

CUYAHOGA COMMUNITY COLLEGE
CLEVELAND, OHIO

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEARS ENDED
JUNE 30, 2023 AND 2022



OHIO AUDITOR OF STATE
KEITH FABER



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

Board of Trustees
Cuyahoga Community College
700 Carnegie Avenue
Cleveland, Ohio 44115

We have reviewed the *Independent Auditor's Report* of the Cuyahoga Community College, Cuyahoga County, prepared by Ciuni & Panichi, Inc., for the audit period July 1, 2022 through June 30, 2023. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them. In conjunction with the work performed by the Independent Public Accountant, the Auditor of State is issuing the following:

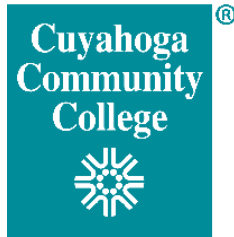
The Auditor of State is conducting an investigation, which is on-going as of the date of this report. Dependent on the outcome of the investigation, results may be reported on at a later date.

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 Cuyahoga Community College is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

January 08, 2024



Annual Comprehensive Financial Report

Fiscal Years Ended

June 30, 2023 and 2022

Cuyahoga Community College

Cleveland, Ohio

Prepared by

Administration and Finance Division

(This page is intentionally left blank.)

TABLE OF CONTENTS

Introductory Section

Letter of Transmittal	i
College Profile	ii
Certificate of Achievement	xx
Mission, Vision, and Values Statement	xxi
President and Board of Trustees	xxii
College Administration	xxiii
Organizational Chart	xxiv

Financial Section

Independent Auditor's Report.....	1
Management's Discussion and Analysis.....	5
Basic Financial Statements:	
Statements of Net Position	23
Statements of Net Assets – Component Unit	25
Statements of Revenues, Expenses, and Changes in Net Position	26
Statements of Revenues, Expenses, and Changes in Net Assets – Component Unit	27
Statements of Cash Flows	28
Notes to the Basic Financial Statements	30

Required Supplementary Information

Schedule of College's Proportionate Share of the Net Pension Liability (Asset).....	129
Schedule of College Contributions to Pensions	131
Schedule of College's Proportionate Share of the Net OPEB Liability (Asset)	133
Schedule of College Contributions to OPEB	135
Schedule of Changes in Net OPEB Liability	137
Schedule of the Net OPEB Liability	139
Notes to Required Supplementary Information	140

Statistical Section

Schedule of Net Position by Component	S2
Schedule of Expenses by Program.....	S4
Schedule of Revenues by Source	S6
Schedule of Other Changes in Net Position.....	S8
Assessed and Estimated Actual Value of Taxable Property	S10
Property Tax Rates – Direct and Overlapping Governments	S12
Principal Real Property Taxpayers	S18
Property Tax Levies and Collections	S19
Historic Tuition and Fees.....	S21
Ratio of Debt per Student	S22
General Receipt Bond Coverage.....	S25
Computation of Legal Debt Margin.....	S26
Demographic and Economic Statistics	S28
Principal Employers.....	S29
Employee Statistics	S30
Historical Headcount	S33
Graduation Statistics	S34
Capital Asset Information	S36

This page intentionally left blank.



Introductory Section



December 19, 2023

Letter of Transmittal to the Board of Trustees and residents of Cuyahoga County:

We are pleased to provide you with the Annual Comprehensive Financial Report (ACFR) of Cuyahoga Community College (College or Tri-C[®]) for the fiscal years ended June 30, 2023 and 2022.

To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to fairly present the financial position and results of operations of the College. All disclosures necessary to enable the reader to gain an understanding of the College's financial activities in relation to its mission have been included.

We acknowledge that management is responsible for the content of this report and establishing and maintaining internal controls which ensure that assets are protected from loss, theft, or misuse, and show that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable rather than absolute assurance that the financial statements are free of any material misstatements.

Management's discussion and analysis (MD&A) immediately follows the Independent Auditor's Report and provides an overview and analysis of the basic financial statements. MD&A complements this letter and should be read in conjunction with it.

The ACFR has been prepared in conformance with the financial reporting standards applicable to governmental entities set forth by the Governmental Accounting Standards Board (GASB) in its authoritative pronouncements, as well as the financial reporting standards of the Government Finance Officers Association (GFOA). The College is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and Title 2 of the Code of Federal Regulations (CFR) Part 200, Uniform Administration Requirements, Cost Principles and Audit Requirements for Federal Awards. Audits are performed by the Auditor of State or an independent accounting firm at the direction of that officer pursuant to Ohio law, and examinations or audits are performed under certain federal program requirements. Annual financial reports are prepared by the College and filed as required by Ohio Administrative Code Section 126:3-1 with the Auditor of State no later than October 31st of each year.

Administration and Finance
District Administrative Services
700 Carnegie Avenue
Cleveland, OH 44115-2878
216· 987· 5000

Profile of Cuyahoga Community College



Reporting Entity

Cuyahoga Community College is an independent reporting entity within the criteria established by generally accepted accounting principles (GAAP) and the Governmental Accounting Standards Board (GASB). According to GASB Statement No. 14, and amended by GASB Statements No. 39 and No. 61, the financial reporting entity consists of “a primary or special purpose stand-alone government, organization(s) for which the government is financially accountable, and other organizations for which the nature and significance of their relationship with the government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.” The College is a related organization because the Cuyahoga County Executive, subject to confirmation of the Cuyahoga County Council, appoints a majority of the College board members; however, it is legally separate and fiscally independent of other state and local governments. Although the College is geographically co-extensive with Cuyahoga County, it is an entirely separate subdivision. In accordance with GASB Statement No. 39, the financial activity of the Cuyahoga Community College Foundation is discretely presented as a component unit of the College while the financial activity of Strengthening Opportunities for Success, Inc. is presented as a blended component in accordance with GASB Statement No. 61. The College is not included in any other governmental financial reporting entity.

A nine-member Board of Trustees governs the College in all policy matters of the College requiring attention or action, and is charged with fulfilling the goals set forth in the College Mission Statement. Six trustees are appointed by the County Executive, subject to confirmation by the Cuyahoga County Council. The Council is an eleven-member body elected by the residents of our neighborhoods and is a link between government agencies and citizens. Three trustees are appointed by the Governor. All appointments are for five-year terms or the remainder of vacated terms. The administrative direction of the College has been delegated by the Board of Trustees to the President and administrative staff. The administrative staff is appointed by the President subject to Board approval.

History



On September 23, 1963, the largest first day enrollment for a community college in the nation's history took place at Tri-C's first home, the 19th century Brownell School building in downtown Cleveland, leased from the Cleveland Board of Education. The initial enrollment was just over 3,000 students. Today, Tri-C serves more than 41,000 credit and noncredit students each year. Over its 60-year history, Cuyahoga Community College has served more than 1,000,000 members of our community.

Tri-C continues to invest in our students and our community and provides facilities that meet its educational and technological needs. There are four traditional campuses - Eastern Campus, Western Campus, Metropolitan Campus (Metro) and Westshore Campus - two Corporate College® locations, the Brunswick University Center, the Manufacturing Technology Center, the Advanced Technology Training Center, the Hospitality Management Center at Public Square, the District Administrative Offices in downtown Cleveland, the Jerry Sue Thornton Center, the Gill and Tommy LiPuma Center for Creative Arts, the Transportation Innovation Center, the Public Safety Training Center, the Mobile Training Unit and numerous off-campus sites. The campuses are strategically placed throughout the county to be convenient and accessible for our students and the community.

The tuition and fees at Cuyahoga Community College are one of the most affordable options in Northeast Ohio. Tri-C is supported by the taxpayers of Cuyahoga County and assisted by the State of Ohio to maintain modest tuition and fees. Financial resources available at Tri-C include grants, scholarships, student loans, and public benefits.

Cuyahoga Community College provides top quality education and flexible learning options. The College's vision and strategies remain focused on student success and completion along with reframing the student experience to include first and second year experience programs designed to reduce the time students invest in finishing their degree. Many of these initiatives showcase a strong partnership among our extraordinary faculty and staff to assist our students to achieve their educational and technical skill objectives.



In addition to providing educational and training opportunities, the College partners with local organizations and groups to host and sponsor civic, sporting and cultural events. The 44th Tri-C JazzFest Cleveland returned to a live and in person event at Playhouse Squire in June 2023.

The Gill and Tommy LiPuma Center for Creative Arts at the Tri-C Metropolitan Campus provides a unique learning environment for students pursuing studies in a wide spectrum of disciplines including media arts, recording arts, performing arts, animation laboratories and other programs. The Center is named in honor of Cleveland native Tommy LiPuma, one of the most successful pop and jazz producers of all time with 33 gold and platinum records to his credit, 33 Grammy nominations and three Grammy awards. The Center also houses the Rock and Roll Hall of Fame and Museum’s library and archives.

Other community programs offered by the College include arts and entertainment, senior adult education programs, youth programs, public safety courses, recreational facilities and a variety of health and wellness events.

The Community

Northeast Ohio is nationally known as an ideal destination for those seeking to prepare for high skill jobs and fulfill their academic ambitions. Key contributors to our region’s success include a flourishing culinary and hospitality scene, extraordinary cultural experiences, renowned health care systems, thriving neighborhoods and excellent career opportunities. Cuyahoga Community College, as an integral part of the community, offers area residents the opportunity to refresh, enhance or develop new skills that lead to successful careers.

Northeast Ohio community colleges and universities collaborate to help schools meet their missions while providing more options and access to degree programs to more students. In 2021, Tri-C and Cleveland State University launched the “Future Vikings” program to strengthen its existing partnership to make the transfer process more streamlined for their students. This partnership between two of Cleveland’s biggest educational institutions comes as the State eyes an ambitious goal of having 65 percent of its residents hold a degree or other credential by 2025.

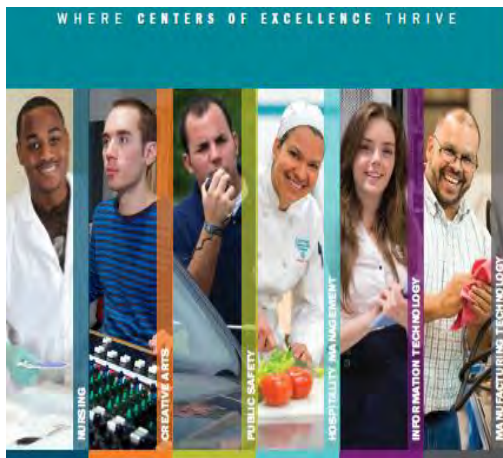
Based on US census statistics, Cuyahoga County has a total population of 1,236,041 with a median household income of \$55,109 as of July 1, 2022. Cuyahoga County statistics indicate 34.4 percent have earned a bachelor degree or higher, and 90.7 percent are high school graduates or higher. Cuyahoga County estimates indicate 62,153 of the population are veterans.

Twenty-four companies based in Ohio made the 2023 Fortune Magazine list of the 500 top companies in America. Cuyahoga County’s hospital health systems include a number of nationally recognized health care, medical education, medical research and medical technology institutions including the world-renowned Cleveland Clinic, University Hospitals Health System, the MetroHealth System, and the Global Center for Health Innovation which employ a large percent of the County’s labor force. The metropolitan area is served by 50 hospitals, many of which are affiliated with medical schools such as Case Western Reserve University School of Medicine. The College offers more than 30 health career programs leading to associate degrees or certificates. In June 2023, Tri-C and other regional community colleges received a \$3 million grant from the Department of Labor in an effort to expand and diversify Northeast Ohio’s pipeline of qualified nursing professionals.

Cuyahoga County is noted for its many cultural institutions and attractions including the Cleveland Museum of Art, Playhouse Square which is the country's largest performing arts center outside of New York, the Cleveland Museum of Natural History, the Cleveland Botanical Garden, the Museum of Contemporary Art, the Rock and Roll Hall of Fame and Museum, the Great Lakes Science Center, the Western Reserve Historical Society, the NASA Lewis Research Visitor Center, and Severance Hall which is home of the world renowned Cleveland Orchestra. Named 2021 Best Park in the Nation, the Cleveland Metroparks is where you can explore 18 reservations spanning more than 24,000 acres with more than 300 miles of trails, eight golf courses, eight lakefront parks and a nationally-acclaimed zoo.

Northeast Ohio is home to stadiums, arenas and versatile outdoor spaces. Rocket Mortgage FieldHouse is home to the Cleveland Cavaliers and the Cleveland Monsters. Cleveland Browns Stadium, formerly known as FirstEnergy Stadium, is home to the Cleveland Browns, and also serves as a venue for other events such as college and high school football, soccer, hockey, and concerts. Progressive Field is an urban landmark and home to the Cleveland Guardians. The Huntington Convention Center of Cleveland provides over 475,000 square feet of prime meeting and event space, which includes 225,000 square feet of exhibit hall space, two ballrooms, and 50+ breakout rooms. It is also connected to the 600-room Hilton Cleveland Downtown and Cleveland Public Auditorium and Conference Center which features a 10,000-seat stadium-style auditorium.

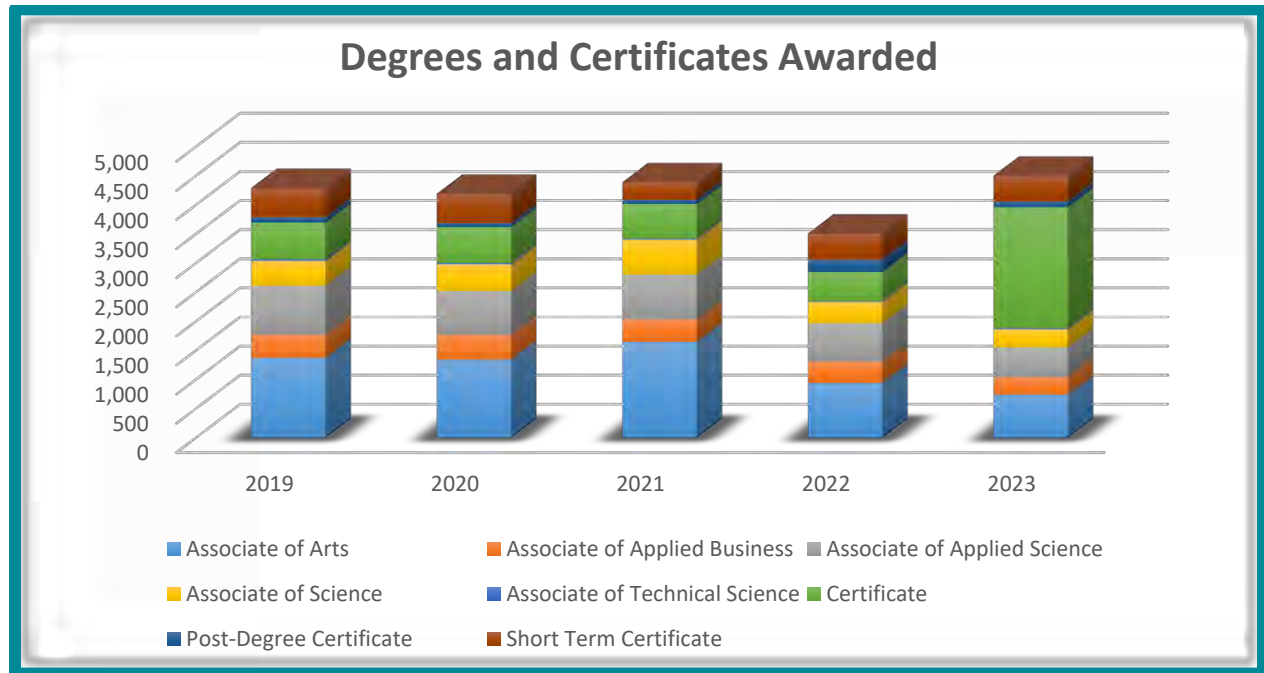
To strengthen the College's existing community partnerships and create an intentional Collegewide approach to supporting new students while expanding opportunities for community engagement, the College is building on success while refocusing on a new definition of access; not just as part of its mission, but as an integral part of the College's role in supporting the American dream. In doing so, Tri-C has expanded the traditional community college concept of access to reflect six dimensions: connect, convert, entry, learn, retain, and complete.



Cuyahoga Community College Centers of Excellence are designed to meet the educational, cultural and economic needs of our communities by providing the most innovative programming available. The College's six Centers of Excellence cover a wide range of disciplines and potential career paths and include Hospitality Management, Public Safety, Information Technology, Creative Arts, Nursing, and Manufacturing. Ninety percent of Tri-C graduates from career programs find employment; eighty-three percent of those jobs are related to their field of study.

Types of Services

Cuyahoga Community College is accredited through the Higher Learning Commission, a Commission of the North Central Association of Colleges and Schools which permits the College to award the Associate of Arts, Associate of Science, Associate of Applied Science, Associate of Applied Business and Associate of Technical Study degrees to students who satisfactorily complete their coursework.



The College offers more than 1,000 credit courses in more than 200 career and technical programs and liberal arts curricula. Tri-C also grants Short-Term Certificates, Certificates of Proficiency and Post-Degree Professional Certificates. More than 600 non-credit workforce and professional development courses are offered each year.

A number of the College's career programs are accredited or approved by appropriate specialized associations or agencies. The College offers 88 technical programs leading to an associate degree. Of these programs, 63 lead to an Associate of Applied Science degree and 25 lead to an Associate of Applied Business degree. Short-term professional certificates are offered in 47 program areas and 64 programs offer a one-year certificate of proficiency. The College offers 5 post-degree professional certificate programs and a variety of non-credit courses, support services and special programs designed to meet the needs of a diverse student body and the community at large.

Economic Environment Analysis

The economic environment in Cuyahoga County and Northeast Ohio has a significant impact on the fiscal year budget, operating results and net position. Of the 23 community and technical colleges in Ohio, Cuyahoga Community College is one of six that levies local taxes. Local property tax revenues are forecasted by evaluating housing market trends and tax collectability rates. Thus, the College's principal revenue sources come from County assessed and collected property taxes, as well as State Appropriations, student tuition, grants and fees. The sustainability of these revenue components is largely dependent on variables external to the College including unemployment trends, local and State economic conditions, legislative actions and voter sentiment. During fiscal years 2020 and 2021, the College experienced financial impact from the variables resulting from the COVID-19 pandemic. In order to continue providing the services offered to students and the community, the College must manage fluctuation in these revenue sources as well as its own operating costs.

Cuyahoga County's assessed property tax values increased in 2021 mainly due to residential value increases as a result of a county-wide reappraisal and new construction. Cuyahoga County is experiencing a slow rebound, including a decline in foreclosure filings and an increase in new construction. The Ohio Revised Code allows for several types of incentives or tax abatement programs as an inducement to invest in property improvements and/or create additional jobs. If approved by the local government, these abated properties would have an adverse effect on the College's resources over the abatement periods which may last as long as 15 years.

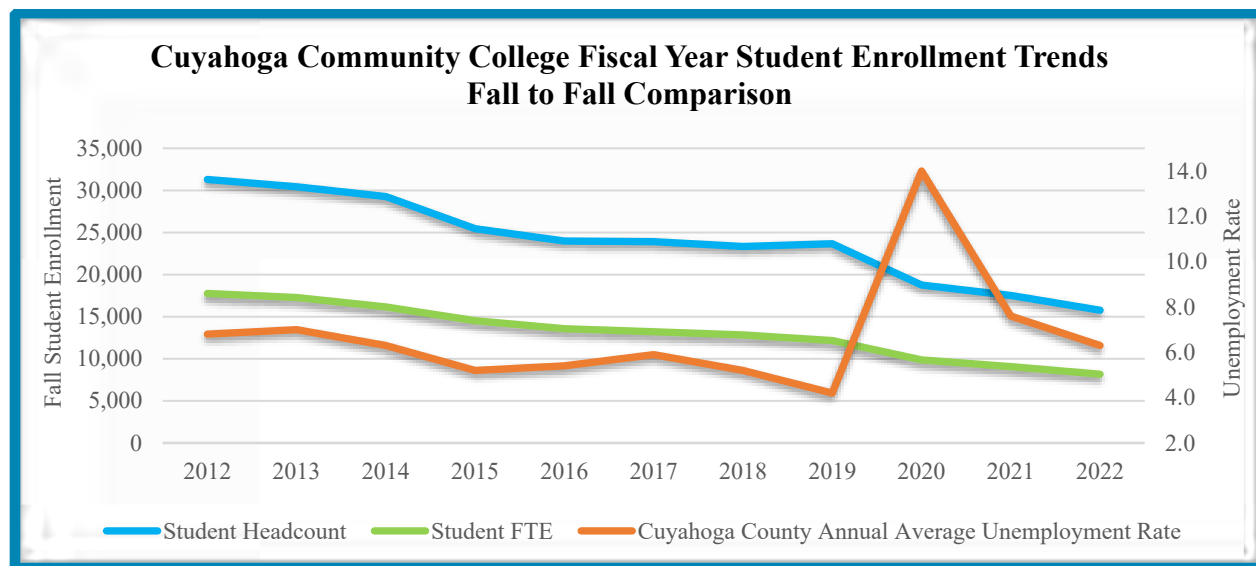
Cuyahoga County's civilian labor force estimates include over 619,800 individuals, of which 590,900 were employed as of June 2023. County unemployment in June 2023 was 4.7 percent compared to 6.3 percent in June 2022.

The population of Cuyahoga County has fallen from 1,280,122 in 2010 to a census estimate of 1,236,041 in 2022. Some of this population decline is attributed to people moving out of the urban areas within Cuyahoga County to neighboring suburban counties. Reductions in population contribute to lower tax revenues as well as lower enrollment at the College.

Public institutions of public higher education in Ohio receive State financial assistance for both operations and designated capital improvements through appropriations by the General Assembly. The State Share of Instruction (SSI) was adopted in 2012 as the primary funding method for Ohio’s public colleges and universities as developed by Ohio’s Department of Education. SSI encourages institutions to focus on student success outcomes rather than enrollment as a means of obtaining financial support from the State by holding public institutions accountable for results that include course and degree completion. Funding model allocates State resources to community and technical colleges based on the following three components: 50 percent course completion, 25 percent success points and 25 percent based on other completion metrics. The course completion and completion milestone metrics were also weighted by access categories intended to support the ongoing access mission of community colleges for certain populations that are underserved and whose increased success is essential to the attainment goals of the State.

The College received \$64.4 million in SSI during fiscal year 2023 as compared to \$67.2 million and \$70.9 million in fiscal years 2022 and 2021 respectively. As student graduation and transfer rates increase, the College receives additional revenues to offset its operating costs as well as to continue investing in efforts to improve student outcomes.

Enrollment trends at the College tend to mirror unemployment trends; when unemployment is high so is enrollment and vice versa. Job expansion and population trends also play a significant role in enrollment. Thus the College recognizes it has a responsibility to adjust and adapt its programs to provide the resources required to educate and provide the job skills required to meet the employment needs of Northeast Ohio.



Long Term Strategic Financial and Operational Planning

Cuyahoga Community College engages in annual strategic and operational planning involving all levels of the organization and resulting in key College goals and directions for the year. This process provides a framework to advance the College's mission, vision and values with an emphasis on student success and a commitment to continuous improvement.

The College has Board approved policies and procedures which provide the operating principles for the College in the following areas: Board Governance; Finance and Business Services; Access, Learning and Success; Human Resources; and Administration. These policies provide guidance for planning of resources and maintaining fiscal integrity. The College's long-range plan forecasts revenues and expenditures for a five-year period in order to best manage each fiscal year's expenditures and yield a balanced budget whereby operating expenditures do not exceed resources. The long-range plan helps model the College's fiscal performance and is updated monthly with College and community data. As financial and strategic assumptions change throughout the fiscal year, the long-range plan is adjusted accordingly.

Budget Development Process

The Cuyahoga Community College Board of Trustees adopts a budget for each fiscal year based on a five-year plan and the College goals. The linking of the College goals to measurable objectives is critical in responding effectively to the needs of the community and to budget constraints set by the State. The President requires major budget units to submit a comprehensive budget package to the College's Office of Planning, Budget, and Strategic Support, including a full-time staffing plan, enrollment plan, operating plan, and equipment requests.



The Office of Resource Development coordinates the restricted fund efforts and submits an overall restricted fund budget package and strategy to the Executive Vice Presidents for their review, approval, and submission to the President.

Auxiliary and quasi-auxiliary operations must also prepare a budget package. These operations are intended to be self-supporting. The revenue generated, based upon estimated enrollment or service levels, must be evaluated prior to the development of individual budgets. These operations are important since they allow the College to provide services such as bookstores, food services, parking and non-credit training to students and the community that the College may not otherwise be able to offer.

As part of the budgeting process, allocations for capital projects are also reviewed. Proposed capital projects are assessed against the Academic and Facilities Master Plan and approved by the Board of Trustees. The President and relevant staff annually review and prioritize project requests against resources available through internal funds, State Capital Appropriations, and financing.



Every other year, the College updates its six-year capital improvement program which provides the basis for a State Capital Appropriation request submitted to the Ohio Department of Higher Education (ODHE). The request identifies the projects proposed to be financed with State Appropriations and the purpose, priority, amount, and source of funds for these projects. ODHE and the General Assembly may approve, modify, or decline aspects of the College's requested capital appropriation programs.

The College received State Appropriations for capital projects in the amount of \$15,626,408 for the 2021-2022 biennium and \$15,318,318 for the 2023-2024 biennium. These projects include East Campus Exterior Plaza and Basic Renovations.

The Board of Trustees annually reviews operating budgets for the general fund and auxiliary funds, as well as capital expenditures related to debt service, capital operating and other capital expenditures. The Board adopts the annual general operating fund and capital expenditure budgets based on the recommendation of the President and Treasurer. The Board may modify the budgets during the year to reflect revised expenditure or revenue projections for that fiscal year.

Fiscal accountability for the College is achieved through measurement of the College's budget performance against its annual plan and trend analysis. The Executive Vice President/Treasurer of the College has primary stewardship responsibility for financial forecasting, reporting, and investing activities for the College, and ensures financial integrity and appropriate use of public and private funds in compliance with all stakeholder interests.

Financial Reporting

As a matter of policy, the College's Enterprise Resource Planning (ERP) system automatically monitors and controls budget compliance and adjustments. The ERP system will permit the College's organizational units to amend expenditure budgets as long as the changes do not exceed their original authority to spend as granted by the Board of Trustees. If the College deems it necessary to exceed the Board's original spending authority due to ongoing operations or an extraordinary event, the additional spending must be approved by the Board of Trustees. Once approved, the College must submit a revised certificate of estimated resources to the Cuyahoga County Fiscal Officer.

On a monthly basis, the Treasurer presents a financial package with a narrative explanation to the Board for its review. The package includes a comparative statement of the College's operating revenues and expenditures, including information pertaining to restricted and special funds, as well as a schedule of investments.

Audit and Advisory Services

The Office of Audit & Advisory Services (AAS) is an integral part of the control environment and a trusted advisor in the areas of audit, management advisory services, and training. The department aids the College in accurate, reliable and meaningful reporting by providing accountability through auditing significant College controls and processes. Formal audit reports effectively document and communicate opportunities for improvement to management. A tracking matrix is used to monitor implementation dates which strengthen the control environment, mitigate risk, and help the College achieve its strategic goals. AAS provides monthly financial, compliance, budget and other training activities as value-added services.

