ -	$ 52,397,071	0.00%
2021	-	-	-	52,611,171	0.00%
2020	-	-	-	52,709,929	0.00%
2019	-	-	-	50,874,957	0.00%
2018	-	-	-	49,308,179	0.00%
2017	-	-	-	46,931,536	0.00%
2016	-	-	-	45,732,807	0.00%
2015	-	-	-	47,744,310	0.00%
2014	456,836	(456,836)	-	46,672,461	0.98%
2013	520,925	(520,925)	-	52,203,027	1.00%

See accompanying notes to the required supplementary information.

Note 1- Net Pension Liability

School Employees Retirement System (SERS)

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

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

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

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

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

Changes in Assumptions:
2022: The following changes of assumptions affected the total pension liability since the prior measurement date:

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

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

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

(1) The assumed rate of inflation was reduced from 3.25 percent to 3 percent,
(2) Payroll growth assumption was reduced from 4 percent to 3.5 percent,
(3) Assumed real wage growth was reduced from 0.75 percent to 0.5 percent,
(4) Rates of withdrawal, retirement and disability were updated to reflect recent experience,
(5) Mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females,
(6) Mortality among service retired members, and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120 percent of male rates, and 110 percent of female rates,
(7) Mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90 percent for male rates and 100 percent for female rates, set back five years is used for the period after disability retirement, and
(8) The discount rate was reduced from 7.75 percent to 7.5 percent.

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

State Teachers Retirement System (STRS)

Changes in Benefit Terms:
2019-2022: 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:
2022: There were changes in assumptions since the prior measurement date, which the discount rate was adjusted to 7 percent from 7.45 percent.

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

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

(1) The long term expected rate of return was reduced from 7.75 percent to 7.45 percent,
(2) The inflation assumption was lowered from 2.75 percent to 2.5 percent,
(3) The payroll growth assumption was lowered to 3 percent,
(4) Total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25 percent due to lower inflation,
(5) The healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016, and
(6) Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

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

Note 2 - Net OPEB (Asset)/Liability

School Employees Retirement System (SERS)

Changes in Benefit Terms:
2017-2022: There were no changes in benefit terms from the amounts reported for these fiscal years.

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

(1) Discount Rate:

Prior Measurement Date	2.63%
Measurement Date	2.27%

(2) Investment Rate of Return:

Prior Measurement Date	7.50%
Measurement Date	7.00%

(3) Assumed Rate of Inflation:

Prior Measurement Date	3.00%
Measurement Date	2.40%

(4) Payroll Growth Assumption:

Prior Measurement Date	3.50%
Measurement Date	1.75%

(5) Assumed Real Wage Growth:

Prior Measurement Date	0.50%
Measurement Date	0.85%

(6) Municipal Bond Index Rate:

Prior Measurement Date	2.45%
Measurement Date	1.92%

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

Prior Measurement Date	2.63%
Measurement Date	2.27%

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

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

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

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

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

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

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

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

(1) Discount Rate:

Prior Measurement Date	3.22%
Measurement Date	2.63%

(2) Municipal Bond Index Rate:

Prior Measurement Date	3.13%
Measurement Date	2.45%

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

Prior Measurement Date	3.22%
Measurement Date	2.63%

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

(1) Discount Rate:

Prior Measurement Date	3.70%
Measurement Date	3.22%

(2) Municipal Bond Index Rate:

Prior Measurement Date	3.62%
Measurement Date	3.13%

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

Prior Measurement Date	3.70%
Measurement Date	3.22%

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

(1) Discount Rate:

Prior Measurement Date	3.63%
Measurement Date	3.70%

(2) Municipal Bond Index Rate:

Prior Measurement Date	3.56%
Measurement Date	3.62%

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

Prior Measurement Date	3.63%
Measurement Date	3.70%

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

(1) Discount Rate:

Fiscal Year 2018	3.63%
Fiscal Year 2017	2.98%

(2) Municipal Bond Index Rate:

Fiscal Year 2018	3.56%
Fiscal Year 2017	2.92%

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

Fiscal Year 2018	3.63%
Fiscal Year 2017	2.98%

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

(1) The assumed rate of inflation was reduced from 3.25 percent to 3 percent,
(2) Payroll growth assumption was reduced from 4 percent to 3.5 percent,
(3) Assumed real wage growth was reduced from 0.75 percent to 0.5 percent,
(4) Rates of withdrawal, retirement and disability were updated to reflect recent experience,
(5) Mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females,
(6) Mortality among service retired members, and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120 percent of male rates, and 110 percent of female rates, and
(7) Mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90 percent for male rates and 100 percent for female rates, set back five years is used for the period after disability retirement.

<u>State Teachers Retirement System (STRS)</u>

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

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

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

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

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

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

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

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

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

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

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

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

OHIO AUDITOR OF STATE
KEITH FABER

COLUMBUS STATE COMMUNITY COLLEGE

FRANKLIN COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.

Certified for Release 11/29/2022

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