Strategic Fundamental Principles and Goals

To continue to be a transformational organization, Tri-C must have absolute clarity about who we are, where we are and how we will evolve to benefit our students and the community in the years to come. This requires the College to continuously assess operations and initiatives, address what's not working and have the flexibility to quickly adapt plans as changes occur in the world around us. Therefore, as the College moves forward in the post-pandemic "now normal," our work will be guided by three fundamental principles:

- **Value Centered**
Tri-C will be consciously committed to diversity, integrity, academic excellence, the achievement of individual and institutional goals and inclusive prosperity. We will dedicate ourselves to building trust, respect and confidence among our colleagues, students and the community.
- **Student Focused**
All decisions will be evaluated through a "student-first" lens, considering the potential impact on student equity, the student experience, student success and to ensure opportunity for all.
- **Purpose Driven**
As the community's college, Tri-C will be a catalyst for change in Northeast Ohio. We will create more vibrant communities by moving people from economic fragility to economic mobility through education and training for in-demand, well-paying jobs. We will drive economic growth by partnering with businesses and industries to design programs that will develop the skilled workforce needed to fuel current business and attract new ones.

These fundamental principles will help to ensure all who attend Tri-C will be on a pathway to a credential of value that supports their career and economic aspirations and aligns with our region's economic development goals. They will also provide our stakeholders with enhanced awareness of the value of a Tri-C education and the return on investment for our students and communities through our collective successes.

In 2023, the new College President and leadership created five goals for a framework for institutional momentum. Each presidential goal includes goals for the College's three divisions: Access, Learning and Success (AL&S) Workforce, and Administration. The five goals are summarized as follows:

- Goal 1 – Develop and Drive Strategic Vision
- Goal 2 – Ensure Relevance of Programs, Facilities and Services to People and Markets served
- Goal 3 – Ensure Sound Fiscal Environment
- Goal 4 – Increase College Visibility
- Goal 5 – Further Enhance Fundraising Approach

The presidential agenda outlines strategies that build institutional momentum and sure that students are opportunity-ready. The agenda acknowledges that attitude changes toward higher education among potential students, taxpayers and elected officials; the reduced pool of traditional college students; and the ever-changing skillsets required within our region's workforce.

Academic and Facility Planning



While the College continues to focus its academic program offerings to meet the demands of the communities we serve and in support of its mission and values, the College must also ensure that its facilities and equipment provide a safe, comfortable and modern environment in which students can engage, learn and achieve success. Building construction for Cuyahoga Community College occurred primarily in the 1960's and early 1970's. Since 2007, the College has operated under an Academic and Facility Plan geared toward enhancing student success and outcomes. The College funded the initial plan with \$121 million general receipt tax-exempt bonds to build various facilities across the College's four main campuses. In March 2018, the College furthered its implementation of phase II of the plan by issuing \$227.5 million in general obligation bonds.

In 2023, the Capital, Construction and Facilities department began the process of updating the College's Academic and Facilities Plan by creating a new 10-Year Integrated Facilities Plan. An integrated planning process was used to build on recent listening session, new strategic goals, and emerging academic plans. The new facilities plan is a comprehensive plan that links mission, vision, and values with buildings, grounds and infrastructure; optimizes return on investment; and provides place-based, equitable, and inclusive recommendations. Development of Phase 1 of the new Integrated Facilities Plan began in March 2023, and the final report will be ready by March 2024 for Board review and approval. The College does not anticipate issuing any new debt to fund future facility projects

Affordability and Efficiency in Higher Education



Ohio law requires an annual report from the Chancellor of Higher Education to the Office of Budget and Management, the Governor and the General Assembly compiling efficiency reports from all public institutions of higher education and benchmarking efficiency gains realized over the preceding year. The reports from each institution shall identify efficiencies at each public institution of higher education, and quantify revenue enhancements, reallocation of resources, expense reductions and cost avoidance where possible in the areas of general operational functions, academic program delivery energy usage, and information technology. These reports shall particularly emphasize areas where these reforms are demonstrating savings or cost avoidance for students.

Textbook costs impact students at Tri-C and other colleges and universities across the country. Tri-C has worked very closely with students and student leadership across all four campuses to discuss the challenges many students face because of the high cost of textbooks. From these discussions, the Collegewide Textbook Affordability Committee, consisting of Tri-C students, administrators, and faculty was created to improve textbook affordability and exploring new textbook affordability initiatives. Due to the work of this committee, students saved \$3.2 million on course material in FY23 exceeding our goal by over \$2.4 million. Over the past 14 years, Tri-C students have saved \$22.0 million on textbook and course materials because of used, rented, and digital course materials, price match guarantees, open educational resources, and inclusive access initiatives.

Achieving the Dream (ATD) is a multi-year national initiative dedicated to improving the success of community college students. Of particular interest are students traditionally faced with a number of significant barriers, such as students of color and low income students. Nationally, there are 102 ATD colleges and 22 Leader Colleges. Tri-C is proud to be recognized as a Leader College and has earned this distinction since 2019.

Strategic Alliances

Enterprise Resource Planning

Ellucian Banner (Banner) is the College's Enterprise Resource Planning (ERP) system. There are 26 institutions using Banner in Ohio, and the Ohio Banner Users Group provides opportunities for networking, building a framework of support, seeking solutions to common business issues, participating in positive discussions to enhance Banner use, collaborating on common software enhancements, presenting a significant presence to Ellucian in support of software enhancements, and sharing functional and technical expertise.

College Credit Plus (CCP)

CCP allows eligible students in grades 7 through 12 to earn high school and college credit at the same time. The benefits of the CCP program include the option of taking courses at a Tri-C campus or at high school; ability to earn free college credit while completing high school requirements; a large selection of available courses and areas of study, many guaranteed to transfer to any Ohio public institution; and tuition and books are covered at no cost to the student. In July 2022, Tri-C created a central office for the CCP program to manage outreach, logistics and strategic activities to ensure the highest level of service to CCP students and the community while enhancing the potential for enrollment growth at the College. CCP students accounted for approximately 20.1 percent of Fall FY22 headcount enrollment, which was a 5.8 percent increase from the previous year.

Transfer Partnerships

Transfer Agreements have been established by Tri-C with many of Ohio's public colleges and universities, a number of private institutions across the country and noncredit programs. These programs specific Articulation Agreements offer transfer opportunities for our students enabling them to continue their education and earn a bachelor's degree. Students can also transfer and complete a bachelor's degree online. The following are types of transfer partnerships that students have the option of using:

- University Partnerships – the College has 49 transfer partnerships with other public and private colleges and universities across the state and country. Students can transfer to these four-year institutions to continue their education and earn a bachelor's degree.
- Ohio Guaranteed Transfer Pathways – enables students to streamline credit transfer among Ohio's public institutions of higher education. These transfer pathways are agreed upon between Ohio's public community colleges and four-year institutions and confirm Tri-C courses meet major preparation requirements and credits will apply toward a bachelor's degree.
- Dual Admissions – are special transfer agreements Tri-C has with four-year colleges and universities in which a student is admitted simultaneously at both institutions. Through dual admissions, students complete their associate degree at Tri-C with the intent to complete their bachelor's degree at the partner institution. Currently, the College has seven dual admission and enrollment partners with local four-year institutions.
- Online Degree Partnerships – to offer more convenience and flexibility to students, Tri-C has agreements with 22 other colleges and universities that offer online programs in addition to traditional seated transfer pathways.
- Reverse Partnerships – are options for former Tri-C students that have earned at least 20 college-level credits, maintained 2.0 GPA when attended, then earned credits at another college to transfer back to Tri-C and earn an associate's degree at Tri-C.
- Non-Degree to College Credit – are cooperative agreements with various non-credit granting organizations to equate learning experiences to Tri-C coursework.



Regional Campus Bookstores

Barnes & Noble (BN) is the College’s official bookstore and sells, rents and buys back textbooks, and also offers digital learning material, apparel, gifts and accessories, and supplies and electronics. Tri-C participates in the First Day Books program, which is an inclusive access textbook model in collaboration with top publishers and BN that provides textbooks in digital content at a discounted cost. The cost of the textbook or digital content is included as an additional book fee on the student’s schedule and student account. Students are able to opt-out of the First Day Books program and purchase course materials through other retailers.

Library Partnership Agreement

In May 2021, the College entered into a partnership with Cuyahoga County Public Library (CCPL) to allow Tri-C students to opt in for a library card to easily access materials. Students are able to access CCPL’s sizeable collection of books, magazines, movies, music and more. The library card can be used digitally or at the system’s 27 branches.

Greater Cleveland Regional Transit Authority (RTA)

The College is pleased to support the RTA Student U-Pass program. U-Pass is short for “Universal Pass” and allows Tri-C students to ride free of charge on all Greater Cleveland RTA buses and rapid trains – not just to and from campus. A lack of transportation can be a barrier to education, and according to the 2020 Census, approximately 23 percent of Cleveland households do not have access to a vehicle. While other local colleges and universities participate in the U-Pass program, they charge students \$45 to \$60 per semester for the pass, while Tri-C covers the entire cost. Tri-C Board of Trustees voted to continue the U-Pass program through 2024. Funded through efficiency savings, the program has helped reduce parking demands and supports the College’s commitment to sustainability by reducing traffic volume and air pollution.

Accomplishments

Cuyahoga Community College is committed to cultivating a positive environment that supports innovation, teamwork, and successful outcomes. The past year has produced a number of successful projects and initiatives.

- Dr. Michael Baston was formally inaugurated as Tri-C's fifth president replacing Dr. Alex Johnson effective July 1, 2022. Dr. Baston served as president of Rockland Community College in Suffern, NY since 2017 and was chosen as president based upon his proven experience and leadership. Tri-C honored Dr. Johnson's 10-year tenure as president by renaming the Metro Campus Center to the Alex B. Johnson Campus Center and granting him the title of President Emeritus.
- Tri-C has selected Tri-C Day, its seventh annual day of pride and giving, to kick off its Diamond Jubilee celebration. The College will be honoring its history with a host of activities leading up to its 60th anniversary celebration in September 2023.
- The College has earned its 14th consecutive Military Friendly School designation in recognition of its commitment to serving veterans and active military students, as well as their families. Tri-C attained Gold status in the ratings based upon its performance in graduation rates, student retention and job placement success.
- The Tri-C Foundation's Skills to Succeed campaign surpassed its \$50 million goal to educate and train under-or unemployed populations - including communities of color and women – to fill in-demand jobs that provide life-sustaining wages.
- The College earned its third consecutive national designation as a "Voter Friendly Campus" award for 2023-2024. Overall, 258 campuses in 38 states and Washington, D.C. were recognized for their efforts to develop a culture of democratic engagement.
- The College was one of 22 colleges selected by the Center for First-Generation Student Success for the First Scholars Network of Institutions. The First Scholars Network is a four-phase approach that helps higher education institutions share resources and knowledge for first-generation student success.
- The Tri-C Foundation was awarded a \$2 million grant from the KeyBank Foundation to grow innovative, accessible workforce training. The grant will fund crucial steps toward addressing Northeast Ohio's employment and earning gap.
- The College now offers its Safe Zone Ally free online training to community members seeking greater awareness and knowledge about LGBTQ+ topics. The training teaches participants how to create spaces in which all people across the spectrum of sexual orientation, gender identity, and/or gender expression feel welcome and respected.
- Tri-C was awarded \$227,000 from the State of Ohio to support IT workforce education and training programs. The College will purchase the next generation of cybersecurity equipment for a training lab.

- The College was named one of the nation’s top higher education workplaces for the second consecutive year. Tri-C was one of 22 two-year institutions named as a “Great College to Work For” and has achieved Honor Roll status from ModernThink LLC.
- Tri-C is proud to be recognized as one of the Northeast Ohio’s top places to work, winning its 17th NorthCoast 99 award. The award honors the 99 best workplaces for top talent.
- The College collaborated with Cleveland State University (CSU) and other community organizations by creating the Cleveland Scholars House, which is a new model that removes barriers and supports students in need by providing housing security. The Scholar House will have 40 two- and three-bedroom units available for students with children and is within walking distance of Tri-C’s Metropolitan Campus and CSU.
- Tri-C received the Delta Alpha Lambda Chapter Humanitarian Achievement Award for its commitment to the Greater Cleveland region and support of African American students and community. The Delta Alpha Lambda Chapter works to break the cycle of generational poverty in Greater Cleveland via food drives, scholarships for college-bound students and workforce development initiatives.
- Cuyahoga Community College Foundation’s annual Presidential Scholarship Luncheon raised \$850,000 in critical funds to help Tri-C students with financial needs pursue higher education and achieve academic goals. Since its inception in 1992, this event has raised \$23 million to assist students.
- Tri-C and the Greater Cleveland Regional Transit Authority (RTA) continue to collaborate to increase workforce sustainability in the transportation industry. RTA donated two buses to the College to help trainees in commercial driver’s license (CDL) courses gain hands-on experience operating real-world vehicles.
- Tri-C began enrolling Cuyahoga County employees in classes as part of a tuition reimbursement benefit offered by the County. The program aims to help County employees reach their goals, enhance their professional skills and develop their careers.

Awards and Acknowledgements

Awards

The Government Finance Officers Association of the United States and Canada awarded a **Certificate of Achievement for Excellence in Financial Reporting** to Cuyahoga Community College for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022. The College has earned this prestigious award every year since 2008. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal regulations.

A Certificate of Achievement is valid for a period of one year only. We believe that the current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the College received the **Distinguished Budget Presentation Award** for fiscal year beginning July 1, 2022. The budgeting process advocated for by the best practices in Community College budgeting is focused on optimizing student achievement within available resources.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

Finally, the GFOA has given an **Award for Outstanding Achievement in Popular Annual Financial Reporting** to Cuyahoga Community College for its Popular Annual Financial Report for the fiscal year ended June 30, 2022. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to the GFOA.

Cuyahoga Community College is an asset to the community we serve and touches countless lives in significant ways. Cuyahoga Community College is where futures begin.

Acknowledgements:

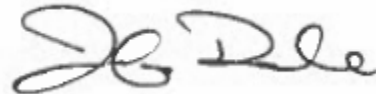
We wish to thank the members of the Board of Trustees for their support and guidance in conducting the financial operations of the College in a highly responsible manner.

The timely preparation of this Annual Comprehensive Financial Report was made possible by the continued dedication and service of the Cuyahoga Community College Administration and Finance Division.

Respectfully submitted,



David Kuntz, CPA
Executive Vice President/Treasurer
Administration and Finance



Jennifer Demmerle, CPA, MBA
Vice President
Finance and Business Services



Angela S. Rich, CPA, MBA
Executive Director
Accounting and Financial Operations



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Cuyahoga Community College
Ohio**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

CUYAHOGA COMMUNITY COLLEGE

MISSION



To provide high-quality, accessible and affordable educational opportunities and services - including university transfer, technical and lifelong learning programs that promote individual development and improve the overall quality of life in a multicultural community.

VISION

Cuyahoga Community College will be recognized as an exemplary teaching and learning community that fosters service and student success. The College will be a valued resource and leader in academic quality, cultural enrichment, and economic development characterized by continuous improvement, innovation, and community responsiveness.



VALUES



To successfully fulfill the mission and vision, Cuyahoga Community College is consciously committed to diversity, integrity, academic excellence, and achievement of individual and institutional goals. We are dedicated to building trust, respect, and confidence among our colleagues, students, and community.

Cuyahoga Community College President and Board of Trustees



Michael Baston, Ed.D.
President



Geralyn Presti
County Executive
Appointment
Term ends 06-22-26



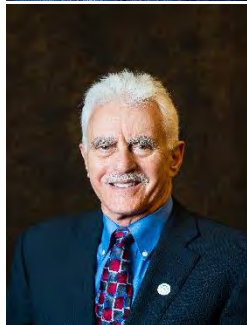
Helen Forbes Fields
Chair
County Executive
Appointment
Term ends 01-16-25



Robert C. Smith
Governor Appointment
Term ends 10-12-27



Ann M. Frangos
Vice-Chair
Governor Appointment
Term ends 10-12-27



Alan Rosskamm
County Executive
Appointment
Term ends 01-17-27



The Rev. Cory Jenkins
County Executive
Appointment
Term ends 06-22-26



Victor A. Ruiz
County Executive
Appointment
Term ends 01-17-27



Phoebe Lee
Governor Appointment
Term ends 10-12-23



Ted Tywang
County Executive
Appointment
Term ends 01-16-25

Cuyahoga Community College Administration

Dr. Michael Baston, *President*

Dr. Karen Miller, *Executive Vice President/Provost, Access, Learning and Success*

David Kuntz, CPA, *Executive Vice President/Treasurer, Administration and Finance*

Shana Marbury, *Executive Vice President, Workforce, Community and Economic Development*

India Pierce Lee, *Executive Vice President, Chief Strategy Officer*

William Gary, *Senior Advisor on National Workforce Issues*

Renee Richard, *Corporate College President*

Dr. Todd Kitchen, *Campus President, College Vice President, Eastern Campus*

Dr. Denise McCory, *Campus President, College Vice President, Metropolitan Campus*

Dr. Lisa Williams, *Campus President, College Vice President, Western Campus*

Dr. Scott Latiolais, *Campus President, College Vice President, Westshore Campus*

Jennifer Demmerle, CPA, *Vice President, Finance and Business Services*

Dr. Lindsay English, *Vice President/Assistant Provost, Learning and Engagement*

Jenny Febbo, *Vice President, Integrated Communications*

Chief Clayton Harris, *Vice President and Dean, Public Safety and Criminal Justice*

Angela Johnson, *Vice President, Access & Completion*

Cynthia Leitson, *Vice President, Capital, Construction and Facilities*

Dr. JaNice Marshall, *Vice President, Collegewide Access and Community Connections*

Dr. Sandy McKnight, *Vice President, Access, Learning and Success and Workforce Partnerships*

Ray Nejadfard, *Interim Vice President, Operations and Manufacturing*

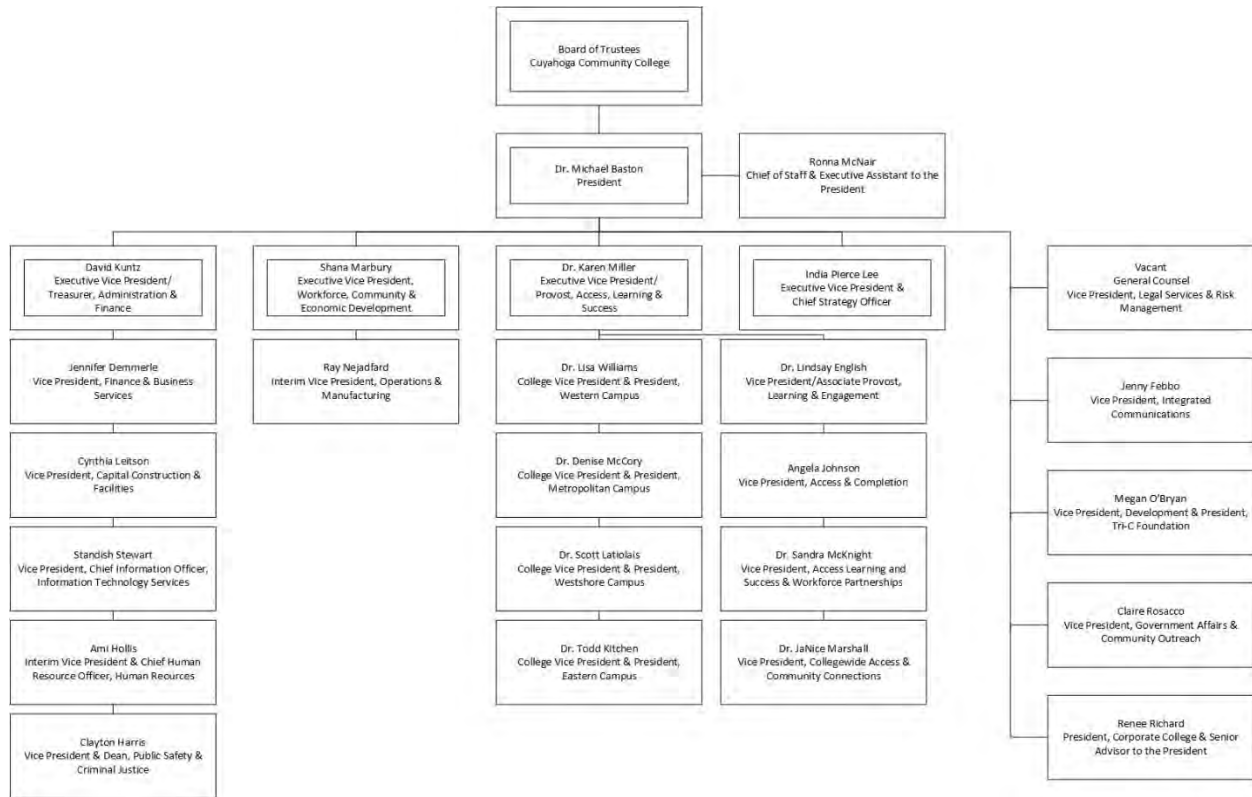
Megan O'Bryan, *Vice President, Development and President, Tri-C Foundation*

Claire Rosacco, *Vice President, Government Affairs and Community Outreach*

Standish Stewart, *Vice President & Chief Information Officer, Information Technology Services*

Ami Hollis, *Interim Vice President & Chief Human Resource Officer, Human Resources*

Cuyahoga Community College Organizational Chart





Financial Section

Independent Auditor's Report

Board of Trustees
Cuyahoga Community College
Cleveland, Ohio

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component unit of Cuyahoga Community College (the "College"), as of and for the years ended June 30, 2023 and 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, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component unit of the College, as of June 30, 2023 and 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter - Change in Accounting Principle

As described in Note 2 to the financial statements, in 2023, the College adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for 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 the required schedules on pensions and other postemployment benefits as listed in the table of contents 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 audits 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.

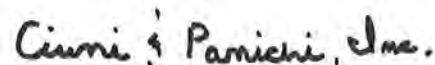
Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2023, on our consideration of the College's internal control over financial reporting and on 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.



Cleveland, Ohio
December 19, 2023

(This page is intentionally left blank.)

Cuyahoga Community College
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2023 and 2022
Unaudited

The management's discussion and analysis of Cuyahoga Community College (the "College") provides an overview of the College's financial position and activities for the fiscal years ended June 30, 2023 and June 30, 2022, with comparative information for the year ended June 30, 2021. The intent of this discussion and analysis is to look at the College's financial performance as a whole. Readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the College's financial performance.

FINANCIAL HIGHLIGHTS

Fiscal Year 2023

- The College's ODHE composite score, a measure of fiscal health, was 4.2 for fiscal year 2023 exclusive of GASB 68 and GASB 75 pension and postemployment expense compared to 4.4 for 2022. Performance metrics are established by the Ohio Department of Higher Education. The College sets its internal target goal at 3.0 or greater. Fiscal year 2022's number was previously reported as 4.4, and remained the same with remeasurement due to the implementation of GASB Statement No. 96.
- Operating revenues along with State Share of Instruction (SSI) appropriations were \$132.9 million versus prior fiscal year's \$134.5 million, a 1.2 percent decrease. This included a decrease of \$2.7 million for State Appropriations.
- The College continues to feel the impact of the COVID-19 pandemic, which has contributed to decreased revenues for Sales and Services compared to pre-pandemic levels, related to non-credit instruction, special events, and other miscellaneous income. Auxiliary Enterprises were also affected with decreased revenue for food services and bookstores. Decreased facility rental revenues affected Other Operating Revenues significantly also.
- Non-Operating Federal Grants and Contracts decreased 66.1 percent to \$22.7 million from \$66.9 million from the material completion of Higher Education Emergency Relief Fund (HEERF) spending in the prior fiscal year.
- Unrestricted and Restricted Investment Income increased to \$12.5 million from a loss of \$14.0 million in the prior fiscal year. This increase was a result of improved market performance in calendar year 2023 compared to the unrealized losses in the prior year.

Cuyahoga Community College
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2023 and 2022
Unaudited

Fiscal Year 2022, prior year highlights

- The College's ODHE composite score, a measure of fiscal health, was 4.4 for fiscal year 2022 exclusive of GASB 68 and GASB 75 pension and postemployment expense compared to 4.1 for 2021. Performance metrics are established by the Ohio Department of Higher Education. The College sets its internal target goal at 3.0 or greater. Fiscal year 2021's number was previously reported as 4.4, but decreased to 4.1 with remeasurement due to the implementation of GASB Statement No. 87.
- Non-Operating Federal Grants and Contracts increased 15.7 percent to \$66.9 million from \$57.8 million from increased Higher Education Emergency Relief Fund (HEERF) spending.
- The College was awarded several forms of federal funding through the U.S. Department of Education and Ohio Department of Higher Education that was utilized to help the College and students during the COVID-19 pandemic. This included \$23,641,720 awarded directly to students.
- In May 2022, the College issued \$13,665,000 of Series F General Receipts Bonds that refunded the remaining Series D General Receipts Bonds from 2012.

Ohio Department of Higher Education Performance Metrics

The performance metrics established by the Ohio Department of Higher Education (ODHE) were developed to measure the financial health of colleges and universities. Though significant in terms of evaluating financial strength, the College also uses other financial and nonfinancial measures to guide its leadership team in driving desired outcomes such as student completion rates, time to degree, access, financial aid, efficiency measures, affordability improvements, and global impact among others.

With respect to ODHE performance metrics, three ratios are computed and weighted to provide an overall composite score of financial health. The composite score includes a viability ratio, primary reserve ratio and net income ratio.

Cuyahoga Community College
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2023 and 2022
Unaudited

The composite score ranges from 0 to 5 with a score of 1.75 or under for two consecutive fiscal years resulting in an institution being placed on fiscal watch. A score of 5 indicates the highest degree of fiscal strength in each category. The College sets its internal targets for these ratios at 3.0, which exceeds the State's minimum standard as an indicator of sound fiscal health.

**Pre-GASB 68 & 75
College Performance Metrics**

	<u>Target</u>	<u>FY 2023</u>	<u>FY 2022</u>	<u>FY 2021</u>
Viability Ratio	>60%	89.1%	72.9%	58.8%
Primary Reserve Ratio	>40%	80.2%	68.9%	60.6%
Net Income Ratio	<u>2.0%-4.0%</u>	<u>4.9%</u>	<u>8.5%</u>	<u>17.4%</u>
ODHE Composite Score	3.0	4.2	4.4	4.1
Debt Burden Ratio	<7.0%	11.2%	10.5%	10.9%
Debt Service Coverage Ratio	>2.6 x	1.9 x	2.4 x	3.4 x
Return on Net Position Ratio	>4.4%	3.5%	7.2%	17.5%

In fiscal year 2018, the College increased its debt burden with the issuance of \$227.5 million of unlimited tax, general obligation bonds, as passed by the voters in Cuyahoga County in November 2017. The additional obligation has an effect on the viability and debt ratios and though the viability ratio in fiscal year 2021 is below the College's target, the risk that the College will be unable to service its debt is minimal as these bonds carry an adjustable tax rate to minimize collection risk. This additional debt financed new capital assets (see Note 12 for additional details).

The table above reflects the ratios as calculated after removing the effect of GASB Statements No. 68 on Pensions and GASB 75 on Other Postemployment Benefits (OPEB). If not already familiar with the requirements of these Statements issued by the Government Accounting Standards Board, please see financial statement Notes 10 and 11. These two Statements added a heavy burden to the College's financial position and results of operations as a result of sharing in the State's public employees' pension and health benefit programs for retirees and prospective retirees. Aside from reflecting a proportionate share of liability, expense, deferred outflows and deferred inflows on the financial statements, the effect of these pronouncements subjects operating results to sometimes significant changes in associated expense as a result of changes in investment activity, changes in expected versus actual activity within the funds, changes in assumptions and benefit terms in arriving at actuarially determined liabilities and a change in the College's proportionate share.

Cuyahoga Community College
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2023 and 2022
Unaudited

The performance metric ratios established by ODHE and their implication on the financial health of the College are explained below.

- **Viability Ratio:** Measures the financial health at a point in time. The ratio measures the availability of expendable net position to cover debt. The viability ratio is factored in at 30 percent of the composite score.
- **Primary Reserve Ratio:** Provides a snapshot of the financial strength and flexibility by indicating how long the College could function using its expendable reserves without relying on additional net position. The primary reserve ratio is weighted 50 percent in the computation of the composite score.
- **Net Income Ratio:** Measures the financial performance in a given year. The last component of the composite score in determining financial strength is the net income ratio, which represents 20 percent of the composite score.

In addition to the three ODHE performance metrics, the College calculates debt burden, debt service and return on net position ratios as additional metrics used to measure its financial performance. These ratios are recommended by the National Association of College and University Business Officers (NACUBO).

- **Debt Burden Ratio:** Measures debt affordability by examining dependence on borrowed funds as a source of financing its mission and the relative cost of borrowing to overall expenditures.
- **Debt Service Coverage Ratio:** Measures the excess of income over adjusted expenses available to cover annual debt service payments.
- **Return on Net Position Ratio:** Determines whether the College is financially better off than in previous years by measuring total economic return. The ratio is based on the level and change in total net position, regardless of asset classification.

The College sets targets that are aggressive and designed to exceed minimum requirements. Not achieving targets is not a sign of financial weakness, but a reflection of the higher standards set by the College.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is an introduction to Cuyahoga Community College's basic financial statements, which include financial statements prepared in accordance with the accrual basis of accounting and the notes to the basic financial statements.

Cuyahoga Community College
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2023 and 2022
Unaudited

The annual financial statements are 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*, as amended by GASB Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*. In accordance with GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*, which amends GASB Statement Nos. 39 and 14, *Determining Whether Certain Organizations are Component Units*, the Foundation qualifies as a discretely presented component unit of the College. The Foundation is included as a component unit because the fiscal dependency criteria apply to this not-for-profit fundraising organization, which operates exclusively for the benefit of Cuyahoga Community College. It is reported separately to emphasize that it is legally separate from the College. Complete financial statements may be obtained from the Foundation office at 700 Carnegie Avenue, Cleveland, Ohio 44115. Additionally, Strengthening Opportunities for Success, Inc. (SOSI), a 501(c)(3) not-for-profit organization, with initial financial activity in fiscal year 2016, is included as a blended unit with cash and related revenues combined with the College accounts.

The financial statements are designed to provide readers with a broad overview of the College's finances, in a manner similar to private-sector businesses. The statements consist of the Statements of Net Position, Statements of Revenues, Expenses and Changes in Net Position and the Statements of Cash Flows. These are described and analyzed in the following sections of this overview. Notes to the basic financial statements are a required and integral component of the basic financial statements.

FINANCIAL ANALYSIS OF THE COLLEGE AS A WHOLE

Statements of Net Position

The Statements of Net Position presents information on all of the College's assets and deferred outflow of resources and liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the College is improving or deteriorating, when considered along with non-financial indicators such as enrollment levels and the conditions of the facilities.

Government Accounting Standards and the effect of GASB Pension and OPEB Liabilities

Government Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *other postemployment liability*. GASB 68 and GASB 75 both take an earnings approach to pension and postemployment 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.

Cuyahoga Community College
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2023 and 2022
Unaudited

Under the earnings approach, the GASB 68 and GASB 75 established the net pension and postemployment liability equal to the College's proportionate share of each plan's collective present value of estimated future pension and OPEB benefits attributable to active and inactive employees' past service minus plan assets available to pay these benefits. The College and its employees contribute to two of the State's multi-employer managed funds: the Ohio Public Employees Retirement System (OPERS) and/or the State Teacher's Retirement System (STRS).

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange." As such, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and/or postemployment benefit, GASB noted that the unfunded portion of this pension and OPEB promises are a present obligation of the government, part of the 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 determined by State statute. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients.

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 pension system and no control over the allocation of its contributions. In Ohio, there is no legal means to enforce the unfunded liability of the pension systems 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 payments at termination. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in pension benefits, contribution rates, and return on investment affect the balance of these liabilities, but are outside the control of the College. In the event contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign or identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and GASB 75, the College's statements prepared on an accrual basis of accounting include an annual pension expense and annual OPEB expense for their proportionate share of each plan's change in net pension liability and net OPEB liability, respectively, not accounted for as deferred inflows/outflows.

Cuyahoga Community College
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2023 and 2022
Unaudited

Condensed Statement of Net Position
(in Thousands)

	2023	2022⁽¹⁾	2021⁽¹⁾
Assets			
Cash and Investments	\$253,703	\$220,633	\$197,579
Receivables	153,806	169,825	160,461
Other Noncapital Assets	16,528	28,120	23,460
Capital, Lease & Subscription Assets, net	504,840	524,169	541,873
Total Assets	<u>928,877</u>	<u>942,747</u>	<u>923,373</u>
Deferred Outflows of Resources			
Deferred Charge on Refunding	4,043	4,799	5,842
Pensions	66,304	35,996	24,724
OPEB	8,069	986	4,913
Total Deferred Outflows of Resources	<u>78,416</u>	<u>41,781</u>	<u>35,479</u>
Total Assets and Deferred Outflows of Resources	<u>1,007,293</u>	<u>984,528</u>	<u>958,852</u>
Liabilities, Deferred Inflow of Resources and Net Position			
Current Liabilities	58,199	55,804	58,182
Non-current Pension	209,602	91,388	186,807
Non-current OPEB	3,760	1,296	1,662
Non-current Other Liabilities	279,255	299,069	319,534
Total Liabilities	<u>550,816</u>	<u>447,557</u>	<u>566,185</u>
Deferred Inflows of Resources			
Pensions	22,868	111,516	39,412
OPEB	10,985	25,269	38,568
Property Taxes	118,879	120,217	114,800
Other Deferred Inflows of Resources	2,008	2,168	1,441
Total Deferred Inflows of Resources	<u>154,740</u>	<u>259,170</u>	<u>194,221</u>
Total Liabilities and Deferred Inflows of Resources	<u>705,556</u>	<u>706,727</u>	<u>760,406</u>
Net Position			
Net Investment in Capital Assets	217,744	233,188	238,398
Restricted for Other Purposes	11,171	10,879	7,929
Unrestricted (Deficit)	72,822	33,734	(47,881)
Total Net Position	<u>\$301,737</u>	<u>\$277,801</u>	<u>\$198,446</u>

Note: Minor differences in totals may result due to rounding to thousands in MD&A tables. Financial Statements are presented in whole dollars.

⁽¹⁾ Change in accounting principles required change in balances for subscription assets and liabilities.

Many end users will gain a clearer understanding of the College's actual financial condition by adding deferred inflows related to pension and OPEB and the net pension and OPEB liabilities to the reported net position and subtracting net pension and OPEB assets and deferred outflows related to pensions and OPEB.

Cuyahoga Community College
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2023 and 2022
Unaudited

Assets and Deferred Outflow of Resources

Cash and Investments: Together, cash and investments at June 30, 2023 increased 15.0 percent to \$253.7 million compared to \$220.6 million at June 30, 2022, after increasing 11.6 percent from \$197.6 million at June 30, 2021. In 2023, the College completed the projects related to the Capital Bond Levy. Upon completion of these projects, cash and investment earnings that was previously reported as restricted became unrestricted.

Receivables: College receivables include property tax, lease receivables, student receivables on account, restricted receivables and receivables from the College's Foundation, a component unit. Property taxes available for operations increased \$0.2 million to \$132.4 million in fiscal year 2023 over the \$132.2 million in fiscal year 2022. Accounts receivables are driven by student enrollment, financial aid subsidies, and student payment plans. Account receivables were \$16.5 million versus the prior year \$12.9 million. Restricted receivables combined with component unit receivables totaled \$3.7 million in fiscal year 2023 compared to \$23.4 million in 2022. Lease receivables in 2023 decreased \$0.1 million from \$1.2 million in 2022 to \$1.1 million.

In 2022, property taxes receivable increased \$6.3 million to \$132.2 million over the \$125.9 million in fiscal year 2021. Accounts receivables are driven by student enrollment, financial aid subsidies, and student payment plans. Account receivables were \$12.9 million versus the prior year \$11.9 million. Restricted receivables combined with component unit receivables totaled \$23.4 million in fiscal year 2022 compared to \$21.3 million in 2021. Restricted receivables include monies due from federal, state or private grants, including \$15.9 million on Higher Education Emergency Relief (HEERF) funding for lost revenue during fiscal year 2022. Lease receivables in 2022 decreased \$0.2 million from \$1.4 million in 2021 to \$1.2 million.

Capital assets: For fiscal year 2023, Capital Assets was \$489.9 million compared to \$504.6 and \$520.2 in 2022 and 2021, respectively. Projects still underway at fiscal year-end included East Track Renovation, Collegewide Restroom Renovations, East Quad Town Center, renovation of Brunswick property, Westshore Phase 2 building expansion, Eastern Campus Education Center, and Transportation Innovation Center Parking Lot Improvements, along with deferred maintenance and equipment expenditures. These projects are recorded under Construction-in-Progress as of June 30, 2023 which shows on the Statement of Net Position under Capital Assets, Not Being Depreciated/Amortized. When the projects are completed, the in-progress amounts will be placed into service and begin showing up as Capital Assets, Net of Depreciation/Amortization.

Cuyahoga Community College
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2023 and 2022
Unaudited

Lease and Subscription assets: Lease agreements resulted in lease assets of \$11.8 million for fiscal year 2023 compared to \$14.4 and \$17.1 for fiscal years 2022 and 2021, respectively. The College performed analysis during fiscal year 2023 of subscription-based information technology arrangements (SBITAs) that were previously recorded as operating expenditures, and determined that under GASB Statement No. 96 these agreements resulted in subscription assets as of \$3.2, \$5.2, and \$4.6 million as of June 30, 2023, 2022, and 2021, respectively. Additional details are presented in Note 5 of the financial statements.

Capital Assets at June 30
(Net of Depreciation/Amortization)
(in Thousands)

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Land	\$24,485	\$24,485	\$24,485
Construction in Progress	9,438	4,370	4,355
Buildings	252,788	261,131	270,121
Building Improvements	174,189	184,366	186,291
Improvements other than Buildings	3,694	4,633	5,557
Library Books	550	532	602
Moveable Equipment	24,776	25,071	28,755
Right to Use Lease Assets	11,769	14,415	17,097
Right to Use Subscription Assets	3,152	5,166	4,610
Total	<u>\$504,841</u>	<u>\$524,169</u>	<u>\$541,873</u>

⁽¹⁾ Change in Accounting Principle required a restatement of 2022 and 2021 assets for Right to Use Subscription Assets

Note: Minor differences in totals may result due to rounding to thousands in MD&A tables. Financial Statements are presented in whole dollars (see Note 5).

Other Noncapital Assets: At June 30, 2023 other noncapital assets of \$16.5 million included prepaid items such as payroll costs associated with the 2023 summer term of \$2.9 million, student aid prepaid for future semesters of \$0.5 million, net pension asset of \$0.8 million, net other postemployment benefit assets of \$11.2 million, and other miscellaneous prepaid items of lesser significance.

Other noncapital assets at June 30, 2022 other noncapital assets of \$28.1 million included prepaid items such as payroll costs associated with the 2022 summer term of \$2.9 million, student aid prepaid for future semesters of \$0.4 million, net pension asset of \$1.6 million, net other postemployment benefit assets of \$21.8 million, and other miscellaneous prepaid items of lesser significance.

Deferred outflows of resources: As of June 30, 2023, deferred outflow of resources included the unamortized \$4.0 million balance related to the deferred charge on refunding of long-term debt, deferred outflows on pensions of \$66.3 million and \$8.1 million resulting from recording the College's proportionate share of OPEB-related liabilities, outflows, inflows and expense (GASB 68 and GASB 75). In total, the deferred outflow of resources increased \$36.6 million or 87.7

Cuyahoga Community College
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2023 and 2022
Unaudited

percent from the previous year. Amortization will continue to reduce the deferred charge on refunding but the pension and OPEB outflows are subject to many variables beyond the College's control as these outflows are part of the State pension system's postemployment benefits. Additional detail on the components of deferred pension and OPEB outflows are presented in Notes 10 and 11 of the financial statements.

Deferred outflows included deferred charge on refunding of long-term debt of \$4.8 million at June 30, 2022 as compared to \$5.8 million at June 30, 2021. Deferred outflows on pensions of \$36.0 million at June 30, 2022 and \$24.7 million at June 30, 2021 resulting from recording the College's proportionate share of pension-related liabilities, outflows, inflows and expense. Deferred outflows on OPEB of \$1.0 million at June 30, 2022 and \$4.9 million at June 30, 2021 resulting from recording the College's proportionate share of OPEB-related liabilities, outflows, inflows and expense. In total, the deferred outflow of resources for fiscal year 2022 increased \$6.3 million or 17.7 percent from the previous year.

Liabilities and Deferred Inflow of Resources

Current liabilities: At June 30, 2023, total current liabilities were \$58.2 million versus prior year's \$55.8 million. The 4.3 percent increase of \$2.4 million consists of a \$2.9 million increase in deferred revenue associated with tuition and fees for future semesters at fiscal year-end.

At June 30, 2022, total current liabilities were \$55.8 million versus prior year's \$58.2 million. The 4.1 percent decrease of \$2.4 million consists of a \$1.5 million decrease in deferred revenue associated with HEERF Institutional funding revenue recognition requirements in fiscal year 2021 and a \$1.7 million decrease in deferred revenue associated with tuition and fees for future semesters at fiscal year-end. The implementation of GASB 96 resulted in additional current liabilities of \$2.2 and \$1.2 million for subscription liabilities at June 30, 2022 and 2021 not previously shown prior to implementation of this standard.

Noncurrent liabilities: As of June 30, 2023, the College's noncurrent liabilities increased \$100.9 million to \$492.6 million compared to June 30, 2022 noncurrent liabilities of \$391.8 million, a 25.7 percent increase. Net pension liability increased \$118.2 million, OPEB liability increased \$2.5 million, financed purchases increased \$1.0 million, general receipt bonds decreased \$9.2 million, lease and subscription liabilities decreased \$4.0 million, certificates of participation decreased \$1.1 million, and general obligation bonds decreased \$6.8 million.

In fiscal year 2022, the College's noncurrent liabilities decreased \$116.2 million to \$391.8 million compared to June 30, 2021 noncurrent liabilities of \$508.0 million, a 22.9 percent decrease. Net pension liability decreased \$95.4 million, general receipt bonds of \$10.1 million, lease obligations of \$2.5 million, general obligation bonds of \$6.5 million, and OPEB liability of \$0.4 million. The implementation of GASB 96 resulted in additional noncurrent liabilities of \$2.7 and \$3.4 million for subscription liabilities at June 30, 2022 and 2021 not previously shown prior to implementation of this standard.

Cuyahoga Community College
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2023 and 2022
Unaudited

Deferred inflow of resources: At June 30, 2023, deferred inflows of resources decreased by \$104.4 million to \$154.7 million, a 40.3 percent decrease from June 30, 2022. Property taxes decreased \$1.3 million to \$118.9 million, pension inflows decreased \$88.6 million to \$22.9 million, OPEB inflows decreased \$14.3 million to \$11.0 million, lease inflows decreased \$0.1 million to \$1.1 million, and \$0.1 million decrease to \$0.9 million in deferred gain on refunding associated with the 2022 Series F refunding of Series D General Obligation Bonds. The change in pension and OPEB inflows are attributed to the change in the systems experience, assumptions and investment performance as well as the College's proportionate share. Additional detail on the components of deferred pension and OPEB outflows are presented in Notes 10 and 11 of the financial statements.

At June 30, 2022, deferred inflows of resources increased by \$65.0 million to \$259.2 million, a 33.5 percent increase from June 30, 2021. Property taxes increased \$5.4 million to \$120.2 million, pension inflows increased \$72.1 million to \$111.5 million, OPEB inflows decreased \$13.3 million to \$25.3 million, lease inflows decreased \$0.2 million to \$1.2 million and \$1.0 million increase in deferred gain on refunding associated with the 2022 Series F refunding of Series D General Obligation Bonds.

Net Position

In fiscal year 2023, net position increased by \$23.9 million to \$301.7 million, an 8.6 percent increase from June 30, 2022. Net investment in capital assets decreased by \$15.4 million, \$0.3 million increase in restricted for other purposes, and \$39.1 increase in unrestricted net position mostly due to the favorable effect of GASB 68 and GASB 75 in fiscal year 2023 and increased investment performance. In 2023, the College's proportionate share of the State's pension systems increased expense by \$12.4 million and OPEB reduced expense by \$8.2 million.

In fiscal year 2022, net position increased by \$79.4 million to \$277.8 million, a 40.0 percent increase from June 30, 2021. Net investment in capital assets decreased by \$5.2 million, \$3.0 million increase in restricted for other purposes, and \$81.6 increase in unrestricted net position mostly due to the favorable effect of GASB 68 and GASB 75 in fiscal year 2022 and decreases in operating expenses. In 2022, the College's proportionate share of the State's pension systems reduced expense by \$22.8 million and OPEB reduced expense by \$14.9 million.

The implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, in fiscal year 2023 required the restatement of Net Position for June 30, 2022 of \$313,517 of "Net Investment in Capital Assets."

Restricted net position associated with Pension and OPEB assets increased \$2.2 million as of June 30, 2023 to \$3.6 million from \$1.4 million as of June 30, 2022. The \$1.4 million for fiscal year 2022 was reclassified from unrestricted net position in the previous year's financial report.

Cuyahoga Community College
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2023 and 2022
Unaudited

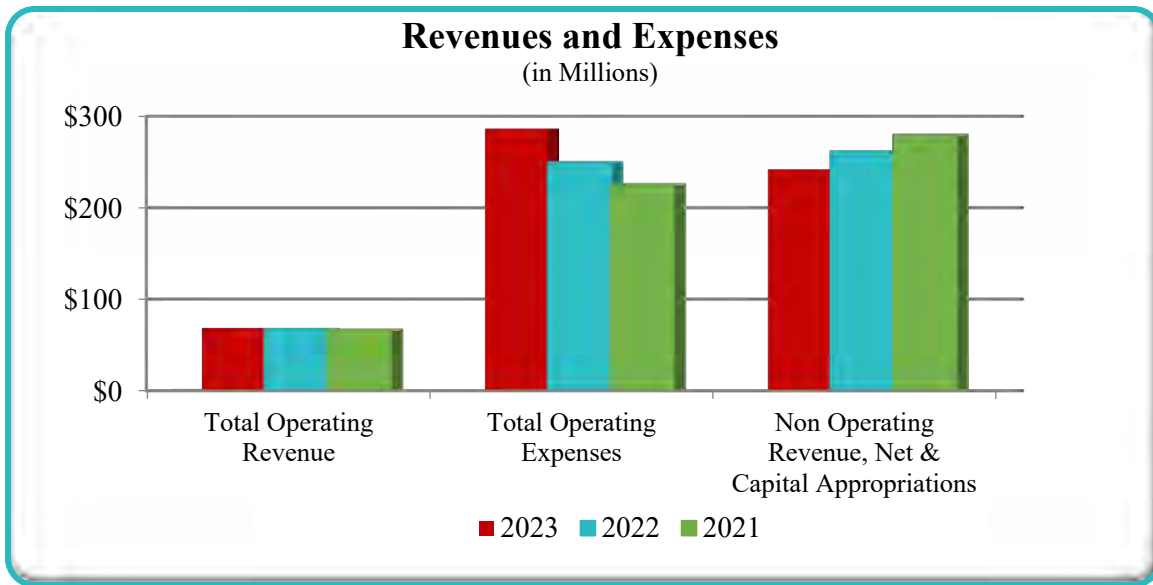
Statement of Revenues, Expenses and Changes in Net Position

The Statement of Revenues, Expenses and Changes in Net Position presents the revenues earned and expenses incurred during the year. Activities are reported as either operating or non-operating. As a public institution, the College is dependent on State assistance. This dependency contributes toward an operating deficit because the financial reporting model classifies State Appropriations and Property Taxes as non-operating revenues. Summarized revenues, expenses, and changes in net position for the years ended June 30, 2023 and 2022 are presented on the following table along with fiscal year 2021.

	2023	2022	2021
Changes in Net Position <i>(in Thousands)</i>			
Operating Revenues			
Net Tuition and Fees	\$33,662	\$33,520	\$34,847
Grants and Contracts	17,386	18,096	17,631
Auxiliary Enterprises	7,478	7,909	8,129
Other	9,964	7,788	5,868
<i>Total Operating Revenues</i>	<u>68,490</u>	<u>67,313</u>	<u>66,475</u>
Operating Expenses			
Educational and General	244,872	207,858	187,946
Depreciation/Amortization	35,269	34,681	31,089
Auxiliary Enterprises	6,317	6,884	6,345
<i>Total Operating Expenses</i>	<u>286,458</u>	<u>249,423</u>	<u>225,380</u>
Net Operating Loss	(217,968)	(182,110)	(158,905)
Non-operating Revenues (Expenses)			
State Appropriations	64,418	67,160	70,876
Property Taxes	144,583	143,517	139,686
Grants and Contracts	22,747	67,051	58,044
Investment Income, Net	12,460	(14,001)	18,398
Other Expenses, Net	(9,791)	(10,901)	(11,464)
Total Non-operating Revenues (Expenses)	<u>234,417</u>	<u>252,826</u>	<u>275,540</u>
<i>Income (Loss) before State Capital Appropriations</i>	16,449	70,716	116,635
State Capital Appropriations	7,487	8,639	4,098
<i>Increase (Decrease) in Net Position</i>	<u>23,936</u>	<u>79,355</u>	<u>120,733</u>
<i>Net Position Beginning of Year</i>	<u>277,801</u>	<u>198,446</u>	<u>77,713</u>
Total Net Position	<u>\$301,737</u>	<u>\$277,801</u>	<u>\$198,446</u>

Note: Minor differences in totals may result due to rounding to thousands in MD&A tables. Financial Statements are presented in whole dollars.

Cuyahoga Community College
 Cuyahoga County, Ohio
 Management's Discussion and Analysis
 For the Fiscal Years Ended June 30, 2023 and 2022
 Unaudited



Operating Revenues

For fiscal year 2023, operating revenues increased \$1.2 million to \$68.5 million, 1.8 percent higher than the fiscal year ending June 30, 2022. Private grants decreased \$1.9 million, offset by an increase of \$1.0 million for sales and services and other operating revenues increased \$1.1 million. Both sales and services and other operating revenues have benefited from a full year of decreased COVID-19 restrictions.

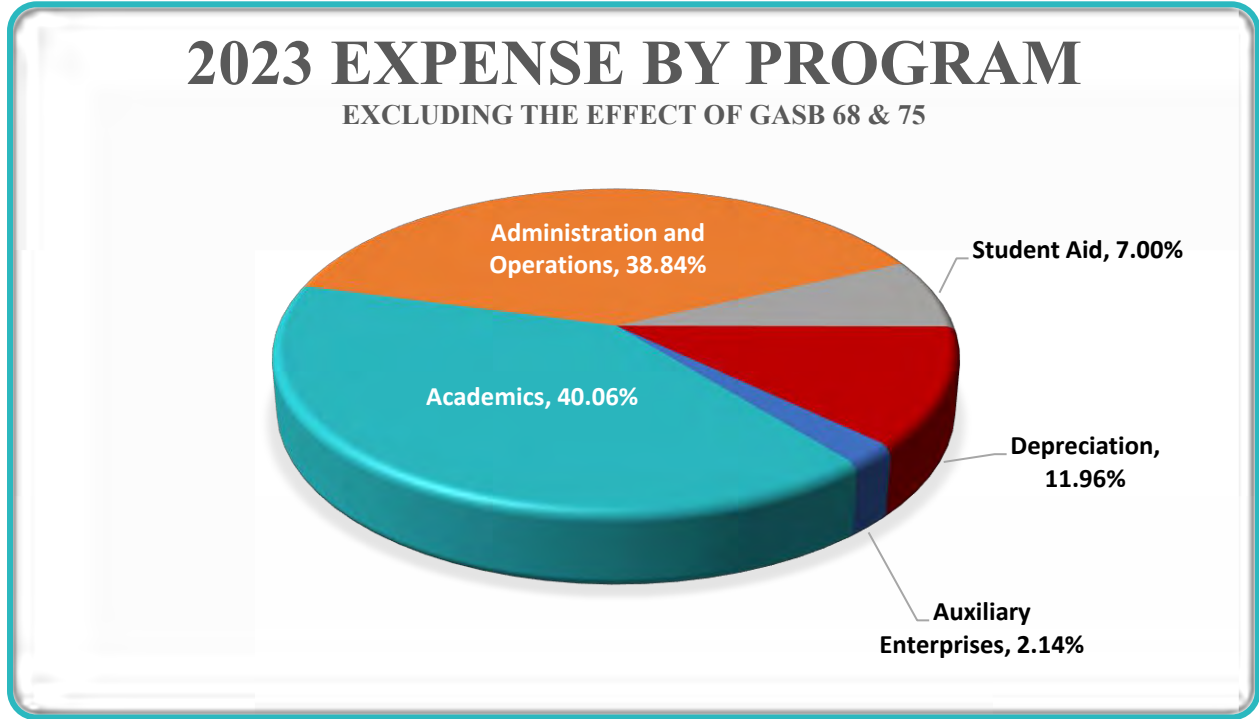
For fiscal year 2022, operating revenues increased \$0.8 million to \$67.3 million, 1.2 percent higher than the fiscal year ending June 30, 2021. Student tuition and fees decreased \$1.3 million, offset by an increase of \$1.2 million for private grants, sales and services increased \$1.3 million, and other operating revenues increased \$0.6 million. Both sales and services and other operating revenues have benefited from decreased COVID-19 restrictions as the pandemic begins to lessen.

In addition to student tuition and fees, other components of operating revenue include federal, state and local grants and contracts, auxiliary enterprises which include bookstore, food services and parking operations, and sales and service revenue which include revenues from partner and customized training, non-credit course fees, special event fees and fieldhouse/facility revenues. Other operating revenues are primarily facility rentals through Tri-C's Corporate College.

Cuyahoga Community College
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2023 and 2022
Unaudited

Operating Expenses

During fiscal year ended June 30, 2023, total operating expenses of \$286.5 million increased \$37.1 million from the \$249.4 million as of June 30, 2022. Before adjusting for the impact of GASB 68 and GASB 75, operating expenses for fiscal years 2023 and 2022 were \$294.8 million and \$298.9 million.



In fiscal year ended June 30, 2022, total operating expenses of \$249.4 million increased \$24.0 million from the \$225.4 million as of June 30, 2021. Before adjusting for the impact of GASB 68 and GASB 75, operating expenses for fiscal years 2022 and 2021 were \$298.9 million and \$284.0 million. The increase is primarily the result of additional expenditures for the HEERF Student and Institutional funding which increased the student aid operating expense line.

Non-Operating Revenues and Expenses

Non-operating revenues include state appropriations, property tax receipts, federal, state and private grants and contracts that apply to future periods, investment income and state capital appropriations. Non-operating expense includes interest on capital debt and other miscellaneous expenses.

State share of instruction (SSI), the funding method developed by the State of Ohio in determining allocations of funds to school districts saw a 4.2 percent decrease in appropriations during fiscal year 2023. SSI decreased to \$64.4 million from fiscal year 2022 revenues of \$67.2 million.

Cuyahoga Community College
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2023 and 2022
Unaudited

Property tax revenues were increased 0.8 percent for the year ended June 30, 2023 at \$144.6 million over \$143.5 million for the year ended June 30, 2022. Tax abatements have a negative impact on total revenues over the abatement period granted, additional details on tax abatements are presented in Note 9 to the financial statements.

Restricted and unrestricted investment income together was \$26.5 million higher than the prior year related to the increased performance of the market resulting in unrealized gains. Interest on capital related debt decreased 7.5 percent to \$10.1 million from \$10.9 million in fiscal year 2022.

Non-Operating Federal Grants revenue decreased 66.1 percent to \$22.7 million from \$66.9 million from fiscal year 2022. This is due to decreases for COVID-19 pandemic funding including, HEERF Institutional funding \$20.0 million, HEERF Student funding \$21.3 million, HEERF Strengthening Institutions funding \$1.8 million, Governor's Emergency Education Relief Fund (GEER) funding \$1.6 million, offset by \$0.5 million increases related to federal financial aid.

State Capital Appropriations

The College submits its annual request to the Ohio General Assembly (OGA) for capital funding of various projects. If approved and authorized, the College initiates the project and when ready, submits payment requests to the OGA. Payments are made on the College's behalf. As projects are underway, costs are tracked and capitalized upon completion if the expenditures meet the College capitalization policy. Depreciation, if applicable, is recorded once the asset is placed in use.

The College requested State capital appropriations be applied to contractor/vendor payments on \$7.5 million of capital and deferred maintenance projects for the fiscal period ended June 30, 2023 as compared with \$8.6 million and \$4.1 for the fiscal years 2022 and 2021.

Long Term Obligations

The College's debt, which is all capital related, is comprised of 2016 Series E General Receipt Bonds (Aa2 rated Moody's Investor Services, AA+ rated Standard and Poor's), 2017 Certificates of Participation (unrated), 2019 Certificates of Participation (unrated), 2022 Series F General Receipt Bonds (unrated), Facilities Construction and Improvement Bonds, Series 2018, unlimited tax, general obligation bonds and financed purchase obligations (Aa1 rated Moody's Investor Services, AA+ rated Standard and Poor's). Subsequent to fiscal year 2023, in September 2023 Standard and Poor's upgraded the College's rating to AA+ for both the 2016 Series E General Receipt Bonds and the Facilities Construction and Improvement Bonds, Series 2018, unlimited tax, general obligation bonds and financed purchase obligations.

After receiving voter approval at the November 2017 election in favor of the College's capital bond levy, the College issued \$227.5 million in Facilities Construction and Improvement Bonds, Series 2018, in March 2018. The bonds were issued for the purpose of paying all or a part of the costs of campus-wide acquisition, construction, renovations and equipping of facilities for the College's programs to provide training and education of northeast Ohio's workforce, repaying moneys previously borrowed, advanced or granted and expended for such purpose and repaying costs of issuance of the bonds.

Cuyahoga Community College
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2023 and 2022
Unaudited

The 2009 Certificates of Participation were issued to acquire, construct and furnish the Brunswick University Center. The 2017 Certificates of Participation were issued to refund the 2009 Certificates of Participation and secure a lower interest rate.

In November 2019, the College issued Certificates of Participation for the purpose of the acquisition of the property adjacent to the Brunswick Higher Education Center. The Certificates were a direct placement with a bank and therefore were not rated by Moody's or Standard and Poor's.

The 2012 Series D General Receipt Bonds were issued to refund the 2002 Series A Bonds and secure a lower interest rate. Likewise, the 2016 Series E General Receipt Bonds were issued to refund much of the 2009 Series C General Receipt Bonds obligations including all of the Series C term bonds. The 2022 Series F General Receipt Bonds were issued to refund the 2012 Series D Bonds and secure a lower interest rate. The 2022 Series F General Receipt Bonds were a direct placement with a bank and therefore were not rated by Moody's or Standard and Poor's.

During fiscal year 2022, the College implemented GASB Statement No. 87, *Leases*, which included evaluating items previously reported as "Capital Leases" to be reported as "Financed Purchases" or "Leases." Based on the criteria in the statement, items previously recorded as operating expenditures or capital leases are now classified as leases. Former capital leases not meeting the criteria within the statement are now classified as financed purchases.

During fiscal year 2023, the College implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, items previously recorded as operating expenditures or capital leases are now classified as subscriptions (see Note 12 and 13 for additional details on the College's long-term obligations and leases & subscriptions).

Outstanding Long-term Obligations at June 30
(in Thousands)

	<u>2023</u>	<u>2022⁽¹⁾</u>	<u>2021⁽¹⁾</u>
Financed Purchases	\$6,664	\$5,795	\$5,646
Leases	12,507	15,001	17,422
Subscriptions	2,770	4,811	4,610
General Receipt Bonds	64,791	73,777	83,329
Certificates of Participation	2,085	3,147	4,189
General Obligations Bonds	202,202	208,676	214,981
Net Pension Liability	209,602	91,388	186,807
Net OPEB Liability	3,845	1,370	1,837
Compensated Absences	10,637	10,583	11,570
Claims and Other Liabilities	3,645	3,238	2,606
Total	<u>\$518,748</u>	<u>\$417,786</u>	<u>\$532,997</u>

⁽¹⁾ Change in Accounting Principle required a restatement of 2022 and 2021 for Subscriptions Liabilities

Note: Minor differences in totals may result due to rounding to thousands in MD&A tables. Financial Statements are presented in whole dollars (see Note 12).

Cuyahoga Community College
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2023 and 2022
Unaudited

ECONOMIC FACTORS THAT AFFECT THE FUTURE

State appropriations, property taxes, and student tuition and fees remain three of the College's principal sources of revenue. Along with federal, state, local and private grants, resources are applied towards promoting student success initiatives with the objective of graduating more students, providing them with the skills and abilities to join the local workforce, and promoting individual development to improve the overall quality of life for the individuals as well as our community. Many of the factors affecting the revenue stream of the College are highly dependent on variables external to the College such as unemployment trends, local and state economic conditions, legislative actions, County voter sentiment and others.

The College leadership team continues to monitor the local, state and national economic environment to budget and align resources and to tailor strategic goals to meet the needs of the community and the mandates of the national and state departments of Higher Education. The State of Ohio's financial condition impacts the resources available to the College in terms of State Appropriations available to reduce the financial burden on students, "the cost of college," as well as the funds available for Capital Appropriations. The College's ability to manage fluctuations within these revenue sources, as well as potential cost increases, is critical to its continued success. Keeping a watchful eye on both the legislative and economic factors throughout Ohio helps the College prepare for changes in these major revenue sources.

CONTACTING THE COLLEGE'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the College's finances and to show the College's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Angela Rich, CPA, Executive Director of Accounting and Financial Operations for Cuyahoga Community College, 700 Carnegie Avenue, Cleveland, Ohio 44115 or email at Angie.Rich@tri-c.edu.

(This page is intentionally left blank.)

Cuyahoga Community College
Cuyahoga County, Ohio
Statements of Net Position
June 30, 2023 and 2022

	2023	2022
Current Assets:		
Cash and Cash Equivalents (Note 3)	\$125,885,860	\$93,816,694
Investments (Note 3)	65,815,606	58,597,220
Property Taxes Receivable (Note 9)	132,422,788	132,239,300
Accounts Receivables, Net (Note 6)	16,551,654	12,924,510
Restricted Receivables (Note 6)	2,054,288	19,618,530
Receivable from Component Unit (Note 6)	1,661,427	3,827,643
Other Assets (Note 6)	4,478,110	4,703,283
Lease Receivable, Current (Note 13)	358,786	227,886
<i>Total Current Assets</i>	<u>349,228,519</u>	<u>325,955,066</u>
Noncurrent Assets:		
Restricted Cash and Cash Equivalents (Note 1)	50,085	8,829,438
Restricted Investments (Note 3)	0	7,543,437
Restricted Investments Held by Others (Note 3)	364,534	259,774
Investments (Note 3)	61,587,139	51,586,213
Other Assets (Note 6)	25,767	22,267
Capital Assets, Not Being Depreciated (Note 5)	33,922,402	28,854,312
Capital Assets, Net of Depreciation (Note 5)	455,996,278	475,733,516
Leases & Subscription Assets, Net of Amortization (Note 5)	14,921,447	19,581,025
Net Pension Asset (Note 10)	805,452	1,605,943
Net Other Postemployment Benefits Asset (Note 11)	11,218,963	21,788,308
Lease Receivable (Note 13)	756,674	987,340
<i>Total Noncurrent Assets</i>	<u>579,648,741</u>	<u>616,791,573</u>
<i>Total Assets</i>	<u>928,877,260</u>	<u>942,746,639</u>
Deferred Outflow of Resources:		
Deferred Charge on Refunding (Note 1)	4,043,164	4,799,211
Pensions (Note 10)	66,303,994	35,996,493
Other Postemployment Benefits (Note 11)	8,069,067	986,169
<i>Total Deferred Outflow of Resources</i>	<u>78,416,225</u>	<u>41,781,873</u>
Current Liabilities:		
Accounts Payable and Accrued Liabilities (Note 8)	14,479,918	15,071,391
Liabilities Payable from Restricted Assets (Note 8)	770,446	798,211
Payable to Component Unit (Note 8)	71,018	13,450
Unearned Revenue (Note 1)	16,745,721	13,887,049
Financed Purchases - current portion (Note 12)	1,875,942	2,024,069
Leases & Subscription Liabilities - current portion (Note 13)	4,094,230	4,616,725
General Receipt Bonds - current portion (Note 12)	8,355,000	8,185,000
Certificates of Participation - current portion (Note 12)	1,085,000	1,062,000
General Obligation Bonds - current portion (Note 12)	6,140,000	5,845,000
Claims and Other Liabilities - current portion (Note 12)	2,848,454	2,615,509
Other Postemployment Benefits - current portion (Note 11)	85,000	74,000
Compensated Absences - current portion (Note 14)	1,648,070	1,611,416
<i>Total Current Liabilities</i>	<u>\$58,198,799</u>	<u>\$55,803,820</u>

(continued)

Cuyahoga Community College
Cuyahoga County, Ohio
Statements of Net Position (continued)
June 30, 2023 and 2022

	2023	2022
Noncurrent Liabilities:		
Financed Purchases (Note 12)	\$4,787,651	\$3,770,476
Leases & Subscription Liabilities (Note 13)	11,183,067	15,194,853
General Receipt Bonds (Note 12)	56,436,491	65,592,355
Certificates of Participation (Note 12)	1,000,000	2,085,000
General Obligation Bonds (Note 12)	196,061,912	202,831,367
Claims and Other Liabilities (Note 12)	796,979	622,691
Net Pension Liability (Note 10)	209,601,541	91,388,309
Other Postemployment Benefits (Note 11)	3,760,339	1,296,000
Compensated Absences (Note 14)	8,989,292	8,971,932
<i>Total Noncurrent Liabilities</i>	<u>492,617,272</u>	<u>391,752,983</u>
 <i>Total Liabilities</i>	 <u>550,816,071</u>	 <u>447,556,803</u>
 Deferred Inflow of Resources:		
Property Taxes (Note 9)	118,879,303	120,217,126
Pension (Note 10)	22,867,764	111,516,059
Other Postemployment Benefits (Note 11)	10,984,886	25,268,739
Lease (Note 13)	1,147,689	1,215,226
Deferred Gain on Refunding (Note 1)	860,287	953,291
<i>Total Deferred Inflow of Resources</i>	<u>154,739,929</u>	<u>259,170,441</u>
 Net Position:		
Net Investment in Capital Assets	217,743,790	233,187,765
Restricted for Other Purposes:		
Expendable:		
Scholarships and Fellowships	7,147,504	9,147,352
Student Loans	94,797	61,678
Pension and Other Postemployment Benefits	3,564,397	1,410,669
Total Expendable Restricted	<u>10,806,698</u>	<u>10,619,699</u>
Total Non-Expendable Restricted	<u>364,534</u>	<u>259,774</u>
Total Restricted	<u>11,171,232</u>	<u>10,879,473</u>
Unrestricted	<u>72,822,463</u>	<u>33,734,030</u>
<i>Total Net Position</i>	<u>\$301,737,485</u>	<u>\$277,801,268</u>

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

Cuyahoga Community College
Cuyahoga County, Ohio
Statements of Net Assets
Component Unit
June 30, 2023 and 2022

	2023 CCC Foundation	2022 CCC Foundation
Assets:		
Cash and Cash Equivalents (Note 18)	\$3,180,501	\$3,061,428
Investments (Note 18)	94,881,545	87,340,159
Receivables: (Note 18)		
Interest	4,976	14,393
Pledges, Net	5,359,679	7,596,667
Due from Related Party	71,018	13,450
Beneficial Interest in Remainder Trust (Note 18)	377,002	413,663
Cash Surrender Value of Insurance (Note 18)	88,620	98,991
Prepaid Expenses	75,000	63,500
Other Assets	125,000	125,000
<i>Total Assets</i>	<u>104,163,341</u>	<u>98,727,251</u>
Liabilities:		
Due to Related Party (Note 18)	1,661,427	3,827,643
Accounts Payable (Note 18)	75,206	75,444
Annuities Payable (Note 18)	9,363	9,822
Refundable Advance	398,761	0
Assets held on behalf of the College	364,534	259,774
<i>Total Liabilities</i>	<u>2,509,291</u>	<u>4,172,683</u>
Net Assets:		
Without Donor Restrictions		
Undesignated (Note 18)	263,586	260,236
With Donor Restrictions:		
Purpose Restrictions (Note 18)	85,807,214	78,711,082
Perpetual in Nature (Note 18)	15,583,250	15,583,250
<i>Total Net Assets</i>	<u>\$101,654,050</u>	<u>\$94,554,568</u>

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

Cuyahoga Community College
Cuyahoga County, Ohio
Statements of Revenues, Expenses, and Changes in Net Position
For the Fiscal Years Ended June 30, 2023 and 2022

	2023	2022
Operating Revenues:		
Student Tuition and Fees (Net of scholarship allowances of \$7,772,696 in 2023 and \$9,621,989 in 2022)	\$33,662,034	\$33,520,330
Federal Grants and Contracts	7,711,664	6,997,906
State & Local Grants and Contracts	1,538,028	1,101,778
Private Grants and Contracts	8,135,914	9,996,233
Sales and Services	7,282,014	6,254,610
Auxiliary Enterprises	7,477,786	7,908,894
Other Operating Revenues	2,681,606	1,533,845
<i>Total Operating Revenues</i>	<u>68,489,046</u>	<u>67,313,596</u>
Operating Expenses:		
Educational and General:		
Instruction and Departmental Research	87,313,906	76,452,092
Public Service	11,834,303	7,271,157
Academic Support	27,492,599	22,616,889
Student Services	21,498,025	10,242,089
Institutional Support	44,708,844	27,358,064
Operation and Maintenance of Plant	31,402,622	23,313,295
Student Aid	20,621,565	40,604,293
Depreciation/Amortization	35,269,250	34,681,172
Auxiliary Enterprises	6,316,541	6,884,443
<i>Total Operating Expenses</i>	<u>286,457,655</u>	<u>249,423,494</u>
<i>Operating Loss</i>	<u>(217,968,609)</u>	<u>(182,109,898)</u>
Non-Operating Revenues (Expenses), net:		
State Appropriations	64,418,346	67,159,597
Property Taxes	144,583,194	143,516,779
Federal Grants and Contracts	22,653,340	66,878,899
State Grants and Contracts	93,839	172,277
Unrestricted Investment Income (Net of Investment Expenses of \$70,919 in 2023 and \$66,816 in 2022)	12,158,653	(13,893,717)
Restricted Investment Income, (Net of Investment Expenses of \$13,350 in 2023 and \$27,867 in 2022)	301,113	(107,082)
Interest on Capital Debt	(10,092,396)	(10,915,838)
Other Revenues (Expenses), Net	301,247	15,094
<i>Total Non-Operating Revenues (Expenses), net</i>	<u>234,417,336</u>	<u>252,826,009</u>
<i>Income Before State Capital Appropriations</i>	16,448,727	70,716,111
State Capital Appropriations	7,487,490	8,639,440
<i>Changes in Net Position</i>	<u>23,936,217</u>	<u>79,355,551</u>
<i>Net Position Beginning of Year</i>	<u>277,801,268</u>	<u>198,445,717</u>
<i>Net Position End of Year</i>	<u>\$301,737,485</u>	<u>\$277,801,268</u>

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

Cuyahoga Community College
Cuyahoga County, Ohio
Statements of Revenues, Expenses, and Changes in Net Assets
Component Unit
For the Fiscal Years Ended June 30, 2023 and 2022

	2023 CCC Foundation	2022 CCC Foundation
Operating Revenues:		
Contributions and Grants	\$5,934,414	\$8,797,075
Special Events Revenue	1,267,301	1,172,407
<i>Total Operating Revenues</i>	<u>7,201,715</u>	<u>9,969,482</u>
Operating Expenses:		
Educational and General:		
Institutional Support	4,838,182	7,470,764
Student Aid	4,505,369	3,132,161
<i>Total Operating Expenses</i>	<u>9,343,551</u>	<u>10,602,925</u>
<i>Operating Income</i>	<u>(2,141,836)</u>	<u>(633,443)</u>
Non-Operating Revenues:		
Investment Return, Net	9,241,318	(13,190,599)
<i>Total Non-Operating Revenues</i>	<u>9,241,318</u>	<u>(13,190,599)</u>
<i>Change in Net Assets</i>	7,099,482	(13,824,042)
<i>Net Assets Beginning of Year</i>	<u>94,554,568</u>	<u>108,378,610</u>
<i>Net Assets End of Year</i>	<u>\$101,654,050</u>	<u>\$94,554,568</u>

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

Cuyahoga Community College
Cuyahoga County, Ohio
Statements of Cash Flows
For the Fiscal Years Ended June 30, 2023 and 2022

	2023	2022
Increase (Decrease) in Cash and Cash Equivalents		
Cash Flows from Operating Activities:		
Student Tuition and Fees	\$33,540,877	\$29,850,520
Grants and Contracts	45,106,536	24,049,546
Sales and Services	9,884,185	7,825,253
Auxiliary Enterprises	7,395,335	7,880,626
Other Receipts	169,261	10,923
Stomp Card Additions	6,670,300	6,974,672
Employee and Related Payments	(177,275,267)	(170,138,895)
Supplier and Vendor Payments	(60,217,483)	(52,694,826)
Payments for Scholarships and Student Aid	(29,759,239)	(48,953,927)
Other Disbursements	17,360	13,240
Stomp Card Deductions	(6,715,944)	(6,998,617)
<i>Net cash used for operating activities</i>	<u>(171,184,079)</u>	<u>(202,181,485)</u>
Cash Flows from Noncapital Financing Activities:		
Property Tax Receipts	143,061,883	142,553,176
State Appropriations	64,418,346	67,159,597
Grants and Contracts	23,213,770	67,072,474
<i>Net cash provided by noncapital financing activities</i>	<u>230,693,999</u>	<u>276,785,247</u>
Cash Flows from Capital and Related Financing Activities:		
Proceeds from Capital Debt, Notes and Leases	3,000,000	15,665,000
Proceeds from Sale of Capital Assets	316,215	4,171
Purchases of Capital Assets	(9,306,811)	(6,900,713)
Principal paid on Capital Debt, Notes, Financed Purchases, Subscriptions & Leases	(21,893,360)	(20,776,624)
Payment to Escrow on Refunded Debt	0	(13,612,942)
Interest Paid on Capital Debt, Notes, Financed Purchases, Subscriptions & Leases	(10,921,290)	(11,859,441)
<i>Net cash used for capital and related financing activities</i>	<u>(38,805,246)</u>	<u>(37,480,549)</u>
Cash Flows from Investing Activities:		
Proceeds from Sales and Maturities of Investments	28,287,505	40,688,585
Purchases of Investments	(32,619,564)	(45,003,006)
Investment Income	6,917,198	4,501,989
<i>Net cash provided by investing activities</i>	<u>2,585,139</u>	<u>187,568</u>
<i>Net Increase in Cash and Cash Equivalents</i>	23,289,813	37,310,781
<i>Cash and Cash Equivalents - beginning of year</i>	<u>102,646,132</u>	<u>65,335,351</u>
<i>Cash and Cash Equivalents - end of year</i>	<u>\$125,935,945</u>	<u>\$102,646,132</u>

(continued)

Cuyahoga Community College
Cuyahoga County, Ohio
Statements of Cash Flows *(continued)*
For the Fiscal Years Ended June 30, 2023 and 2022

	2023	2022
Reconciliation of Operating Loss to Net Cash		
Used for Operating Activities:		
Operating Loss	(\$217,968,609)	(\$182,109,898)
Adjustments:		
Depreciation/Amortization expense	35,269,250	34,681,172
<i>(Increase) Decrease in Assets and Deferred Outflows of Resources:</i>		
Receivables, net	16,014,746	(2,940,123)
Other Assets	225,173	826,629
Net Pension Asset	(148,620)	(181,828)
Net OPEB Asset	12,984,931	2,278,823
Deferred Outflows - Pensions	14,032,362	12,703,089
Deferred Outflows - OPEB	1,050,345	(806)
<i>Increase (Decrease) in Liabilities and Deferred Inflows of Resources:</i>		
Accounts Payable and Accrued Liabilities	287,119	1,256,519
Unearned Revenue	2,858,672	(3,404,716)
Net Pension Liability	(325,920)	(3,811,665)
Net OPEB Liability	(12,434,876)	(467,000)
Compensated Absences	54,014	(987,066)
Claims and Other Liabilities	407,233	632,301
Deferred Inflows - Pensions	(13,499,895)	(43,649,920)
Deferred Inflows - OPEB	(9,922,467)	(16,781,310)
Deferred Inflows - Lease	(67,537)	(225,686)
<i>Net cash used for operating activities</i>	(\$171,184,079)	(\$202,181,485)
Reconciliation of Cash and Cash Equivalents		
to the Statement of Net Position:		
Cash and Cash Equivalents	\$125,885,860	\$93,816,694
Restricted Cash and Cash Equivalents-Noncurrent	50,085	8,829,438
Total Cash and Cash Equivalents at Year End	\$125,935,945	\$102,646,132
Non-Cash, Investing and Capital Financing Activities:		
State capital projects paid directly to vendors on College's behalf	\$7,487,490	\$8,639,440
Unrealized gain (loss) on investments	5,269,600	(26,511,489)
Amortization of bond premium, bond discount, and deferred charge on refunding	(767,276)	(780,356)
Capital assets purchased on credit	347,533	1,134,704
Right-to-use subscription assets acquired in exchange for a subscription liability	136,127	2,358,452

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

Cuyahoga Community College
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Years Ended June 30, 2023 and 2022

Note 1 – Summary of Significant Accounting Policies

Reporting Entity

Cuyahoga Community College (the “College”) is an institution of higher education. In accordance with Governmental Accounting Standards Board Statement No. 14, *The Financial Reporting Entity* and Statement No. 61, *The Financial Reporting Entity: Omnibus*, the College is a related organization to Cuyahoga County because the Cuyahoga County Executive appoints a majority of its board members; however, it is legally separate, and is fiscally independent of other state and local governments. The College is geographically co-extensive with Cuyahoga County but it does not meet the definition of a component unit.

The College is governed by a nine-member Board. Six Trustees are appointed by the Cuyahoga County Executive, subject to confirmation by the Cuyahoga County Council, and three by the Governor of the State of Ohio. A President and Treasurer are appointed by the Board of Trustees to oversee day to day operations and to ensure the fiscal control of the resources of the College. The College is exempt from income taxes as a political subdivision under federal income tax laws and regulations of the Internal Revenue Service.

Component units are legally separate organizations for which the College is financially accountable or for which the nature and significance of their relationship with the College are such that exclusion would cause the College’s financials to be misleading. GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, requires the College to reflect the Cuyahoga Community College Foundation (the “Foundation”) as a discretely presented component unit in the financial statements based on the significance of the relationship with the College. The Foundation is a legally separate, not-for-profit organization that reports under Financial Accounting Standards Board (FASB) standards. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation’s financial information in the College’s financial reporting entity for these differences. The Foundation is a tax-exempt entity that acts primarily as a fund-raising organization that receives gifts and bequests, administers those resources, and distributes payments to or on behalf of the College for scholarships and programs. It is reported separately to emphasize that it is legally separate from the College. Complete financial statements may be obtained from the Foundation office at 700 Carnegie Avenue, Cleveland, Ohio 44115.

The Foundation uses non-governmental generally accepted accounting principles in the United States of America (“GAAP”) as a reporting model. Therefore, the Foundation’s statement of financial position and statement of revenues, expenses and changes in net assets are reported on a separate page following the College’s statement of net position and statement of revenues, expenses, and changes in net position. The economic resources received or held by the Foundation that the College is entitled to or has the ability to access are significant to the College.

Cuyahoga Community College
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Years Ended June 30, 2023 and 2022

COVID-19 Impact

During fiscal year 2022, the College was awarded Higher Education Emergency Relief Funding (HEERF) of \$1,804,150. Additionally, \$39,843,839 of the amount awarded in fiscal years 2020 and 2021 was unspent and available to be used in the subsequent fiscal years. Of the amounts awarded, \$32,947 and \$41,615,042 was used during fiscal years 2023 and 2022 and was reflected as expenditures in the Education Stabilization Fund.

During fiscal year 2022, the College was also awarded \$1,518,903 of Governors Emergency Education Relief (GEER) Fund. Additionally, \$184,191 of the amount awarded in fiscal year 2020 2021 was unspent and available to be used in the subsequent fiscal years. Of the amounts awarded, \$30,103 and \$1,623,865 was used during fiscal years 2023 and 2022. A balance of \$49,126 remained and was swept back to the funder.

Investment in Blended Component Unit

In accordance with GASB Statement No. 61, Strengthening Opportunities for Success, Inc. (SOSI), a 501(c)(3) organization incorporated in March 29, 2013 with the purpose of accumulating resources to assist the College with providing reasonably priced rental housing in close proximity to the College. SOSI was evaluated and is presented as a blended component unit whose financial activity is included with the activities of the College. Although SOSI is a legally separate entity from the College, it is reported as if it were a part of the College because the College significantly influences the activities of SOSI, its sole purpose is to provide services almost entirely to the College, and the management of the College has operational responsibility for SOSI.

SOSI had an ending net position of \$609,634 as of June 30, 2023 compared to \$586,630 as of June 30, 2022. The June 30, 2023 and 2022 balances consisted of cash and cash equivalents of \$2,668 and \$14,022, and investments of \$606,966 and \$572,608, respectively.

Basis of Presentation

The financial statements have been prepared in accordance with GAAP as prescribed by GASB. The College follows the “business-type activities” reporting requirements of GASB Statement No. 35. In accordance with GASB Statement No. 35, *Basic Financial Statements-and Management Discussion and Analysis-for Public Colleges and Universities*, the Statement of Net Position, the Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows are reported on a College-wide basis.

Basis of Accounting

Revenues – Exchange and Non-exchange Transactions – Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place.

Cuyahoga Community College
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Years Ended June 30, 2023 and 2022

Non-exchange transactions, in which the College receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. Revenue from property taxes is recognized in the year for which the taxes are levied (see Note 9). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the College must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the College on a reimbursement basis.

Unearned Revenue – Unearned revenue represents amounts under the accrual basis of accounting for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met because the amounts have not yet been earned. The College recognizes unearned revenue for student fees and rentals associated with summer and fall registrations in the subsequent fiscal year. Any grants and entitlements received before time requirements are met, despite meeting all other eligibility requirements, are recognized as unearned revenue until the point in time when all requirements are met.

Deferred Outflows/Inflows of Resources – In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to future periods, similar to prepaid expenses that apply to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the College, deferred outflows of resources include a deferred charge on refunding College debt, and for future pension and other postemployment benefit (OPEB) obligations. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pensions and OPEB plans are explained in Note 10 and Note 11, respectively.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to future periods and will not be recognized until that time. For the College, deferred inflows of resources include property taxes, leases, gain on refunding and changes in net pension and net OPEB obligations/assets. The deferred inflow for leases is related to the lease receivable and is being amortized to lease revenue in a systematic and rational manner over the term of the lease. Property taxes, here, represent amounts for which there is an enforceable legal claim as of June 30, 2023, but which were levied to finance fiscal year 2024 operations. These amounts have been recorded as a deferred inflow on the statement of net position. The deferred inflows of resources related to pensions and OPEB are explained in Note 10 and Note 11, respectively. The deferred gain on refunding is a result of the Series F General Receipt Bonds issued in May 2022 (additional details provided in Note 12).

Expenses – In accordance with the accrual basis of accounting, expenses are recognized when they are incurred, irrespective of when payment is made.

Cuyahoga Community College
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Years Ended June 30, 2023 and 2022

Pensions/Other Postemployment Benefits (OPEB) – For purposes of measuring the net pension/OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/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/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/OPEB plans report investments at fair value. (Additional details on the pension systems are provided in Note 10 and additional details on OPEB are provided in Note 11.)

Cash Equivalents – During fiscal years 2023 and 2022, the College invested in the State Treasury Asset Reserve of Ohio (STAR Ohio). STAR Ohio, is an investment pool managed by the State Treasurer’s Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the Securities and Exchange Commission as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, *Certain External Investment Pools and Pool Participants*. The College measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

For the fiscal years ended June 30, 2023 and 2022, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$100 million. STAR Ohio reserves the right to limit the transaction to \$250 million per day, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

Investments – Investments are stated at fair value using published market quotations if they fall within the fair value hierarchy established by generally accepted accounting principles. Investments that do not have readily obtainable market value are considered “alternative investments” and are valued using the net asset value per share or its equivalent (see Note 3). The College does not invest in derivatives. Investments with maturities of less than one year are considered short-term.

Capital Assets – Land, buildings and equipment are recorded at cost at the date of acquisition or acquisition value at the date of donation in the case of gifts. Building improvements and improvements other than buildings are recorded at the aggregate cost of the construction of the improvement. Library books are purchased and recorded as a composite group of similar assets according to the limits below. When capital assets are sold or otherwise disposed of, the carrying value of such assets and any accumulated depreciation/amortization are removed from the statement of net position. All depreciation/amortization is calculated using the straight-line method over the estimated useful life of the asset and is presented as a separate functional expense category.

Cuyahoga Community College
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Years Ended June 30, 2023 and 2022

The College is reporting intangible right to use assets related to subscription-based information technology arrangements (SBITA), lease equipment, buildings, and building improvements. These intangible assets are amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

The College’s estimated useful lives used to compute depreciation/amortization and capitalization limits are as follows:

	<u>Estimated Useful Lives</u>	<u>Capitalization Threshold</u>
Buildings	40 years	\$100,000
Building improvements	15 years	5,000
Improvements other than buildings	20 years	100,000
Library books	5 years	5,000
Moveable equipment	5 – 10 years	5,000

Leases – As lessee, the College recognizes lease contracts or equivalents that have a term exceeding one year and the cumulative future payments on the contract exceed \$100,000 that meet the definition of another than short-term lease. Short-term lease payments are expensed when incurred. At the commencement of a lease, the College initially measures the lease liability at the present value of payments expected to be made during the lease term. The College uses a discount rate that is explicitly stated or implicit in the contract. When a readily determinable discount rate is not available, the discount rate is determined using the College’s incremental borrowing rate at start of the lease for a similar asset type and term length to the contract. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

As lessor, the College recognizes lease contracts or equivalents that have a term exceeding one year and the cumulative future payments on the contract exceed \$100,000 that meet the definition of another than short-term lease. At the commencement of the lease, the College records a receivable and deferred inflow of the net present value of future expected payments using a discount rate using the risk-free rate. Short-term lease receipts and variable lease receipts not included in the measurement of the lease receivable are recognized as income when earned.

Cuyahoga Community College
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Years Ended June 30, 2023 and 2022

Subscriptions – The College recognizes subscription-based information technology arrangements that have a term exceeding one year and the vendor annual payments exceed \$50,000, with each individual subscription exceeding \$5,000 annually. Short-term subscriptions are expensed as incurred. At the commencement of the subscription arrangement, the College initially measures the subscription liability at the present value of payments expected to be made during the term. The College uses a discount rate that is determined using the College’s incremental borrowing rate at start of the subscription arrangement for a similar asset type and term length to the contract. Subsequently, the subscription liability is reduced by the principal portion of payments made. The subscription asset is initially measured as the initial amount of the subscription liability. Subsequently, the subscription asset is amortized on a straight-line basis over its useful life.

Compensated Absences – Vacation benefits are accrued as a liability as benefits are earned if the employees’ rights to receive compensation are attributable to services already rendered and it is probable that the College will compensate the employees for the benefits through paid time off or some other means. In accordance with the College’s vacation policy, the College recorded the associated liability for accumulated unused vacation for full-time, non-faculty employees subject to the specified 30-day cap for earned vacation time as of June 30, 2023. Vacation benefits are expected to be paid out at the time the employee leaves the full-time employment of the College, or permanently transfers to a faculty position.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the College has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employee wage rates at year-end, taking into consideration any limits in the College’s termination policy. The College recorded the associated liability for accumulated unused sick leave, up to the maximum carryforward of 180 days, for employees based on qualifying service with the College and/or age as of June 30, 2023. Payout of earned sick leave benefits is limited to 30 days at resignation or 45 days at retirement in accordance with the College’s policy.

Net Position Classifications:

Net position represents the difference between all other elements in a statement of financial position. Net position is classified into the following three categories:

Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets.

Cuyahoga Community College
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Years Ended June 30, 2023 and 2022

Net position restricted for other purposes is subject to externally imposed constraints that can be fulfilled by actions of the College pursuant to those contracts or that expire by the passage of time. Restricted net position is further classified as nonexpendable and expendable. Nonexpendable restricted net position is available for investment purposes only and cannot be expended. Expendable restricted net position is available for expenditure by the College but must be spent for purposes as determined by donors or external entities that have placed time and purpose restrictions on the use of the assets. Net position restricted for other purposes include resources restricted for educational programs and student financial assistance.

Unrestricted net position is available to the College for any lawful purpose of the institution. Unrestricted net position may be designated for specific purposes by actions of management or the Board of Trustees or may otherwise be limited by contractual agreements with outside parties.

For purposes where both restricted and unrestricted net position is available, the College first applies restricted resources when an expense is incurred.

Operating Revenues and Expenses – All revenues from tuition, sales and services, other operating revenues, auxiliary enterprises and program-specific sources including Federal, State, local and private grants and contracts are considered to be operating revenues. Operating expenses include educational costs, auxiliary enterprises, administrative expenses, and depreciation/amortization on capital assets. Educational and administrative costs are reported by program. All revenues and expenses not meeting this definition, including State appropriations, property tax revenues, investment income, and interest on capital asset-related debt, are reported as non-operating revenues and expenses.

Use of Estimates – The preparation of financial statements, in conformity with GAAP, requires management to make estimates and assumptions that affect the amounts reported in the financial statements and in the notes to the financial statements. Actual results may differ from those estimates.

Scholarship Allowances – Scholarship allowances represent the difference between the stated charge for goods and services provided by the College and the amount that is paid by the student or third parties making payments on behalf of the student. Accordingly, some types of student financial aid, such as Pell grants and scholarships awarded by the College, are considered to be scholarship allowances. These allowances are netted against tuition and fees revenues in the statement of revenues, expenses, and changes in net position.

Restricted Cash and Cash Equivalents – Cash and cash equivalents subject to restricted purpose at June 30, 2023 included \$49,922 held in escrow for financed purchase obligations and \$163 in a bond service account related to Series F General Receipt Bonds issued in May 2022. Cash and cash equivalents subject to restricted purpose at June 30, 2022 included \$7,087,623 of unspent general obligation bond proceeds, \$1,740,131 held in escrow for financed purchase obligations, and \$1,684 in a bond service account related to Series F General Receipt Bonds issued in May 2022.

Cuyahoga Community College
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Years Ended June 30, 2023 and 2022

Restricted Investments – For fiscal years 2023 and 2022, restricted investments with maturities in excess of 90 days were \$0 and \$7,543,437. These investments represent 2018 general obligation bond proceeds which are designated for facilities and capital improvements. (See Note 3 and Note 12 for additional information on restrictions and this bond issue.)

Restricted Investments Held by Others – For fiscal years 2023 and 2022, restricted investments held by others were \$364,534 and \$259,774. These investments are assets held for the College and are managed by the Foundation under a fiscal agent agreement. The Foundation owns the assets in the investments; the College has a financial interest in the investments but does not own the underlying assets. (See Note 3 for additional information.)

Bond Premiums and Discounts – Bond premiums and discounts are deferred and amortized over the term of the bonds using the straight-line method. Bond premiums are presented as an increase in the face amount of the applicable debt payable while discounts are presented as a decrease in the face amount of the debt payable. Under Ohio law, premiums on the original issuance of debt are to be used for debt retirement and are precluded from being applied to the project fund. Ohio law does allow premiums on refunding debt to be used as part of the payment to the bond escrow agent.

Deferred Charge/Gain on Refunding – The difference between the reacquisition price (funds required to refund the old debt) of the refunded general receipt bonds and the net carrying amount of the old debt, the deferred charge on refunding, is amortized as a component of interest expense. This accounting gain/loss is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter and presented as a deferred inflow or outflow of resources, respectively.

Reclassifications – Certain amounts in the prior year financial statements have been reclassified to conform with the presentation in the current year financial statements.

Subsequent Events

In preparing these financial statements, the College has evaluated events and transactions for potential recognition or disclosure through December 19, 2023, the date the financial statements were available to be issued.

In October 2023, the College signed a financed purchase agreement in the amount of \$1,850,000 with an interest rate of 4.33 percent. The agreement requires five annual payments and is for computer and network hardware.

Cuyahoga Community College
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Years Ended June 30, 2023 and 2022

Note 2 – New Accounting Pronouncements and Change in Accounting Principles

For fiscal year 2023, the College implemented Governmental Accounting Standards Board, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* to increase the usefulness of financial statements by requiring recognition of certain right-to-use assets and liabilities for Subscription-Based Information Technology Arrangements (SBITAs) that previously were classified as operating expenditures and recognized as outflows of resources based on the payment provisions of the contract.

The implementation of this standard required the College to evaluate all agreements that could be classified as SBITAs. This required the College to recalculate the associated Liabilities and Assets of \$4,609,626 as of July 1, 2021. For fiscal year 2022, implementation had had the following impact at year-end:

Net Position June 30, 2022, as previously reported	\$277,487,751
Adjustments to fiscal year 2022:	
Subscription Liabilities added as Leases & Subscription Liabilities	(4,810,598)
Interest Payable added as Accounts Payable and Accrued Liabilities	(41,770)
Subscription Assets added as Lease & Subscription Assets, Net	5,165,885
Net Change to Ending Net Position	313,517
Restated Ending Net Position June 30, 2022	\$277,801,268
Change in Net Position as Previously Reported, fiscal year 2022	\$79,042,034
Adjustments during fiscal year 2022:	
Operating Expense: Institutional Support – Removed	2,182,004
Operating Expense: Depreciation/Amortization – Added	(1,802,193)
Non-Operating Expense: Interest on Capital Debt - Added	(66,294)
Restated Change in Net Position, fiscal year 2022	\$79,355,551

New Accounting Pronouncements - For fiscal year 2023, the College implemented or is in the process of evaluating implementation of the following Governmental Accounting Standards and Implementation Guides issued by the Governmental Accounting Standards Board (GASB):

GASB Statement No. 91, *Conduit Debt Obligations*, issued in May 2019 with the intent of providing a single method of reporting conduit debt obligations and eliminate diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures. This pronouncement is effective for reporting periods beginning after December 15, 2021. The College evaluated this for implementation in fiscal year 2023, and the pronouncement did not impact the College’s financial statements.

Cuyahoga Community College
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Years Ended June 30, 2023 and 2022

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, issued in March 2020, the primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The effective date of this standard is reporting periods beginning after June 15, 2022. The College evaluated this for implementation in fiscal year 2023, and the pronouncement did not impact the College's financial statements.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, issued in May 2020, provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for governments. This Statement defines a SBITA; establishes that a SBITA results in an intangible right-to-use subscription asset-and a corresponding subscription liability; provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires note disclosures regarding a SBITA. The effective date of this standard is reporting periods beginning after June 15, 2022. The College implemented GASB Statement No. 96 during fiscal year 2023, resulting to an adjustment to net position for preceding years as shown on the previous page.

GASB Statement No. 99, *Omnibus 2022*, issued in April 2022, the primary objective of this Statement is to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements and accounting and financial reporting for financial guarantees. This standard has multiple effective dates, including reporting periods beginning after June 15, 2022 and June 15, 2023. The College evaluated this for implementation in fiscal year 2023, and the pronouncement did not materially impact the College's financial statements.

GASB Statements and guidance to be implemented in future reporting periods include the following:

GASB Statement No. 100, *Accounting Changes and Error Corrections*, issued in June 2022, provides guidance for changes in the financial reporting entity, accounting principles, and estimates used to prepare financial information. The new standard also prescribes the treatment for the correction of errors in previously issued financial statements. The effective date of this standard is reporting periods beginning after June 15, 2023. The College intends to implement this standard in fiscal year 2024 and is evaluating the effect this Statement may have on the College's statements and disclosure requirements.

GASB Statement No. 101, *Compensated Absences*, issued in June 2022, provides guidance to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The effective date of this standard is reporting periods beginning after December 15, 2023. The College intends to implement this standard in fiscal year 2025 and is evaluating the effect this Statement may have on the College's statements and disclosure requirements.

Cuyahoga Community College
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Years Ended June 30, 2023 and 2022

Note 3 – Deposits and Investments

Ohio law provides that all funds under the control of the College, regardless of the source thereof, may be deposited in banks or trust companies designated by the College. Such banks and trust companies shall furnish security for every such deposit as is required by Ohio Revised Code (ORC) section 135.18. Each public depository in which the College places deposits must pledge eligible securities of aggregate market value equal to the excess amount of deposits not insured by the Federal Depository Insurance Corporation (FDIC).

Deposits – Custodial credit risk is the risk that in the event of a bank failure, the College will be unable to recover the value of deposits or collateral securities that are in the possession of an outside party. At June 30, 2023, \$320,453 of the total bank balances of \$7,426,051 was covered by Federal Depository Insurance and \$5,119,751 was uninsured and collateralized with securities held by the pledging financial institution’s trust department or agent, but not in the College’s name, and \$1,985,847 was uninsured and uncollateralized. The College’s financial institutions were approved for a reduced collateral rate through the Ohio Pooled Collateral System, resulting in the uninsured and uncollateralized balance.

For prior fiscal year ended June 30, 2022, \$438,817 of the total bank balances of \$9,129,347 was covered by Federal Depository Insurance and \$5,782,292 was uninsured and collateralized with securities held by the pledging financial institution’s trust department or agent, but not in the College’s name, and \$2,908,238 was uninsured and uncollateralized.

Custodial credit risk for deposits is the risk that in the event of bank failure, the College will not be able to recover deposits or collateral securities that are in the possession of an outside party. Protection of the College's cash and deposits is provided by the Federal Deposit Insurance Corporation (FDIC), as well as qualified securities pledged by the institution holding the assets. Ohio law requires that deposits either be insured or protected by:

Eligible securities pledged to the College and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured; or

Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institutions. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. All of the College’s financial institutions had enrolled in OPCS as of fiscal year end.

Accumulated cash deposits of \$2,668 from the 501(c)(3) blended entity, Strengthening Opportunities for Success, Inc. (SOSI) is included in the bank balance and other operating revenues of the financial statements at June 30, 2023. Cash deposits for SOSI were \$14,022 at June 30, 2022. In 2023, \$606,966 of treasury notes related to SOSI, remains invested until maturity in July 2023.

Cuyahoga Community College
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Years Ended June 30, 2023 and 2022

The College's investment policy is governed by State statutes (ORC section 3345.05) which requires that a minimum of 25 percent of the average amount of the College's investment portfolio over the course of the previous fiscal year must be invested in securities of the United States government or of its agencies or instrumentalities, the Treasurer of State's pooled investment program, obligations of this state or any political subdivision of this state, certificates of deposit of any national bank located in this state, written repurchase agreements with any eligible Ohio financial institution that is a member of the federal reserve system or federal home loan bank, money market funds, or bankers acceptances maturing in two hundred seventy days or less which are eligible for purchase by the federal reserve system, as a reserve. A maximum of 75 percent of the average amount of the College's investment portfolio over the course of the previous fiscal year may be invested as detailed in ORC section 3345.05(C)(2).

Cash Equivalents – Cash equivalents are generally considered to be short-term, highly liquid investments with a maturity of three months or less from the purchase date.

STAR Ohio maintains a stable net asset value per share by using the amortized cost method of portfolio valuation. STAR Ohio has established procedures to stabilize the net asset value per share, as computed for the purpose of purchase and redemption, at a single value of \$1.00.

Money markets are valued at fair value based on the fund's share price and subject to fair value hierarchy.

Negotiable certificates of deposit held at various financial institutions amounted to \$1,463,463 and \$1,478,753 at June 30, 2023 and 2022, respectively. These negotiable instruments, though considered investments and subject to fair value hierarchy classifications, were insured by the FDIC up to \$1,463,463 and \$1,478,700 as of those dates. The \$0 and \$53 balances at June 30, 2023 and 2022, respectively, are not covered by FDIC insurance and are uncollateralized.

Investments – Investments are reported at fair value 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.

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Investment securities classified in Level 2 of the fair value hierarchy are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data. The College does not have any investments that are classified in Level 3 of the fair value hierarchy.

Cuyahoga Community College
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Years Ended June 30, 2023 and 2022

Investments valued using the net asset value (NAV) per share (or its equivalent) are considered “alternative investments” and, unlike more traditional investments, generally do not have readily obtainable market values. For each of these investments, the valuation is provided by the investment managers of their respective investment funds under the guidelines which they have established. The College obtains and considers the audited financial statements of these investments when evaluating the overall reasonableness of the carrying value. The annual financial statements for each alternative investment fund are prepared in accordance with accounting principles generally accepted in the United States of America.

The chart below identifies the College’s recurring fair value measurements as of June 30, 2023:

Investments by Fair Value Level

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Value</u>
Equity Mutual Funds	\$40,410,548	\$0	\$0	\$40,410,548
Bond Mutual Funds	22,524,318	0	0	22,524,318
Corporate Bonds	0	28,686,009	0	28,686,009
U.S. Treasury Notes	0	10,201,004	0	10,201,004
U.S. Agency Securities	0	4,666,571	0	4,666,571
Negotiable Certificates of Deposit	0	1,463,463	0	1,463,463
Investments measured at Fair Value	<u>\$62,934,866</u>	<u>\$45,017,047</u>	<u>\$0</u>	<u>\$107,951,913</u>

Investments Measured at the Net Asset Value (NAV)

	<u>Unfunded Commitments</u>	<u>Redemption Notice Period</u>	<u>Redemption Frequency</u>	<u>Value</u>
Black Diamond Arbitrage, Ltd.	0	45 days	Monthly	3,924,434
Mondrian Global All Countries World Equity Fund, L.P.	0	15 th day of prior month	Monthly	4,554,176
Ninety One Global Franchise Fund	0	1 day	Daily	4,154,715
Weatherlow Offshore Fund I Ltd.	0	65 days	Quarterly	6,817,507
Investments measured at Net Asset Value				<u>19,450,832</u>
Total Investments				<u>\$127,402,745</u>

Cuyahoga Community College
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Years Ended June 30, 2023 and 2022

The chart below identifies the College's recurring fair value measurements as of June 30, 2022:

Investments by Fair Value Level

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Value</u>
Equity Mutual Funds	\$34,166,298	\$0	\$0	\$34,166,298
Bond Mutual Funds	22,715,755	0	0	22,715,755
Corporate Bonds	0	29,831,112	0	29,831,112
U.S. Treasury Notes	0	7,043,080	0	7,043,080
U.S. Agency Securities	0	4,379,792	0	4,379,792
Negotiable Certificates of Deposit	0	1,478,753	0	1,478,753
Investments measured at Fair Value	<u>\$56,882,053</u>	<u>\$42,732,737</u>	<u>\$0</u>	<u>\$99,614,790</u>

Investments Measured at the Net Asset Value (NAV)

	<u>Unfunded Commitments</u>	<u>Redemption Notice Period</u>	<u>Redemption Frequency</u>	<u>Value</u>
Black Diamond Arbitrage, Ltd.	0	45 days	Monthly	4,093,957
Mondrian Global All Countries World Equity Fund, L.P.	0	15 th day of prior month	Monthly	4,004,253
Ninety One Global Franchise Fund	0	1 day	Daily	3,584,525
Weatherlow Offshore Fund I Ltd.	0	65 days	Quarterly	6,429,345
Investments measured at Net Asset Value				<u>18,112,080</u>
Total Investments				<u><u>\$117,726,870</u></u>

Weatherlow Offshore I Ltd. is a diversified hedge fund investing in four major strategic categories: equity long/short; event driven; relative value; and global asset allocation. It seeks to generate equity like returns with lower volatility that are independent of any major market, index, or style. There are currently no redemption restrictions other than the required notice period.

Black Diamond Arbitrage, Ltd. (the "Fund") is a Cayman Islands exempted company with limited liability that was organized in March 1999. The Fund holds all or substantially all of its assets through Black Diamond Arbitrage Intermediate Ltd., which in turn invests all or substantially all of its assets in Black Diamond Arbitrage Offshore Ltd. (the "Master Fund"). The objective of the Master Fund is to invest in securities of companies that are the target of a merger with another company and companies that are facing a major corporate event and are traded on United States and principal foreign exchanges and markets. Such events may include a significant restructuring, spin-off of operations, bankruptcy, or major litigation.

Mondrian Global All Countries World Equity Fund, L.P. ("Mondrian") is a commingled investment fund managed by Mondrian Investment Group. Mondrian is a focused portfolio of approximately 35 to 50 securities of both U.S. and non-U.S. issuers, including the securities of emerging market companies. Mondrian follows a value-oriented approach focusing on dividend growth with a goal of providing strong downside protection and less volatility than the overall market with low turnover.

Cuyahoga Community College
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Years Ended June 30, 2023 and 2022

Ninety One Global Franchise Fund (“Ninety One”) is a high-conviction portfolio managed by Ninety One, an independent global asset manager with sizeable employee ownership and professionals across four continents. Ninety One’s strategy is to look for leading companies from around the globe with strong free cash flow and entrenched competitive positions. The portfolio consists of 25 to 40 stocks with strong downside protection, low-turnover, and a quality growth orientation.

In June 2021, the College entered into a fiscal agent agreement with Cuyahoga Community College Foundation, component unit, to manage investments restricted for an endowment. For fiscal years 2023 and 2022, restricted investments held by others were \$364,534 and \$259,774.

The following comparative tables show the remaining time to maturity of the College’s investments as of June 30, 2023 and 2022:

	2023			
	Six Months and Less	More Than Six Months, Less Than One Year	More Than One Year	Total
STAR Ohio*	\$116,024,146	\$0	\$0	\$116,024,146
Money Markets*	3,136,947	0	0	3,136,947
Equity Mutual Funds	40,410,548	0	0	40,410,548
Bond Mutual Funds	22,524,318	0	0	22,524,318
Corporate Bonds	3,252,028	3,047,424	22,386,557	28,686,009
U.S. Treasury Notes	2,093,958	879,672	7,227,374	10,201,004
U.S. Agency Securities	418,702	338,691	3,909,178	4,666,571
Negotiable Certificates of Deposit	249,793	734,928	478,742	1,463,463
Alternative Investments	19,450,832	0	0	19,450,832
	<u>\$207,561,272</u>	<u>\$5,000,715</u>	<u>\$34,001,851</u>	<u>\$246,563,838</u>

*Investments with original maturities less than 90 days are included in Cash and Cash Equivalents.

	2022			
	Six Months and Less	More Than Six Months, Less Than One Year	More Than One Year	Total
STAR Ohio*	\$86,567,273	\$0	\$0	\$86,567,273
Money Markets*	7,856,991	0	0	7,856,991
Equity Mutual Funds	34,166,298	0	0	34,166,298
Bond Mutual Funds	22,715,755	0	0	22,715,755
Corporate Bonds	5,848,724	4,143,564	19,838,824	29,831,112
U.S. Treasury Notes	2,115,796	1,067,805	3,859,479	7,043,080
U.S. Agency Securities	150,071	99,941	4,129,780	4,379,792
Negotiable Certificates of Deposit	250,053	0	1,228,700	1,478,753
Alternative Investments	18,112,080	0	0	18,112,080
	<u>\$177,783,041</u>	<u>\$5,311,310</u>	<u>\$29,056,783</u>	<u>\$212,151,134</u>

*Investments with original maturities less than 90 days are included in Cash and Cash Equivalents.

Cuyahoga Community College
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Years Ended June 30, 2023 and 2022

Interest Rate Risk – As a means of limiting its exposure to fair value losses caused by rising interest rates, the College’s investment policy requires that funds be invested primarily in diversified short-term investments maturing within five years from the date of purchase and that the College’s investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments. The stated intent of the policy is to avoid the need to sell securities prior to maturity.

Credit Risk – It is the College’s policy to invest in only high-quality investments rated at least Baa/BBB by a major rating agency. The table below summarizes the College’s ratings by investment type and rating agency.

Investment	Rating Agency	Amount	2023 Rating
STAR Ohio	S&P	\$116,024,146	AAAm
Money Markets	S&P	3,136,947	AAAm
U.S Agency Securities	Moody’s	4,666,571	Aaa
U.S. Treasury Notes	Moody’s	10,201,004	Aaa
Corporate Bonds	Moody’s	1,209,472	Aaa
Corporate Bonds	Moody’s	2,217,789	Aa2 to Aa3
Corporate Bonds	Moody’s	22,619,516	A1 to A3
Corporate Bonds	Moody’s	757,715	Baa1 to Baa2
Corporate Bonds	Not Rated	1,881,517	Not Rated
Bond Mutual Funds	Morningstar	12,819,421	4 Star
Bond Mutual Funds	Morningstar	6,520,070	3 Star
Bond Mutual Funds	Not Rated	3,184,827	Not Rated

Note: U.S. Treasury Notes are considered risk free. The negotiable certificates of deposit, all equity mutual funds and alternative investments are not rated.

Concentration of Credit Risk – The College’s investment policy requires the portfolio to be diversified. The College’s allocations at June 30, 2023 and June 30, 2022 are as follows:

Investment Portfolio	2023	2022
STAR Ohio	47.06 %	40.80 %
Corporate Bonds	11.63	14.07
Equity Mutual Funds	16.39	16.10
Money Markets	1.27	3.70
U.S. Agency Securities	1.89	2.06
U.S. Treasury Notes	4.14	3.32
Bond Mutual Funds	9.14	10.71
Alternative Investments	7.89	8.54
Certificates of Deposit	0.59	0.70
	100.00 %	100.00 %

Cuyahoga Community College
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Years Ended June 30, 2023 and 2022

Note 4 – State Appropriations

The College is a State-assisted institution of higher education that receives a student-based subsidy from the State of Ohio. This subsidy is determined annually based upon the State Share of Instruction (SSI) formula, an outcomes-based approach, instituted by the State of Ohio. The College received \$64,418,346 of student-based subsidy in fiscal year 2023 compared with 2022 receipts of \$67,159,597.

In addition to the student subsidies, the State of Ohio provides funding for the construction of major academic plant facilities on the College's campuses. State funding is obtained from the issuance of revenue bonds by the Ohio Public Facilities Commission (OPFC). These bonds are supported by a pledge of monies in the Higher Education Bond Service Fund established in the custody of the Treasurer of the State of Ohio. If sufficient monies are not available from this fund, the Ohio Department of Higher Education may assess a special fee uniformly applicable to students in State-assisted institutions of higher education throughout the State. College facilities are not pledged as collateral for these bonds.

As a result of the above-described financial assistance, outstanding debt issued by OPFC is not included on the College's balance sheet. In addition, the appropriations by the General Assembly to the Ohio Department of Higher Education for payment of debt service and the related debt service payments are not recorded in the College's accounts.

Cuyahoga Community College
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Years Ended June 30, 2023 and 2022

Note 5 – Capital Assets

Capital asset activity for the year ended June 30, 2023 and the prior year ended June 30, 2022 follow.

	Restated Balance July 1, 2022	Additions	CIP placed in Service & Disposals	Balance June 30, 2023
Non-depreciable Capital Assets:				
Land	\$24,484,594	\$0	\$0	\$24,484,594
Construction In Progress	4,369,718	13,691,458	8,623,368	9,437,808
Total Non-depreciable	28,854,312	13,691,458	8,623,368	33,922,402
Depreciable Capital Assets:				
Buildings	435,392,151	400,909	0	435,793,060
Building Improvements	361,228,085	3,784,036	323,131	364,688,990
Improvements Other than Buildings	37,595,503	0	127,125	37,468,378
Library Books	967,402	160,891	247,107	881,186
Moveable Equipment	68,259,858	6,593,204	11,459,214	63,393,848
Total Depreciable	903,442,999	10,939,040	12,156,577	902,225,462
Less Accumulated Depreciation:				
Buildings	174,260,780	8,744,566	0	183,005,346
Building Improvements	176,861,600	13,961,898	323,131	190,500,367
Improvements Other than Buildings	32,963,327	937,651	127,125	33,773,853
Library Books	434,787	143,680	247,107	331,360
Moveable Equipment	43,188,989	6,685,750	11,256,481	38,618,258
Total Accumulated Depreciation	427,709,483	30,473,545	11,953,844	446,229,184
Depreciable Capital Assets, Net	475,733,516	(19,534,505)	202,733	455,996,278
Lease & Subscription Assets:				
Right to Use Lease Buildings	6,373,140	0	0	6,373,140
Right to Use Lease Building Improvements	5,394,108	0	0	5,394,108
Right to Use Lease Equipment	8,011,480	0	0	8,011,480
Right to Use Subscriptions	6,968,078	136,127	0	7,104,205
Total Lease & Subscription Assets	26,746,806	136,127	0	26,882,933
Less Accumulated Amortization				
Right to Use Lease Buildings	1,285,338	638,153	0	1,923,491
Right to Use Lease Building Improvements	674,266	317,039	0	991,305
Right to Use Lease Equipment	3,403,984	1,690,779	0	5,094,763
Right to Use Subscriptions	1,802,193	2,149,734	0	3,951,927
Total Accumulated Amortization	7,165,781	4,795,705	0	11,961,486
Lease & Subscription Assets, Net	19,581,025	(4,659,578)	0	14,921,447
Total Capital Assets, Net	\$524,168,853	(\$10,502,625)	\$8,826,101	\$504,840,127

Cuyahoga Community College
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Years Ended June 30, 2023 and 2022

Capital asset activity for the year ended June 30, 2022 is presented below:

	Restated Balance July 1, 2021	Additions	CIP placed in Service & Disposals	Balance June 30, 2022
Non-depreciable Capital Assets:				
Land	\$24,484,594	\$0	\$0	\$24,484,594
Construction In Progress	4,354,689	11,806,043	11,791,014	4,369,718
Total Non-depreciable	<u>28,839,283</u>	<u>11,806,043</u>	<u>11,791,014</u>	<u>28,854,312</u>
Depreciable Capital Assets:				
Buildings	435,391,151	0	0	435,392,151
Building Improvements	349,617,722	11,610,363	0	361,228,085
Improvements Other than Buildings	37,658,493	18,500	81,490	37,595,503
Library Books	1,060,462	90,101	183,161	967,402
Moveable Equipment	66,084,184	2,885,078	709,404	68,259,858
Total Depreciable	<u>889,813,012</u>	<u>14,604,042</u>	<u>974,055</u>	<u>903,442,999</u>
Less Accumulated Depreciation:				
Buildings	165,270,874	8,989,906	0	174,260,780
Building Improvements	163,327,663	13,533,937	0	176,861,600
Improvements Other than Buildings	32,101,037	943,780	81,490	32,963,327
Library Books	458,148	159,800	183,161	434,787
Moveable Equipment	37,328,631	6,569,762	709,404	43,188,989
Total Accumulated Depreciation	<u>398,486,353</u>	<u>30,197,185</u>	<u>974,055</u>	<u>427,709,483</u>
Depreciable Capital Assets, Net	<u>491,326,659</u>	<u>(15,593,143)</u>	<u>0</u>	<u>475,733,516</u>
Lease & Subscription Assets:				
Right to Use Lease Buildings	6,373,140	0	0	6,373,140
Right to Use Lease Building Improvements	5,394,108	0	0	5,394,108
Right to Use Lease Equipment	8,011,480	0	0	8,011,480
Right to Use Subscriptions	4,609,626	2,358,452	0	6,968,078
Total Lease & Subscription Assets	<u>24,388,354</u>	<u>2,358,452</u>	<u>0</u>	<u>26,746,806</u>
Less Accumulated Amortization				
Right to Use Lease Buildings	642,669	642,669	0	1,285,338
Right to Use Lease Building Improvements	337,133	337,133	0	674,266
Right to Use Lease Equipment	1,701,992	1,701,992	0	3,403,984
Right to Use Subscriptions	0	1,802,193	0	1,802,193
Total Accumulated Amortization	<u>2,681,794</u>	<u>4,483,987</u>	<u>0</u>	<u>7,165,781</u>
Lease & Subscription Assets, Net	<u>21,706,560</u>	<u>(2,125,535)</u>	<u>0</u>	<u>19,581,025</u>
Total Capital Assets, Net	<u>\$541,872,502</u>	<u>(\$5,912,635)</u>	<u>\$11,791,014</u>	<u>\$524,168,853</u>

Cuyahoga Community College
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Years Ended June 30, 2023 and 2022

Note 6 –Receivables and Other Assets

Receivables are expected to be collected in full within one year except certain tuition and fees. As such, the discounting for time value is immaterial. An allowance for doubtful accounts has been established based upon prior collection experience.

At June 30, 2023, the College has restricted receivables of \$2,054,288 from federal, state and private grants.

At June 30, 2022, the College has restricted receivables of \$19,618,530 of which \$19,563,538 are from federal, state and private grants and \$54,992 accrued interest receivable from investments related to the College’s 2018 general obligation bond proceeds.

Receivables from the College’s component unit were \$1,661,427 and \$3,827,643 at June 30, 2023 and June 30, 2022, respectively.

Accounts and other receivables consist of the following as of June 30, 2023 and June 30, 2022:

	2023	2022
Tuition and fees receivable	\$24,588,399	\$21,484,028
Allowance for doubtful accounts	(8,804,080)	(8,946,180)
	15,784,319	12,537,848
Interest receivable	308,368	195,135
Other receivable	458,967	191,527
Accounts receivable, net	\$16,551,654	\$12,924,510
Restricted receivables	\$2,054,288	\$19,618,530
Receivable from component unit	\$1,661,427	\$3,827,643

The College has \$4,478,110 of other current assets as of June 30, 2023 and had \$4,703,283 as of June 30, 2022. Other current assets include prepaid student tuition of \$455,942 at June 30, 2023 as compared to \$420,847 at June 30, 2022. Prepaid payroll costs associated with summer session of \$2,875,444 as of June 30, 2023 compared with \$2,896,778 from summer session as of June 30, 2022 and other prepaid items of \$1,146,724 as of June 30, 2023 compares with \$1,385,658 as of June 30, 2022.

Other noncurrent assets aside from restricted cash (see Note 1), restricted investments (see Note 3), capital assets (see Note 5), lease assets (see Note 5), net pension assets (see Note 10), net OPEB assets (see Note 11), and lease receivables (see note 13) include \$25,767 of loans receivable as of June 30, 2023 as compared to \$22,267 at June 30, 2022.

Cuyahoga Community College
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Years Ended June 30, 2023 and 2022

Note 7 – Operating Expenses by Natural Classification

The College’s operating expenses by natural classification were as follows for the years ended June 30, 2023 and June 30, 2022:

	<u>2023</u>	<u>2022</u>
Salaries and Wages	\$133,382,282	\$129,427,133
Employee Benefits*	35,850,985	(8,584,514)
Utilities	5,112,711	4,841,869
Supplies	5,187,508	4,214,491
Travel	3,055,309	1,956,153
Outside Services	12,664,215	10,962,384
Maintenance and Repairs	7,596,477	7,287,278
Information and Communication	7,585,568	6,808,675
Depreciation/Amortization and Equipment	38,454,818	36,774,211
Rent and Occupancy	9,059,397	8,198,871
Scholarships and Other Student Aid	21,267,081	40,957,386
Other	<u>7,241,304</u>	<u>6,579,557</u>
Total Operating Expenses	<u>\$286,457,655</u>	<u>\$249,423,494</u>

* Employee Benefits expenses are net of current year impact of Pensions and OPEB as required by GASB 68 and GASB 75. The total distributed to employee benefits at the end of fiscal year 2023 was an expenditure of \$12,371,421 for pension expense and a reduction of \$8,234,450 for OPEB expense which includes an expense of \$83,000 for a College funded death benefit (see note 10 and 11). In contrast, the total distributed to employee benefits at the end of fiscal year 2022 was a reduction of expenditure of \$22,757,557 for pension expense and a reduction of \$14,909,071 for OPEB expense which included a reduction of \$449,000 for a College funded death benefit. Changes in Deferred Outflows and Deferred Inflows for pensions between years resulted in an additional decrease of employee benefit expense of \$12,313,494 and \$12,182,767 in fiscal years 2023 and 2022. Changes in Deferred Outflows and Deferred Inflows for OPEB between years resulted in an additional decrease of employee benefit expense of \$69,617 and \$49,222 in fiscal years 2023 and 2022, which includes \$2,000 and \$4,000 for a College funded death benefit.

Cuyahoga Community College
 Cuyahoga County, Ohio
 Notes to the Basic Financial Statements
 For the Fiscal Years Ended June 30, 2023 and 2022

Note 8 – Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities consist of the following at June 30, 2023 and June 30, 2022:

	2023	2022
Accounts Payable	\$5,296,885	\$5,602,363
Accrued Interest Payable	1,769,085	1,830,703
Payroll and Fringe Liabilities	7,413,948	7,638,325
Total	\$14,479,918	\$15,071,391
Payable to Component Unit	\$71,018	\$13,450

Liabilities payable from restricted assets at June 30, 2023 were \$770,446. Liabilities payable from restricted assets at June 30, 2022 were \$798,211.

Payroll and Fringe liabilities increased to \$7,413,948 at June 30, 2023 from \$7,638,325 at June 30, 2022. This includes Accrued Payroll of \$3,391,863 at June 30, 2023 and \$2,916,515 at June 30, 2022.

Note 9 – Property Taxes & Tax Abatements

Property taxes are levied and assessed on a calendar year basis. The College’s fiscal year runs from July through June. The second half of calendar year 2022 tax receivables are collected in the College’s 2023 fiscal year along with the first half of 2023 taxes leaving the balance of 2023 tax as a deferred inflow of resources to be collected in the subsequent fiscal year.

Property taxes include amounts levied against real property and public utilities located within Cuyahoga County. Real property tax revenue received in calendar year 2023 represents collections of calendar year 2022 taxes. Real property taxes received in calendar year 2023 were levied after April 1, 2022, on the assessed value listed as of January 1, 2022, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market values. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

The full tax rate for the fiscal years ended June 30, 2023 and 2022, respectively, were \$4.90 (\$4.12 effective rate) per \$1,000 of assessed value, which includes \$0.50 (\$0.50 effective rate) related to the passage in November 2017 of the College’s Series 2018, Facilities Construction and Improvement Bonds for capital improvements explained in further detail in Note 12. Taxes on the general obligation bond are unlimited as to rate and amount, to the extent necessary to pay the anticipated debt service on the bonds as they become due and to the extent that such debt service on the bonds is not paid from other sources. Such taxes must first be expended for the purpose of paying the anticipated debt service on the Bonds (together with costs of issuing the bonds) and since taxes are unlimited as to rate or amount, the rate of millage actually levied in each year while

Cuyahoga Community College
 Cuyahoga County, Ohio
 Notes to the Basic Financial Statements
 For the Fiscal Years Ended June 30, 2023 and 2022

the bonds are outstanding will be such as determined to be necessary by the County Fiscal Officer to produce the amount necessary to pay debt service on the bonds due in that year, giving consideration the College's assessed valuation and previous tax collection experience.

The assessed values of real and public utility property upon which fiscal year 2023 property tax receipts were based are as follows:

	<u>2022 Second Half Collections</u>		<u>2023 First Half Collections</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Real Estate	\$33,342,088,350	95.80%	\$33,510,425,630	95.56%
Public Utility Personal	1,463,476,520	4.20	1,558,303,920	4.44
Total	<u>\$34,805,564,870</u>	<u>100.00%</u>	<u>\$35,068,729,550</u>	<u>100.00%</u>

Public utility property tax revenue received in calendar year 2023 represents collections of calendar year 2022 taxes. Public utility real and tangible personal property taxes received in calendar year 2023 became a lien December 31, 2022, were levied after April 1, 2022 and are collected in 2023 along with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The Cuyahoga County Fiscal Officer collects these taxes on behalf of the College. The County Fiscal Officer periodically advances to the College its portion of the taxes collected. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property and public utility real property and personal property taxes and outstanding delinquencies which are measurable as of June 30, 2023 and 2022 and for which there is an enforceable legal claim. At June 30, 2023, property taxes receivable was \$132,422,788 which included \$115,501,048 general receipts and \$16,921,740 general obligation bond receipts compared to prior year general receipts of \$132,239,300 as of June 30, 2022 which included \$115,323,962 general receipts and \$16,915,338 general obligation bond receipts.

The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows of resources, property taxes. Deferred inflows in 2023 and 2022, respectively, were \$118,879,303 and \$120,217,126.

Cuyahoga Community College
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Years Ended June 30, 2023 and 2022

Property Tax Abatements - The College does not enter into abatement agreements but the College does have reduced revenues as a result of other governments within the county entering into abatement agreements such as Enterprise Zone and Community Reinvestment Area abatements. County tax abatement agreements may reduce or eliminate resources available to the College in any specific year based on the type and length of the tax abatement agreements. For fiscal year 2023, the College's property taxes were reduced by an estimated \$2,050,103 under various tax abatement agreements entered into by the subdivisions within the County as presented in the subsequent table. In comparison, the College's property taxes were reduced by an estimated \$2,081,606 in fiscal year 2022.

Subdivision	2023 Taxes Abated	2022 Taxes Abated
City of Cleveland	\$1,414,257	\$1,333,198
City of Euclid	179,064	180,585
City of Strongsville	77,915	74,588
Village of North Randall	69,550	77,301
Village of Glenwillow	46,448	80,929
City of Garfield Heights	27,722	28,623
City of Brooklyn	24,073	15,154
City of Mayfield Heights	18,751	41,043
Village of Oakwood	18,266	30,211
City of Brook Park	17,042	20,026
Village of Cuyahoga Heights	15,875	31,300
City of Westlake	15,786	16,405
City of North Olmsted	12,918	6,850
City of Berea	12,408	40,673
City of Middleburg Heights	11,117	2,319
City of East Cleveland	10,431	7,199
City of Bedford	10,400	11,996
Municipalities with less than \$10,000 in abated taxes	68,080	83,206
	<u>\$2,050,103</u>	<u>\$2,081,606</u>

Additional information regarding the nature, amount and duration of tax abatement agreements affecting the College can be obtained by contacting the Cuyahoga County Fiscal Officer.

Note 10 – Defined Benefit Pension Plans

The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB) to retirees and/or their beneficiaries. Employees of the College are contributing members of either the Ohio Public Employees Retirement System, the State Teachers Retirement System or they may elect to contribute to an authorized and state-approved alternative retirement plan. The College, as an employer, also contributes to these retirement systems based on statutory contribution percentages.

Net Pension/Net Other Postemployment (OPEB) Liability

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

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

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

GASB Statement No. 68 and Statement No. 75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium.

Cuyahoga Community College
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Years Ended June 30, 2023 and 2022

State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients.

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires the College record a net pension liability based on its proportionate share of each retirement systems total net pension liability, deferred outflows and deferred inflows related to pensions and associated pension expense. GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* requires the College record a net OPEB liability based on its proportionate share of the State's other postemployment benefits total net OPEB liability, deferred outflows and deferred inflows related to OPEB and associated OPEB expense. The effect of year to year changes are reflected in the College's Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position for the fiscal years ended June 30, 2023 and June 30, 2022.

The proportionate share of each plan's unfunded benefits is presented as a net pension/OPEB asset or long-term net pension/OPEB liability on the accrual basis of accounting. Any liability for the contractually-required contribution outstanding at the end of the year is included as an accrued liability. The remainder of this note includes the required pension disclosures. See Note 11 for the required OPEB disclosures.

Ohio Public Employees Retirement System (OPERS) – Pension Plans

Plan Description – College employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Cuyahoga Community College
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Years Ended June 30, 2023 and 2022

While members (e.g. College employees) may elect the Member-Directed Plan, substantially all College employee members are in either the OPERS' Traditional Plan or Combined Plans with only 3.2 percent of the College's employee/employer contributions in the 2022 measurement period directed to the Member-Directed Plan. In the previous 2021 measurement period, 3.1 percent of the College's employee/employer contributions were directed to OPERS' Member-Directed Plan. Members in this plan are required to contribute 10 percent to the pension plan whereas the employer's 14 percent contribution is allocated between pensions and health care at 10 percent and 4 percent of covered payroll respectively. The net assets of this plan exceed the expected actuarial liability and would not increase the College's liability.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. The key components resulting from SB 343 to OPERS' pension plan changes included the following:

- Age and service requirements for retirement increased in all groups.
- Final average salary (FAS) calculation increased to five years from three years.
- Calculation used to determine the benefit amount for service retirement was modified.
- COLA is based on the annual percentage change in the Consumer Price Index with a 3 percent cap.
- Calculation used to determine early retirement benefit is determined by OPERS' actuary.

The **Traditional Pension Plan** is a defined benefit plan in which a member's retirement benefits are calculated on a formula that considers years of service and final average salary (FAS). Pension benefits are funded by both member and employer contributions and investment earnings on those contributions.

Under SB 343, members of the various OPERS' pension plans were categorized into three groups with varying provisions of the law applicable to each group. Retirement benefits are specific to each group and members must meet the eligibility requirements based on their age and years of service within the group. The table on the following page provides age and service requirements for retirement and the retirement formula applied to final average salary for the three-member groups under the traditional plan. Final average salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Cuyahoga Community College
 Cuyahoga County, Ohio
 Notes to the Basic Financial Statements
 For the Fiscal Years Ended June 30, 2023 and 2022

OPERS – The service benefit formula for the Traditional Plan, is presented by group in the table below.

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months or service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Law Enforcement	Law Enforcement	Law Enforcement
Age and Service Requirements: Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for the service years in excess of 25	Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for the service years in excess of 25	Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for the service years in excess of 25

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a traditional plan benefit recipient has received benefits for 12 months, current law provides for an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment of the defined benefit portion of their pension benefit. For those retiring prior to January 7, 2013, current law provides for a 3 percent COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, current law provides that the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent. Cost-of-living adjustments for members in 2023 will be 3 percent for all those eligible to receive the annual benefit increase.

Additionally, a death benefit of \$500-\$2,500, determined by the number of years of service credit of the retiree, is paid to the beneficiary of a deceased retiree or disability benefit recipient under the Traditional Plan.

Cuyahoga Community College
 Cuyahoga County, Ohio
 Notes to the Basic Financial Statements
 For the Fiscal Years Ended June 30, 2023 and 2022

The **Combined Plan** is a defined benefit plan with elements of a defined contribution plan. Members earn a formula benefit similar to, but at a factor less than the Traditional Pension Plan benefit. This defined benefit is funded by employer contributions and associated investment earnings. Member contributions are deposited into a defined contribution account in which the member self-directs the investment. Upon retirement, the member may choose a defined contribution distribution that is equal to the member's contributions to the plan and investment earnings (or losses). Members may also elect to use their defined contribution account balances to purchase a defined benefit annuity administered by OPERS.

Benefits in the Combined Plan consist of both an age-and-service formula benefit (the defined benefit element) and a defined contribution element. Eligibility regarding age and years of service in the Combined Plan is the same as the Traditional Pension Plan.

Additionally, a death benefit of \$500-\$2,500, determined by the number of years of service credit of the retiree, is paid to the beneficiary of a deceased retiree or disability benefit recipient under the Combined Plan. Employees that fall under the Law Enforcement category are not eligible for this plan.

The below table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three-member groups under the Combined Pension Plan (see OPERS ACFR referenced above for additional information). The 2022 service formula used to compute the benefit remained unchanged from 2021.

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months or service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 1.0% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Formula: 1.0% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Formula: 1.0% of FAS multiplied by years of service for the first 35 years and 1.2% for service years in excess of 35

Cuyahoga Community College
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Years Ended June 30, 2023 and 2022

The **Member-Directed Plan** is a defined contribution plan in which members self-direct the investment of both member and employer contributions. The distribution upon retirement is equal to the sum of member and vested employer contributions plus investment earnings (or losses). Employer contributions and associated investment earnings vest over a five-year period at a rate of 20 percent per year. Members may also elect to use their defined contribution account balances to purchase a defined benefit annuity administered by OPERS.

Defined Contribution Plan benefits are established in the plan documents, which may be amended by the OPERS Board. Both Member-Directed plan and Combined Plan members who have met the eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the Combined Plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined Plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-Directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the Member-Directed Plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the purchase of a monthly defined benefit annuity from OPERS (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these.

Funding Policy applicable to Traditional, Combined and Member-Directed plans: The Ohio Revised Code provides statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 14.0 percent of covered payroll for state and local employer units and 18.1 percent of covered payroll for public safety and law enforcement employer units. Member contribution rates, as set forth in the Ohio Revised Code, are not to exceed 10.0 percent of covered payroll for members in the state and local classifications. The Ohio Revised Code authorizes OPERS to calculate employee contribution rates for public safety employees and limits the law enforcement rate to the public safety rate plus an additional percent not to exceed 2.0 percent. Members in state and local classifications contributed 10.0 percent of covered payroll while law enforcement members contributed 13.0 percent.

Cuyahoga Community College
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Years Ended June 30, 2023 and 2022

The College's contribution rate remained at 14.0 percent, except for those plan members in law enforcement for whom the College's contribution rate was 18.1 percent of covered payroll. The portion of employer contributions used to fund pension benefits is net of postemployment health care benefits. For the Traditional and Combined plans, the portion of the employer's contribution allocated to health care was 0.0 percent for calendar years 2020 and 2021. In calendar year 2022, for six months a percentage of the combined plan was allocated to health care. Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

Beginning in 2022, the Combined Plan will be consolidated under the Traditional Pension Plan (defined benefit plan) and the Combined Plan option will no longer be available for new hires beginning in 2022. This component was implemented effective January 1, 2022.

College employees in the OPERS plan fall under State and Local or Law Enforcement categories. Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The College's contractually required contribution for the Traditional Plan net of postemployment health care benefits, for fiscal year 2023 and 2022 was \$8,702,360 and \$8,121,862 respectively. The contractually required contribution for the Combined Plan net of postemployment health care benefits for fiscal year 2023 and 2022 was \$217,616 and \$266,161, respectively.

Actuarial Assumptions – OPERS

Though service benefit formulas differ by OPERS' plans as indicated in the previous tables, assumptions with respect to determining actuarial liabilities and deferred outflows and deferred inflows are constant across plans with the exception of service lives of the pooled members.

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification 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. The active member population which consists of members in the Traditional and Combined Plans is assumed to remain constant. For purposes of financing the unfunded actuarial accrued liabilities, total payroll is assumed to grow at the wage inflation rate indicated on the subsequent page.

Cuyahoga Community College
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Years Ended June 30, 2023 and 2022

The total pension liability actuarial valuations, for the fiscal years presented in these financial statements, reflect the actual valuation as of the measurement periods December 31, 2022 and December 31, 2021 and were determined using the actuarial assumptions that follow and as applied to all periods included in the measurement, in accordance with the requirements of GASB 67.

Key Methods and Assumptions Used in Valuation of Total Pension Liability - 2022 Measurement

Actuarial Information	Traditional Plan	Combined Plan
Valuation Date	December 31, 2022	December 31, 2022
Experience Study	5-year period ended December 31, 2020	5-year period ended December 31, 2020
Actuarial Cost Method	Individual Entry Age	Individual Entry Age
Actuarial Assumptions:		
Investment Rate of Return	6.90%	6.90%
Wage Inflation	2.75%	2.75%
Projected Salary Increase	2.75 - 10.75% (includes 2.75% wage inflation)	2.75 – 8.25% (includes 2.75% wage inflation)
COLA or Ad Hoc COLA:		
Pre-Jan 7, 2013 Retirees	3.00% Simple	3.00% Simple
Post Jan 7, 2013 Retirees	3.00% Simple through 2023 then 2.05% Simple	3.00% Simple through 2023 then 2.05% Simple

In the prior fiscal year, the total pension liability actuarial valuations for the measurement period of December 31, 2021 were determined using the actuarial assumptions that follow and as applied to all periods included in the measurement.

Key Methods and Assumptions Used in Valuation of Total Pension Liability - 2021 Measurement

Actuarial Information	Traditional Plan	Combined Plan
Valuation Date	December 31, 2021	December 31, 2021
Experience Study	5-year period ended December 31, 2020	5-year period ended December 31, 2020
Actuarial Cost Method	Individual Entry Age	Individual Entry Age
Actuarial Assumptions:		
Investment Rate of Return	6.90%	6.90%
Wage Inflation	2.75%	2.75%
Projected Salary Increase	2.75 - 10.75% (includes 2.75% wage inflation)	2.75 – 8.25% (includes 2.75% wage inflation)
COLA or Ad Hoc COLA:		
Pre-Jan 7, 2013 Retirees	3.00% Simple	3.00% Simple
Post Jan 7, 2013 Retirees	3.00% Simple through 2022 then 2.05% Simple	3.00% Simple through 2022 then 2.05% Simple

OPERS conducts an experience study every five years in accordance with Ohio Revised Code Section 145.22. The study for the five-year period ended December 31, 2020 and methods and assumptions were approved and adopted by the OPERS Board of Trustees.

Cuyahoga Community College
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Years Ended June 30, 2023 and 2022

Changes from prior measurement – The key methods and assumptions used in valuation of total pension liability remained consistent in measurement year 2022 from 2021.

Mortality Rates – For fiscal years 2023 and 2022, pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

Investment assumptions - The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans.

The long-term rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

During 2022, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a loss of 12.1 percent for 2022.

Previously in 2021, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. The money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for changing amounts actually invested for the Defined Benefit portfolio was 15.3 percent for 2021.

Cuyahoga Community College
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Years Ended June 30, 2023 and 2022

Asset allocation and expected returns were unchanged from the prior year assumptions. The table below displays the Board-approved asset allocation policy for measurement years 2022 and 2021, and the long-term expected real rates of return.

Asset Class	2022 Target Allocation	2022 Weighted Average Long- Term Expected Real Rate of Return (Arithmetic)	2021 Target Allocation	2021 Weighted Average Long- Term Expected Real Rate of Return (Arithmetic)
Fixed Income	22.0%	2.62%	24.0%	1.03%
Domestic Equities	22.0%	4.60%	21.0%	3.78%
Real Estate	13.0%	3.27%	11.0%	3.66%
Private Equity	15.0%	7.53%	12.0%	7.43%
International Equities	21.0%	5.51%	23.0%	4.88%
Risk Parity	2.0%	4.37%	5.0%	2.92%
Other Investments	5.0%	3.27%	4.0%	2.85%
Total	<u>100.0%</u>		<u>100.0%</u>	

Discount Rate – For 2022 and 2021, the discount rate used to measure the total pension liability was 6.9 percent for the traditional plan and the combined plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the traditional pension plan, combined plan and member-directed plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the College’s Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate – The following table presents the College’s proportionate share of the net pension liability calculated using the current period discount rate assumption of 6.9 percent as of June 30, 2023 and June 30, 2022, 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 discount rate:

College’s proportionate share of Net Pension Liability/(Asset) – Public Employees Retirement	1% Decrease 5.9%	Discount Rate 6.9%	1 % Increase 7.9%
Traditional Plan at June 30, 2023	\$169,695,210	\$113,283,705	\$66,359,456
Combined Plan at June 30, 2023	(\$420,343)	(\$805,452)	(\$1,110,662)
College’s proportionate share of Net Pension Liability/(Asset) – Public Employees Retirement	1% Decrease 5.9%	Discount Rate 6.9%	1 % Increase 7.9%
Traditional Plan at June 30, 2022	\$90,366,126	\$34,274,461	(\$12,401,263)
Combined Plan at June 30, 2022	(\$1,198,326)	(\$1,605,943)	(\$1,923,844)

Cuyahoga Community College
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Years Ended June 30, 2023 and 2022

Alternative Retirement Plan – Eligible non-faculty employees of Ohio’s public colleges and universities may choose to enroll in either OPERS or an alternative retirement plan (ARP) offered by the College. Employees have 120 days from their date of hire to select a retirement plan. For employees who select an ARP, employers were required to remit employer mitigating contributions to OPERS at a rate of 2.24 percent of payroll for the calendar year 2022, and at a rate of 2.44 percent of payroll for the calendar years 2021 and 2020. Additional information on ARP plans follows later in this note.

State Teachers Retirement System (STRS) – Pension Plans

Plan Description – STRS Ohio is a statewide retirement plan for licensed teachers and other faculty members employed in the public schools of Ohio or any school, college, university, institution or other agency controlled, managed and supported in whole or part, by the State or any political subdivision thereof. The College’s faculty participate in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement plan administered by STRS. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about STRS’ fiduciary net position. That report may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio website at www.strsoh.org.

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

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. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 28 years of service, or 30 years of service regardless of age. Eligibility changes will be phased in until August 1, 2023, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and 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. Investment allocation decisions are determined by the member. 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.

Cuyahoga Community College
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Years Ended June 30, 2023 and 2022

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

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. Eligible survivors of members who die before service retirement may qualify for monthly benefits. New members on or after July 1, 2013, must have at least ten years of qualifying service credit to apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. 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.

A death benefit of \$1,000 is payable to the beneficiary of each deceased retired member who participated in the DB Plan. Death benefit coverage up to \$2,000 can be purchased by participants in the DB, DC or Combined Plans.

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For the fiscal years ended June 30, 2023 and June 30, 2022 the employer rate was 14 percent and the plan members were also required to contribute 14 percent of covered salary. The fiscal year 2023 and 2022 contribution rates were equivalent to the statutory maximum rates.

The College's contractually required contributions to State Teachers Retirement System for the fiscal years ended June 30, 2023 and June 30, 2022 were \$7,806,560 and \$7,913,090 respectively.

Cuyahoga Community College
 Cuyahoga County, Ohio
 Notes to the Basic Financial Statements
 For the Fiscal Years Ended June 30, 2023 and 2022

Actuarial Assumptions – STRS

Key actuarial assumptions used in the June 30, 2023 and 2022 valuations were based on prior year measurement dates of June 30, 2022 and 2021, respectively. The actuarial valuations were determined using the actuarial assumptions presented below, applied to all periods included in the measurement.

Key Methods and Assumptions Used in Valuation of Total Pension Liability

Valuation date	June 30, 2022	June 30, 2021
Inflation	2.50%	2.50%
Projected Salary Increases	Varies by service from 2.50% to 8.50%	12.50% at age 20 to 2.50% at age 65
Investment Rate of Return	7.00% net of investment expenses including inflation	7.00% net of investment expenses including inflation
Payroll Increases	3.00%	3.00%
Cost of Living Adjustment (COLA)	0.00% effective July 1, 2017	0.00% effective July 1, 2017

Changes from prior measurement – Projected salary increases changed to varies by service from 2.50 percent to 8.50 percent in 2022 from 2.50 percent at age 65 to 12.50 percent at age 20 in 2021.

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

For 2021, post-retirement mortality rates 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. Postretirement 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 June 30, 2022 valuations are based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

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

Cuyahoga Community College
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Years Ended June 30, 2023 and 2022

Investment Assumptions - Pension and postemployment health care assets are commingled for investment purposes. Consequently, amounts reported for individual asset classes are allocated between pension and postemployment health care based upon ending net position.

STRS' investment consultant develops best estimates for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of returns for each major asset class is for measurement years 2022 and 2021 are summarized in the following tables.

Asset Class	2022 Target Allocation	2022 Long Term Expected Rate of Return *	2021 Target Allocation	2021 Long Term Expected Rate of Return *
Domestic Equity	26%	6.60%	28%	7.35%
International Equity	22%	6.80%	23%	7.55%
Alternatives	19%	7.38%	17%	7.09%
Fixed Income	22%	1.75%	21%	3.00%
Real Estate	10%	5.75%	10%	6.00%
Liquidity Reserves	1%	1.00%	1%	2.25%
Total	100%		100%	

* For the 2022 and 2021 measurement dates, the long-term expected rate of return was based on the 10-year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent and does not include investment expenses. Over a 30-year period, STRS Ohio's 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 pension liability was 7.00 percent for June 30, 2022 and June 30, 2021 measurement periods included in the pension liability and related deferred inflow and outflow calculations. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates each in accordance with 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. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS Ohio's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2022 and June 30, 2021 measurement periods. Therefore, the long-term expected rate of return on pension plan investments of 7.00 percent was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2022 and June 30, 2021.

Cuyahoga Community College
 Cuyahoga County, Ohio
 Notes to the Basic Financial Statements
 For the Fiscal Years Ended June 30, 2023 and 2022

Sensitivity of the College’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The table below presents the College’s proportionate share of the net pension liability as of the June 30, 2022 and June 30, 2021 measurement dates, calculated using the current period discount rate assumptions of 7.00, respectively, and determining the College’s proportionate share of the net pension liability if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate.

College’s proportionate share of Net Pension Liability– State Teachers Retirement at June 30, 2023 (2022 measurement)	1% Decrease 6.0%	Discount Rate 7.0%	1 % Increase 8.0%
	\$145,501,186	\$96,317,836	\$54,723,949
College’s proportionate share of Net Pension Liability– State Teachers Retirement at June 30, 2022 (2021 measurement)	1% Decrease 6.0%	Discount Rate 7.0%	1 % Increase 8.0%
	\$106,952,862	\$57,113,848	\$14,999,989

Alternative Retirement Plan – Eligible faculty of Ohio’s public colleges and universities may choose to enroll in either STRS Ohio or an alternative retirement plan (ARP) offered by their employer. Employees have 120 days from their date of hire to select a retirement plan. For employees who select an ARP, employers are required to remit employer contributions to STRS Ohio at a rate of 2.91 percent of payroll in fiscal year 2023 and a rate of 4.47 percent in fiscal year 2022.

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

The College’s proportionate share of net pension liability (asset) at June 30, 2023 was measured as of December 31, 2022 for OPERS and June 30, 2022 for STRS. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of those dates. The College’s proportion of the net pension liability was based on the College’s share of contributions to the pension plan relative to the contributions of all participating entities. Subsequent payments made during the current fiscal year are accounted for as deferred outflows. Where previously we presented year to year comparison of changes in pension liabilities and pension expense by plan, the following table reflects the proportionate share of pension expense for the current and prior years for all plans and thus the College, in total. The related deferred outflows and deferred inflows of resources associated with the pension liability/asset are presented on the following pages.

Cuyahoga Community College
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Years Ended June 30, 2023 and 2022

2023 Net Pension Assets & Liabilities	OPERS	OPERS	STRS	
	Traditional	Combined		
Proportion of Net Pension Asset / Liability prior measurement date	0.393941%	0.407594%	0.446694%	
Proportion of Net Pension Asset / Liability current measurement date	0.383492%	0.341742%	0.433276%	
Change in Proportionate Share	(0.010449%)	(0.065852%)	(0.013418%)	Total
Proportionate Share of Net Pension Asset	\$0	\$805,452	\$0	\$805,452
Proportionate Share of Net Pension Liability	\$113,283,705	\$0	\$96,317,836	\$209,601,541
Pension Expense (Reduction of Expense)	\$5,569,314	\$92,659	\$6,709,448	\$12,371,421

For comparative purposes, the 2022 net pension liability for OPERS and STRS plans for the prior year, based on December 31, 2021 for OPERS and June 30, 2021 for STRS measurement dates, follows.

2022 Net Pension Assets & Liabilities	OPERS	OPERS	STRS	
	Traditional	Combined		
Proportion of Net Pension Asset / Liability prior measurement date	0.439321%	0.433778%	0.503185%	
Proportion of Net Pension Asset / Liability current measurement date	0.393941%	0.407594%	0.446694%	
Change in Proportionate Share	(0.045380%)	(0.026184%)	(0.056491%)	Total
Proportionate Share of Net Pension Asset	\$0	\$1,605,943	\$0	\$1,605,943
Proportionate Share of Net Pension Liability	\$34,274,461	\$0	\$57,113,848	\$91,388,309
Pension Expense (Reduction of Expense)	(\$17,944,510)	(\$150,522)	(\$4,662,525)	(\$22,757,557)

Deferred outflows and deferred inflows represent the effect of changes in the net pension liability due to the difference between projected and actual investment earnings, differences between expected experience and actual actuarial experience, change in assumptions and change in the employers' proportion of the collective net pension liability. Employer contributions to the pension plan subsequent to the measurement date are reported as a deferred outflow of resources.

2023 Deferred Outflows of Resources	OPERS	OPERS	STRS	Total
	Traditional	Combined		
Differences between expected and actual experience	\$3,762,809	\$49,519	\$1,232,992	\$5,045,320
College contributions subsequent to measurement date	4,398,021	108,913	7,806,560	12,313,494
Change in assumptions	1,196,762	53,324	11,526,351	12,776,437
Difference between projected and actual earnings on pension plan investments	32,289,415	293,540	3,351,650	35,934,605
Differences in employer contributions and change in proportionate share	0	234,138	0	234,138
Total Deferred Outflow of Resources	\$41,647,007	\$739,434	\$23,917,553	\$66,303,994

Cuyahoga Community College
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Years Ended June 30, 2023 and 2022

	OPERS Traditional	OPERS Combined	STRS	Total
2023 Deferred Inflow of Resources				
Differences between expected and actual experience	\$0	\$115,088	\$368,447	\$483,535
Change in assumptions	0	0	8,676,029	8,676,029
Differences in employer contributions and change in proportionate share	2,726,913	2,875	10,978,412	13,708,200
Total Deferred Inflow of Resources	<u>\$2,726,913</u>	<u>\$117,963</u>	<u>\$20,022,888</u>	<u>\$22,867,764</u>

Deferred outflows of \$12,313,494 represents 2023 College contributions subsequent to the 2022 measurement dates. These contributions will be recognized as a reduction of the net pension liability or an increase to the net pension asset in the fiscal year ending June 30, 2024.

Similarly, the College reported deferred outflow and inflow of resources related to pensions for the fiscal year ended June 30, 2021 as presented in the following table.

	OPERS Traditional	OPERS Combined	STRS	Total
2022 Deferred Outflows of Resources				
Differences between expected and actual experience	\$1,747,262	\$9,963	\$1,764,545	\$3,521,770
College contributions subsequent to measurement date	4,108,830	160,847	7,913,090	12,182,767
Change in assumptions	4,285,986	80,701	15,844,404	20,211,091
Differences in employer contributions and change in proportionate share	0	80,865	0	80,865
Total Deferred Outflow of Resources	<u>\$10,142,078</u>	<u>\$332,376</u>	<u>\$25,522,039</u>	<u>\$35,996,493</u>

	OPERS Traditional	OPERS Combined	STRS	Total
2022 Deferred Inflow of Resources				
Differences between expected and actual experience	\$751,723	\$179,619	\$357,987	\$1,289,329
Differences in employer contributions and change in proportionate share	7,539,988	3,742	12,349,282	19,893,012
Difference between projected and actual earnings on pension plan investments	40,768,224	344,289	49,221,205	90,333,718
Total Deferred Inflow of Resources	<u>\$49,059,935</u>	<u>\$527,650</u>	<u>\$61,928,474</u>	<u>\$111,516,059</u>

Deferred outflows of \$12,182,767 represented 2022 College contributions subsequent to the 2021 measurement dates. These contributions were recognized as a reduction of the net pension liability or an increase to the net pension asset in the fiscal year ending June 30, 2023.

Aside from subsequent contributions, other amounts reported as deferred outflow of resources and deferred inflow of resources, including change in proportionate share, difference between expected and actual experience, changes in assumptions, and difference in projected versus actual earnings on pensions investments are amortized as pension expense over subsequent periods. The table presented on the subsequent page presents the current year unamortized balances of deferred outflows/inflows and the periods over which they will be expensed.

Cuyahoga Community College
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Years Ended June 30, 2023 and 2022

Amortization of Deferred Outflow/(Inflow)				
	OPERS	OPERS		
	Traditional	Combined	STRS	Total
2024	\$2,017,176	\$46,595	(\$3,668,839)	(\$1,605,068)
2025	7,182,943	88,570	(4,054,276)	3,217,237
2026	9,504,347	108,698	(5,956,972)	3,656,073
2027	15,817,607	160,634	9,768,192	25,746,433
2028	0	33,028	0	33,028
2029-2031	0	75,033	0	75,033
	\$34,522,073	\$512,558	(\$3,911,895)	\$31,122,736

Alternative Retirement Plan

Plan Description – An Alternative Retirement Plan (ARP) is a defined contribution pension plan, under IRS Section 401(a), and established by Ohio Amended Substitute House Bill 586 (ORC 3305.02) on March 31, 1998, for public institutions of higher learning. The College’s Board of Trustees adopted the ARP on February 5, 1999. The Alternative Retirement Plan offered by the College as an alternative to OPERS or STRS plans was amended, restated and became effective on January 1, 2016. The purpose of the restatement was to clarify the definition of a “full-time employee” and to clarify vesting rights for employees who are employed pursuant to the American Association of University Professors who became eligible to participate on and after January 1, 2017.

Full-time administrative and professional staff are eligible to choose a provider, in lieu of STRS and OPERS, from the list of six providers currently approved by the Ohio Department of Insurance and who hold agreements with the College. New employees who qualify for the ARP have 120 days from date of hire to make an irrevocable election to participate in the ARP. For employees who elected participation in ARP, employee contributions to STRS and OPERS were transferred from those plans and invested in individual accounts established with one of the six providers. Employee and employer contributions equal to those required by OPERS and STRS are required for the ARP, less any amounts required to be remitted to the State retirement system in which the employee would otherwise have been enrolled.

The ARP does not provide disability benefits, annual cost-of-living adjustments, post-retirement health care benefits or death benefits to plan members and beneficiaries. Benefits are entirely dependent on the sum of contributions and investment returns earned by each participant’s choice of investment options. The College plan provides 100 percent plan vesting after one year of service. Participants may elect to receive distributions of their vested account as an annuity, a lump-sum distribution, or an installment distribution to the extent permitted under the annuity contract at retirement. If a participant terminates service, the entire amount of the vested account shall be either distributed to the participant by the provider or rolled over by the participant within the time specified by the plan. Amounts allocated to a participant’s account shall be invested in annuity contracts for participants provided by the participant’s selected provider.

Cuyahoga Community College
 Cuyahoga County, Ohio
 Notes to the Basic Financial Statements
 For the Fiscal Years Ended June 30, 2023 and 2022

Funding Policy under STRS and OPERS plans: The Ohio Revised Code provides statutory authority for member and employer contributions. Under this plan, employees who would have otherwise been required to participate in STRS or OPERS, and who elect to participate in the ARP, must contribute the employee’s share of retirement contributions to one of six private providers approved by the Ohio Department of Insurance. The legislation mandates that the employer must contribute an amount to the specific state retirement system to which the employee would have otherwise belonged, based on an independent actuarial study commissioned by the Ohio Retirement Study Council and submitted to the Ohio Department of Higher Education. The mitigating portions directed to the STRS plan was 2.91 and 4.47 percent for fiscal years 2023 and 2022. The OPERS mitigating rates for 2023 and 2022 were 2.24 and 2.44 percent. The employer also contributes what would have been the employer’s contribution (14 percent contribution less the mitigating rates indicated above) under STRS or OPERS to the private provider selected by the participating employee.

Statutory contribution rates for employees for the current and preceding two fiscal years follow:

Employee Contribution Rates						
Period	STRS		OPERS		OPERS Law Enforcement	
	Traditional	ARP	Traditional & Combined	ARP	Traditional	ARP
	7/1/22-6/30/23	14.00%	14.00%	10.00%	10.00%	13.00%
7/1/21-6/30/22	14.00%	14.00%	10.00%	10.00%	13.00%	13.00%
7/1/20-6/30/21	14.00%	14.00%	10.00%	10.00%	13.00%	13.00%

The statutory rates for employer contributions for the current and preceding two fiscal years follows:

Employer Contribution Rates								
Period	STRS			OPERS			OPERS Law Enforcement	
	Traditional	ARP		Traditional & Combined	ARP		Traditional	ARP
		STRS	ARP		OPERS	ARP		
7/1/22-6/30/23	14.00%	2.91%	11.09%	14.00%	2.24%	11.76%	18.10%	18.10%
7/1/21-6/30/22	14.00%	4.47%	9.53%	14.00%	2.44%	11.56%	18.10%	18.10%
7/1/20-6/30/21	14.00%	4.47%	9.53%	14.00%	2.44%	11.56%	18.10%	18.10%

The College’s required contributions for pension obligations to the Alternative Retirement Plans for the fiscal years ended June 30, 2023 and 2022 were \$1,110,784 and \$1,086,856 respectively. These same amounts are recorded as pension expense in their respective years. The College has contributed 100 percent of the annual required contributions for all years. Contributions by plan members for the fiscal years ended June 30, 2023 and 2022 were \$929,677 and \$909,480 respectively.

Note 11 – Defined Benefit, Postemployment Benefits Other Than Pensions

The College has three specific plans that qualify as OPEB according to guidelines presented within GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The three plans include OPERS, STRS and the College Retiree Death Benefit plan.

Ohio Public Employees Retirement System

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit postemployment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). Upon termination or retirement, member-directed plan participants can use vested RMA funds for reimbursement of qualified medical expenses.

Beginning 2016 for Medicare retirees enrolled in Medicare A and B, and beginning 2022 for non-Medicare retirees, eligible Traditional Pension Plan and Combined Plan retirees were able to participate in the OPERS Connector (Connector). The Connector, a vendor selected by OPERS, assists eligible retirees in the evaluation, selection and purchase of a health care plan on the open market. Eligible retirees may receive a monthly allowance in their health reimbursement arrangement (HRA) account that can be used to reimburse eligible health care expenses. Member-Directed Plan members also have access to the Connector vendor.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Postemployment Benefit (OPEB) as described in GASB Statement 75. See OPERS' ACFR referenced below for additional information.

Cuyahoga Community College
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Years Ended June 30, 2023 and 2022

The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In fiscal year 2023, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2018 decreased to 0 percent for both plans. Effective July 1, 2022 through December 31, 2022, OPERS allocated 2 percent of the employer contribution rate to health care funding for the Combined Plan. From January 1, 2023 to June 30, 2023 the rate decreased to 0 percent again. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2022 was 4.0 percent.

The College's contributions allocated to fund postemployment health care benefits for the fiscal year ended June 30, 2022 was \$102,600. Fiscal year 2023 contributions allocated to health care was \$113,719. The full amounts required by law were contributed for all fiscal years.

Net OPEB Liability (Asset) - The net OPEB liability for OPERS was determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. The College's proportion of the net OPEB liability was based on the College's share of contributions to the respective retirement systems relative to the contributions of all participating entities.

OPEB Expense - Changes in actuarial valuation of the net OPEB liability, changes in deferred outflows and deferred inflows, subsequent plan contributions and amortization of changes in proportionate share from year to year may have either a positive or negative effect to the College's recognition of OPEB expense for the period.

Cuyahoga Community College
 Cuyahoga County, Ohio
 Notes to the Basic Financial Statements
 For the Fiscal Years Ended June 30, 2023 and 2022

Deferred Outflows and Deferred Inflows - Deferred outflows and deferred inflows represent the effect of changes in the net OPEB liability due to the difference between projected and actual investment earnings, differences between expected and actual actuarial experience, changes in assumptions, changes in plan design and changes in the employers' proportion of the collective net OPEB liability. The deferred outflows and deferred inflows are to be included in OPEB expense over current and future periods. The difference between projected and actual investment earnings is recognized in OPEB expense using a straight-line method over five years beginning in the current year. Deferred outflows and deferred inflows resulting from changes in sources other than differences between projected and actual investment earnings are amortized over 2.6059 years in 2023 and 2.5246 years in 2022, using a straight-line method which represents the average expected remaining service lives of all members (both active and inactive). Employer contributions to the OPEB plan subsequent to the measurement date are required to be reported as a deferred outflow of resources.

Actuarial Assumptions - Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification 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 and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022.

The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

	Assumptions	
	December 31, 2021	December 31, 2020
Valuation date	December 31, 2021	December 31, 2020
Projected salary increases	2.75 % to 10.75% (includes 2.75% wage inflation)	2.75 % to 10.75% (includes 2.75% wage inflation)
Projected payroll/active member increase	2.75% per year	2.75% per year
Investment rate of return	6.00%	6.00%
Municipal bond rate	4.05%	1.84%
Single discount rate of return	5.22%	6.00%
Healthcare cost trend	initial 5.50% to 3.50% ultimate in 2036	initial 5.50% to 3.50% ultimate in 2034

Cuyahoga Community College
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Years Ended June 30, 2023 and 2022

Fiscal year 2023 actuarial valuations are as of December 31, 2021 rolled-forward to December 31, 2022, and the actuarial valuations for fiscal year 2022 are as of December 31, 2020 rolled-forward to December 31, 2021. The assumptions used in the valuation are based on the results of an actuarial experience study for the five-year period ended December 31, 2020 for fiscal years 2023 and 2022.

Mortality rates - Pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

Investment Return Assumptions – The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

During 2022, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a loss of 15.6 percent for 2022 and a return of 14.3 percent for 2021.

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit.

Cuyahoga Community College
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Years Ended June 30, 2023 and 2022

The table below displays the System’s Board-approved asset allocation policy and the long-term expected rate of return for each major asset class.

Asset Class	2022 Target Allocation	2022 Weighted Average Long- Term Expected Real Rate of Return (Arithmetic)	2021 Target Allocation	2021 Weighted Average Long- Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34%	2.56%	34%	0.91%
Domestic Equities	26%	4.60%	25%	3.78%
Real Estate Investments	7%	4.70%	7%	3.71%
International Equities	25%	5.51%	25%	4.88%
Risk Parity	2%	4.37%	2%	2.92%
Other Investments	6%	1.84%	7%	1.93%
Total	100%		100%	

* Building block method whereby best-estimate ranges of expected future returns are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

Discount rate – A single discount rate of 5.22 percent was used to measure the OPEB asset on the measurement date of December 31, 2022. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 4.05 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be met at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through the year 2054. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2054, and the municipal bond rate was applied to all health care costs after that date.

Cuyahoga Community College
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Years Ended June 30, 2023 and 2022

Sensitivity of the College’s Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate

The following table presents the College’s proportionate share of the net OPEB asset calculated using the single discount rate of 5.22 percent at June 30, 2023 and 6.00 percent at June 30, 2022, and the expected net OPEB asset if it were calculated using a discount rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

College’s proportionate share of net OPEB Liability/(Asset)	1% Decrease	Discount Rate	1 % Increase
at June 30, 2023 (2022 measurement)	4.22% \$8,217,313	5.22% \$2,414,339	6.22% (\$2,374,061)
College’s proportionate share of net OPEB Liability/(Asset)	1% Decrease	Discount Rate	1 % Increase
at June 30, 2022 (2021 measurement)	5.00% (\$7,274,795)	6.00% (\$12,370,126)	7.00% (\$16,599,328)

Sensitivity of the College’s Proportionate Share of the Net OPEB Asset to Changes in the Health Care Cost Trend Rate

Changes in the health care cost trend rate may also have a significant impact on the net OPEB asset. The following table presents the net OPEB asset calculated using the assumed trend rates, and the expected net OPEB asset if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2023 is 5.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries’ project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

College’s proportionate share of net OPEB Liability/(Asset)	1% Decrease	Trend Rate	1 % Increase
at June 30, 2023 (2022 measurement)	\$2,263,016	\$2,414,339	\$2,584,663
College’s proportionate share of net OPEB Liability/(Asset)	1% Decrease	Trend Rate	1 % Increase
at June 30, 2022 (2021 measurement)	(\$12,503,800)	(\$12,370,126)	(\$12,211,545)

Cuyahoga Community College
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Years Ended June 30, 2023 and 2022

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. Medicare Part B partial premium reimbursements will be continued indefinitely. The Plan is included in the report of STRS which can be obtained by visiting <http://www.strsoh.org> or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for postemployment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal years ended June 30, 2023 and June 30, 2022, STRS did not allocate any employer contributions to postemployment health care.

Net OPEB Liability (Asset) – The net OPEB asset was measured as of June 30, 2022 and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of that date. The College's proportion of the net OPEB asset was based on the College's share of contributions to the respective retirement systems relative to the contributions of all participating entities.

OPEB Expense - Changes in actuarial valuation of the net OPEB asset, changes in deferred outflows and deferred inflows, subsequent plan contributions and amortization of changes in proportionate share from year to year may have either a positive or negative effect to the College's recognition of OPEB expense for the period.

Cuyahoga Community College
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Years Ended June 30, 2023 and 2022

Deferred Outflows and Deferred Inflows - Deferred outflows and deferred inflows represent the effect of changes in the net OPEB asset due to the difference between projected and actual investment earnings, differences between expected and actual actuarial experience, changes in assumptions, changes in plan design and changes in the employers' proportion of the collective net OPEB asset. The deferred outflows and deferred inflows are to be included in OPEB expense over current and future periods. The difference between projected and actual investment earnings is recognized in OPEB expense using a straight-line method over a five-year period beginning in the current year. Deferred outflows and deferred inflows resulting from changes in sources other than differences between projected and actual investment earnings are amortized over an eight-year period using a straight-line method which represents the average expected remaining service lives of all members (both active and inactive). Employer contributions to the OPEB plan subsequent to the measurement date are reported as a deferred outflow of resources and are recognized as a reduction of the net OPEB liability or an increase of the net OPEB asset.

Actuarial Assumptions - Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2022 and June 30, 2021, actuarial valuations are presented below:

	Assumptions	
Valuation date	June 30, 2022	June 30, 2021
Inflation	2.25%	2.25%
Projected Salary Increases	Varies by service from 2.50% to 8.50%	12.50% at age 20 to 2.50% at age 65
Projected Payroll/Active Member Increase	3.00%	3.00%
Investment Rate of Return	7.00% net of investment expenses including inflation	7.00% net of investment expenses including inflation
Discount Rate of Return	7.00%	7.00%
Healthcare Cost Trends		
Medical		
Pre-Medicare	7.50% initial, 3.94% ultimate	5.00% initial, 4.00% ultimate
Medicare	-68.78% initial, 3.94% ultimate	-16.18% initial, 4.00% ultimate
Prescription Drug		
Pre-Medicare	9.00% initial, 3.94% ultimate	6.50% initial, 4.00% ultimate
Medicare	-5.47% initial, 3.94% ultimate	29.98% initial, 4.00% ultimate
Cost of Living Adjustments (COLA)	0.0% effective July 1, 2017	0.0% effective July 1, 2017

Projections of benefits include the historical pattern of sharing benefit costs between the employers and retired plan members. Actuarial assumptions used in the June 30, 2022, valuations are based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2021. Actuarial assumptions used in the June 30, 2021, valuations were based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

Cuyahoga Community College
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Years Ended June 30, 2023 and 2022

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

In 2021, 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.

Investment Return Assumptions - 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 the same as the asset allocation and long-term expected rate of return as the STRS pension plan, see Note 10, Net Pension Liabilities.

The annual money weighted rate of return expressing investment performance, net of investment expenses and adjusted for changing amounts actually invested in the health care portfolio was (3.6) percent for 2022 and 29.2 percent for 2021.

Discount Rate - The discount rate used to measure the total OPEB asset was 7.00 percent as of June 30, 2022 and 2021. The projection of cash flows used to determine the discount rate assumes STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be sufficient to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on health care plan investments of 7.00 percent was used to measure the total OPEB liability as of June 30, 2022 and 2021.

Cuyahoga Community College
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Years Ended June 30, 2023 and 2022

Sensitivity of the College's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount and Health Care Cost Trend Rate

The following table represents the College's proportionate share of the plan's net OPEB asset as of the measurement periods, June 30, 2022 and June 30, 2021, calculated using the period discount rate assumption, as well as what the net OPEB asset would be if it were calculated using a discount rate that is 1.0 percent lower or 1.0 percent higher than the current assumption.

College's proportionate share of net OPEB Liability/(Asset)	1% Decrease 6.0%	Discount Rate 7.0%	1 % Increase 8.0%
at June 30, 2023 (2022 measurement)	(\$10,371,635)	(\$11,218,963)	(\$11,944,769)
College's proportionate share of net OPEB Liability/(Asset)	1% Decrease 6.0%	Discount Rate 7.0%	1 % Increase 8.0%
at June 30, 2022 (2021 measurement)	(\$7,947,487)	(\$9,418,182)	(\$10,646,720)

Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are 1.0 percent lower or 1.0 percent than the current health care cost trend rates.

College's proportionate share of net OPEB Liability/(Asset)	1% Decrease	Trend Rate	1 % Increase
at June 30, 2023 (2022 measurement)	(\$11,636,792)	(\$11,218,963)	(\$10,691,553)
College's proportionate share of net OPEB Liability/(Asset)	1% Decrease	Trend Rate	1 % Increase
at June 30, 2022 (2021 measurement)	(\$10,596,941)	(\$9,418,182)	(\$7,960,530)

Assumption Changes Since the Prior Measurement Date

The discount rate remained unchanged at 7.00 percent for the June 30, 2022 and 2021 valuations. Salary increase rates were updated based on the actuarial experience study for the period July 1, 2015 through June 30, 2021 and were changed from age based to service based. Healthcare trends were updated to reflect emerging claims and recoveries experience.

Changes between Measurement Date and Report Date

The non-Medicare subsidy percentage was increased effective January 1, 2023 from 2.100 percent to 2.200 percent. The non-Medicare frozen subsidy base premium was increased effective January 1, 2023.

Cuyahoga Community College
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Years Ended June 30, 2023 and 2022

OPEB - College Retiree Death Benefits

Plan Description - The College offers death benefits to eligible retirees as its only postemployment benefit aside from pension and health benefits available through a self-insured, single-employer defined benefit plan administered by the College. The plan was first established in July 1993 and has been amended several times. The last amendment to the plan was effective July 1, 2014. The College's retiree death benefit plan meets the definition of other postemployment benefit (OPEB) as described in GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

The single-employer plan is administered by the College and does not issue a stand-alone financial report. There are no employee contributions made into this plan and the College is funding the plan with a pay-as-you-go methodology whereby the College recognizes a liability in its financial statements, but currently does not set aside assets or provide related fiduciary responsibilities with respect to plan funding.

Eligibility - An employee's beneficiary qualifies for this benefit only if the employee was a full-time employee for at least five years immediately prior to retirement from the College.

Plan benefits - The benefit to be paid to retiree's beneficiary is \$2,000 for non-AFSCME employees and \$5,000 for AFSCME employees unless the AFSCME employee has a minimum of 35 sick leave days accumulated at retirement in which case the benefit to be paid is \$7,500. Benefits are not based on covered payroll as only the retiree's beneficiary is entitled to this benefit.

Employees covered by the benefit terms at the measurement dates, April 30, 2023 and April 30, 2022, were as follows:

	<u>2023</u>	<u>2022</u>
Retirees	882	873
Active employees, not yet eligible	1,282	1,284

Funding policy - The College is self-insured for retiree death benefits and utilizes a pay-as-you-go methodology in managing this retiree benefit. Though benefits are part of contractual agreements for AFSCME employees, there are no contractually required contributions. No specific assets to fund the actuarially determined liability are established but instead distributions are funded out of current operations upon notification and verification of eligibility.

Payment - Benefits are provided to the beneficiary of eligible retired employees upon notification of the retiree's death in a single sum.

Plan termination - The College and its Board of Trustees are empowered to amend or terminate the Plan through Board action and without prior notice.

Cuyahoga Community College
 Cuyahoga County, Ohio
 Notes to the Basic Financial Statements
 For the Fiscal Years Ended June 30, 2023 and 2022

Net OPEB Liability, OPEB Expense - College Retiree Death Benefits

As the plan is not a multi-employer plan, the College’s liability is the total present value of future benefits as calculated by the actuary.

As mentioned previously, the College is funding the plan with a pay-as-you-go methodology whereby the College recognizes a liability in its financial statements, but currently does not set aside assets or provide related fiduciary responsibilities with respect to plan funding. For the fiscal years ending June 30, 2023 and 2022 the College recorded liabilities of \$1,431,000 and \$1,370,000, which included \$85,000 and \$74,000 expected to be due within one year, respectively.

The liability associated with the College Retiree Death Benefits increased for the current fiscal year by \$61,000 compared to a \$467,000 decrease in fiscal year 2022.

Deferred Outflows and Inflows - College Retiree Death Benefits

The College does not set aside specific assets to fund this OPEB. Changes in expected versus actual claim activity are recorded in the period when incurred and do not result in deferred inflows.

The key actuarial assumptions used in the June 30, 2023 and June 30, 2022 valuations were based on measurement dates of April 30 in the designated years

Actuarial Assumptions – College Retiree Death Benefits

	2023	2022
Valuation date	April 30, 2023	April 30, 2022
Funding method	Entry Age	Entry Age
Amortization period	10 Years	10 Years
Discount rate	5.50%	5.50%
Investment rate of return	5.50%	5.50%
Expected average turnover rate	5.50%	5.50%
Mortality table	Pub-2010 Public Retirement Plans Mortality Tables	Pub-2010 Public Retirement Plans Mortality Tables

Cuyahoga Community College
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Years Ended June 30, 2023 and 2022

Changes in the Retiree Death Benefit Plan

	2023	2022
Service Cost	\$22,000	\$81,000
Interest on Net OPEB	12,000	29,000
Changes in Expected vs Actual Experience and Funding Estimates	49,000	(559,000)
Annual OPEB Cost	83,000	(449,000)
Benefit Payments	(22,000)	(18,000)
Net Change in OPEB Liability	61,000	(467,000)
Beginning Balance, OPEB Retiree Death Benefit Liability	1,370,000	1,837,000
Ending Balance, OPEB Retiree Death Benefit Liability	\$1,431,000	\$1,370,000

Sensitivity of the College's Retiree Death Benefits to Change in Discount Rate

	1% Decrease 4.50%	Discount Rate 5.50%	1 % Increase 6.50%
College's OPEB liability for retiree death benefits June 30, 2023	\$1,610,000	\$1,431,000	\$1,284,000
	1% Decrease 4.50%	Discount Rate 5.50%	1 % Increase 6.50%
College's OPEB liability for retiree death benefits June 30, 2022	\$1,547,000	\$1,370,000	\$1,225,000

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation. The assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Amounts determined regarding the funded status of the plan and recommended contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. There is no minimum required contribution and the plan benefits can be amended or terminated through action by the College's Board of Trustees without prior notice. There are no assets specifically reserved for the funding of this benefit but an accrued liability has been established for the present value of retiree death benefits. The College has not credited interest to the assets of the retiree life insurance program which may result in actuarial losses due to 0.0 percent interest return versus the 5.5 percent assumptions. This actuarial loss has been offset by actuarial gains due to actual (fewer) versus expected retiree life insurance claims.

Cuyahoga Community College
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Years Ended June 30, 2023 and 2022

OPEB Liabilities, Deferred Outflows, Deferred Inflows and OPEB Expense – OPERS, STRS and College Retiree Death Benefit Plans:

At June 30, 2023 and June 30, 2022, the College reported its proportionate share of net OPEB liabilities and OPEB expense from OPERS, STRS and the College’s OPEB plans as displayed in the subsequent tables:

	<u>OPERS *</u>	<u>STRS*</u>	<u>College*</u>	
Proportion of Net OPEB Liability/ Asset prior measurement date	0.394940%	0.446694%	100.00%	
Proportion of Net OPEB Liability/ Asset current measurement date	<u>0.382913%</u>	<u>0.433276%</u>	<u>100.00%</u>	
Change in Proportionate Share	(0.012027%)	(0.013418%)	0.00%	<u>Total</u>
Proportionate Share of Net OPEB Asset	<u>\$0</u>	<u>\$11,218,963</u>	<u>\$0</u>	<u>\$11,218,963</u>
Proportionate Share of Net OPEB Liability	<u>\$2,414,339</u>	<u>\$0</u>	<u>\$1,431,000</u>	<u>\$3,845,339</u>
OPEB Expense (Reduction of Expense)	<u>(\$6,132,127)</u>	<u>(\$2,185,323)</u>	<u>\$83,000</u>	<u>(\$8,234,450)</u>

**OPERS based on December 31, 2022 measurement*
STRS based on June 30, 2022 measurement
College based on April 30, 2023 measurement

	<u>OPERS *</u>	<u>STRS*</u>	<u>College*</u>	
Proportion of Net OPEB Liability/ Asset prior measurement date	0.438622%	0.503185%	100.00%	
Proportion of Net OPEB Liability/ Asset current measurement date	<u>0.394940%</u>	<u>0.446694%</u>	<u>100.00%</u>	
Change in Proportionate Share	(0.043682%)	(0.056491%)	0.00%	<u>Total</u>
Proportionate Share of Net OPEB Asset	<u>\$12,370,126</u>	<u>\$9,418,182</u>	<u>\$0</u>	<u>\$21,788,308</u>
Proportionate Share of Net OPEB Liability	<u>\$0</u>	<u>\$0</u>	<u>\$1,370,000</u>	<u>\$1,370,000</u>
OPEB Expense (Reduction of Expense)	<u>(\$13,637,009)</u>	<u>(\$823,062)</u>	<u>(\$449,000)</u>	<u>(\$14,909,071)</u>

**OPERS based on December 31, 2021 measurement*
STRS based on June 30, 2021 measurement
College based on April 30, 2022 measurement

Cuyahoga Community College
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Years Ended June 30, 2023 and 2022

The College reported deferred outflow and inflow of resources related to OPEB for the fiscal years ended June 30, 2023 and June 30, 2022 as presented in the following tables:

2023 Deferred Outflows of Resources	<u>OPERS*</u>	<u>STRS*</u>	<u>College*</u>	<u>Total</u>
Differences between expected and actual experience	\$0	\$162,637	\$0	\$162,637
Change in assumptions	2,358,141	477,890	0	2,836,031
Difference between projected and actual earnings on pension plan investments	4,794,964	195,295	0	4,990,259
Differences in employer contributions and change in proportionate share	0	10,523	0	10,523
College contributions subsequent to measurement date	<u>67,617</u>	<u>0</u>	<u>2,000</u>	<u>69,617</u>
Total Deferred Outflow of Resources	<u>\$7,220,722</u>	<u>\$846,345</u>	<u>\$2,000</u>	<u>\$8,069,067</u>
2023 Deferred Inflow of Resources	<u>OPERS*</u>	<u>STRS*</u>	<u>College*</u>	<u>Total</u>
Differences between expected and actual experience	\$602,232	\$1,684,873	\$0	\$2,287,105
Change in assumptions	194,036	7,955,323	0	8,149,359
Differences in employer contributions and change in proportionate share	<u>260,784</u>	<u>287,638</u>	<u>0</u>	<u>548,422</u>
Total Deferred Inflow of Resources	<u>\$1,057,052</u>	<u>\$9,927,834</u>	<u>\$0</u>	<u>\$10,984,886</u>

**OPERS based on December 31, 2022 measurement*

STRS based on June 30, 2022 measurement

College based on April 30, 2023 measurement

Deferred outflows of \$69,617 represents 2023 College contributions subsequent to the measurement dates. These contributions will be recognized as a reduction of the net OPEB liability or an increase to the net OPEB asset in the fiscal year ending June 30, 2024.

Cuyahoga Community College
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Years Ended June 30, 2023 and 2022

2022 Deferred Outflows of Resources	OPERS*	STRS*	College*	Total
Differences between expected and actual experience	\$0	\$335,353	\$0	\$335,353
Change in assumptions	0	601,594	0	601,594
College contributions subsequent to measurement date	45,222	0	4,000	49,222
Total Deferred Outflow of Resources	\$45,222	\$936,947	\$4,000	\$986,169

2022 Deferred Inflow of Resources	OPERS*	STRS*	College*	Total
Differences between expected and actual experience	\$1,876,361	\$1,725,579	\$0	\$3,601,940
Change in assumptions	5,007,287	5,618,630	0	10,625,917
Difference between projected and actual earnings on pension plan investments	5,897,204	2,610,556	0	8,507,760
Differences in employer contributions and change in proportionate share	2,084,909	448,213	0	2,533,122
Total Deferred Inflow of Resources	\$14,865,761	\$10,402,978	\$0	\$25,268,739

*OPERS based on December 31, 2021 measurement
STRS based on June 30, 2021 measurement
College based on April 30, 2022 measurement

Deferred outflows of \$49,222 represents 2022 College contributions subsequent to the measurement dates. These contributions will be recognized as a reduction of the net OPEB liability or an increase to the net OPEB asset in the fiscal year ending June 30, 2023.

Amounts reported as deferred outflow of resources and deferred inflow of resources, including change in proportionate share, difference between expected and actual experience, changes in assumptions and difference in projected versus actual earnings on investments are amortized as OPEB expense over subsequent periods. The unamortized portion of deferred outflows and deferred inflows are presented below.

	Amortization of Deferred Outflow/(Inflow)			
	OPERS	STRS	College	Total
2024	\$533,979	(\$2,736,761)	\$0	(\$2,202,782)
2025	1,750,485	(2,642,739)	0	(892,254)
2026	1,495,225	(1,211,954)	0	283,271
2027	2,316,364	(506,223)	0	1,810,141
2028	0	(658,890)	0	(658,890)
2029-2030	0	(1,324,922)	0	(1,324,922)
	\$6,096,053	(\$9,081,489)	\$0	(\$2,985,436)

Cuyahoga Community College
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Years Ended June 30, 2023 and 2022

Note 12 – Long-Term Obligations

On March 1, 2018, the College issued \$227,500,000 Facilities Construction and Improvement Bonds, Series 2018. The bonds are voted general obligation debt of the College and the full faith and credit of the College are irrevocably pledged for the prompt payment of the principal of and interest on the bonds when due. Principal and interest, unless paid from other sources, are to be paid from the proceeds of the College's levy of ad valorem property taxes, which taxes are without limitation as to amount or rate.

The bonds are unlimited tax general obligation bonds issued for the purpose of paying all or a part of the costs of campus-wide acquisition, construction, renovations and equipping of facilities for the College's programs to provide training and education of northeast Ohio's workforce, repaying moneys previously borrowed, advanced or granted and expended for such purpose and repaying costs of issuance of the bonds. Taxes on the general obligation bond are unlimited as to rate and amount, to the extent necessary to pay the anticipated debt service on the bonds as they become due and to the extent that such debt service on the bonds is not paid from other sources.

Such taxes must first be expended for the purpose of paying the anticipated debt service on the bonds (together with costs of issuing the bonds) and since taxes are unlimited as to rate or amount, the rate of millage actually levied in each year while the bonds are outstanding will be such as determined to be necessary by the County Fiscal Officer to produce the amount necessary to pay debt service on the bonds due in that year, giving consideration the College's assessed valuation and previous tax collection experience. See note below on *2018 Unlimited Tax, General Obligation Bond* for additional details.

Other long-term obligations include financed purchases, claims and other liabilities, leases, and liabilities associated with employee benefit plans that include pension liabilities, other postemployment benefit (OPEB) liabilities, and sick, vacation and compensatory time liabilities referred to as compensated absences. The net pension and net OPEB liability reflects the College's proportionate share of the multi-employer plans managed by the State of Ohio and not necessarily the obligations created by State ordinance as the College pays 100 percent of its legal requirement.

The overall debt margin of the College as of June 30, 2023 was \$2,953,984,000 with an unvoted debt margin of \$35,069,000, compared to an overall debt margin of \$2,923,824,000 and unvoted debt margin of \$34,806,000 in fiscal year 2022.

General Receipts pledged to the security and payment of the bonds include all the receipts of the College, except monies raised by taxation and State appropriations. For fiscal year 2023, these revenues totaled \$44,786,899 while the debt service requirements totaled \$10,585,825, providing a coverage ratio of 4.2 compared to a coverage ratio of 4.0 in fiscal year 2022.

Cuyahoga Community College
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Years Ended June 30, 2023 and 2022

Long-term obligations of the College for fiscal year ended June 30, 2023 are presented below.

	Restated Outstanding June 30, 2022	Additions	Deductions	Outstanding June 30, 2023	Amount Due in One Year
General Receipt Bonds					
2012 Series D Bonds	\$510,000	\$0	(\$510,000)	\$0	\$0
Premium on Bonds	0	0	0	0	0
Total Series D Bonds	<u>510,000</u>	<u>0</u>	<u>(510,000)</u>	<u>0</u>	<u>0</u>
2016 Series E Bonds	54,330,000	0	(6,860,000)	47,470,000	7,135,000
Premium on Bonds	5,272,355	0	(800,864)	4,471,491	0
Total Series E Bonds	<u>59,602,355</u>	<u>0</u>	<u>(7,660,864)</u>	<u>51,941,491</u>	<u>7,135,000</u>
2022 Series F Bonds**	13,665,000	0	(815,000)	12,850,000	1,220,000
<i>Total General Receipt Bonds</i>	<u>73,777,355</u>	<u>0</u>	<u>(8,985,864)</u>	<u>64,791,491</u>	<u>8,355,000</u>
General Obligation Bonds					
2018 Unlimited Tax General Obligation Bond	195,825,000	0	(5,845,000)	189,980,000	6,140,000
Premium on Bonds	12,851,367	0	(629,455)	12,221,912	0
<i>Total General Obligation Bonds</i>	<u>208,676,367</u>	<u>0</u>	<u>(6,474,455)</u>	<u>202,201,912</u>	<u>6,140,000</u>
Certificates of Participation					
2017 Certificates of Participation	1,775,000	0	(878,000)	897,000	897,000
2019 Certificates of Participation*	1,372,000	0	(184,000)	1,188,000	188,000
<i>Total Certificates of Participation</i>	<u>3,147,000</u>	<u>0</u>	<u>(1,062,000)</u>	<u>2,085,000</u>	<u>1,085,000</u>
Pension and Postemployment Liabilities					
Net Pension Liability	91,388,309	118,213,232	0	209,601,541	0
Net Other Postemployment Benefits	1,370,000	2,475,339	0	3,845,339	85,000
<i>Total Postemployment Liabilities</i>	<u>92,758,309</u>	<u>120,688,571</u>	<u>0</u>	<u>213,446,880</u>	<u>85,000</u>
Other Long-Term Obligations					
Subscriptions	4,810,598	136,127	(2,176,270)	2,770,455	1,548,223
Leases	15,000,980	0	(2,494,138)	12,506,842	2,546,007
Subscription & Lease Liabilities	<u>19,811,578</u>	<u>136,127</u>	<u>(4,670,408)</u>	<u>15,277,297</u>	<u>4,094,230</u>
Financed Purchases	5,794,545	3,000,000	(2,130,952)	6,663,593	1,875,942
Compensated Absences	10,583,348	818,191	(764,177)	10,637,362	1,648,070
Claims and Other Liabilities	3,238,200	14,176,644	(13,769,411)	3,645,433	2,848,454
<i>Total Other Long-Term Obligations</i>	<u>39,427,671</u>	<u>18,130,962</u>	<u>(21,334,948)</u>	<u>36,223,685</u>	<u>10,466,696</u>
<i>Total Long-Term Liabilities</i>	<u>\$417,786,702</u>	<u>\$138,819,533</u>	<u>(\$37,857,267)</u>	<u>\$518,748,968</u>	<u>\$26,131,696</u>

*2019 Certificates of Participation is a direct placement

**2022 Series F Bonds is a direct placement

Cuyahoga Community College
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Years Ended June 30, 2023 and 2022

Prior year changes in long-term obligations of the College for fiscal year ended June 30, 2022 are presented in the table below:

	Restated Outstanding June 30, 2021	Additions	Deductions	Outstanding June 30, 2022	Amount Due in One Year
General Receipt Bonds					
2012 Series D Bonds	\$14,795,000	\$0	(\$14,285,000)	\$510,000	\$510,000
Premium on Bonds	1,491,124	0	(1,491,124)	0	0
Total Series D Bonds	<u>16,286,124</u>	<u>0</u>	<u>(15,776,124)</u>	<u>510,000</u>	<u>510,000</u>
2016 Series E Bonds	60,970,000	0	(6,640,000)	54,330,000	6,860,000
Premium on Bonds	6,073,220	0	(800,865)	5,272,355	0
Total Series E Bonds	<u>67,043,220</u>	<u>0</u>	<u>(7,440,865)</u>	<u>59,602,355</u>	<u>6,860,000</u>
2022 Series F Bonds**	0	13,665,000	0	13,665,000	815,000
Total General Receipt Bonds	<u>83,329,344</u>	<u>13,665,000</u>	<u>(23,216,989)</u>	<u>73,777,355</u>	<u>8,185,000</u>
General Obligation Bonds					
2018 Unlimited Tax General Obligation Bond	201,500,000	0	(5,675,000)	195,825,000	5,845,000
Premium on Bonds	13,480,822	0	(629,455)	12,851,367	0
Total General Obligation Bonds	<u>214,980,822</u>	<u>0</u>	<u>(6,304,455)</u>	<u>208,676,367</u>	<u>5,845,000</u>
Certificates of Participation					
2017 Certificates of Participation	2,636,000	0	(861,000)	1,775,000	878,000
2019 Certificates of Participation*	1,553,000	0	(181,000)	1,372,000	184,000
Total Certificates of Participation	<u>4,189,000</u>	<u>0</u>	<u>(1,042,000)</u>	<u>3,147,000</u>	<u>1,062,000</u>
Pension and Postemployment Liabilities					
Net Pension Liability	186,806,658	0	(95,418,349)	91,388,309	0
Net Other Postemployment Benefits	1,837,000	0	(467,000)	1,370,000	74,000
Total Postemployment Liabilities	<u>188,643,658</u>	<u>0</u>	<u>(95,885,349)</u>	<u>92,758,309</u>	<u>74,000</u>
Other Long-Term Obligations					
Subscriptions	4,609,626	2,358,452	(2,157,480)	4,810,598	2,128,364
Leases	17,421,603	0	(2,420,623)	15,000,980	2,488,361
Subscription & Lease Liabilities	<u>22,031,229</u>	<u>2,358,452</u>	<u>(4,578,103)</u>	<u>19,811,578</u>	<u>4,616,725</u>
Financed Purchases	5,646,067	2,000,000	(1,851,522)	5,794,545	2,024,069
Compensated Absences	11,570,414	769,004	(1,756,070)	10,583,348	1,611,416
Claims and Other Liabilities	2,605,899	12,451,134	(11,818,833)	3,238,200	2,615,509
Total Other Long-Term Obligations	<u>41,853,609</u>	<u>17,578,590</u>	<u>(20,004,528)</u>	<u>39,427,671</u>	<u>10,867,719</u>
Total Long-Term Liabilities	<u>\$532,996,433</u>	<u>\$31,243,590</u>	<u>(\$146,453,321)</u>	<u>\$417,786,702</u>	<u>\$26,033,719</u>

*2019 Certificates of Participation is a direct placement

**2022 Series F Bonds is a direct placement

Cuyahoga Community College
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Years Ended June 30, 2023 and 2022

2012 Series D General Receipts Refunding Bonds

On May 23, 2012, the College issued \$21,900,000 of Series D General Receipts Refunding Bonds to refund \$23,545,000 of 2002 Series A, General Receipts Bonds maturing on and after June 1, 2013. The bond issue was comprised of \$8,605,000 in serial bonds and \$13,295,000 in term bonds. Interest payments, at rates ranging from 2.0 to 5.0 percent, are payable on February 1 and August 1 of each year, until the principal amount is paid. On May 3, 2022, the Series D General Receipt Bonds were refunded with the issue of the Series F General Receipt Bonds. Payments related to Series D General Receipt Bonds were completed in fiscal year 2023.

2016 Series E General Receipts Refunding Bonds

On February 10, 2016, the College issued \$65,130,000 of Series E General Receipts Refunding Bonds to refund \$64,720,000 of 2009 Series C General Receipts Bonds maturing on and after February 1, 2021. The bond issue was comprised of all serial bonds with interest rates ranging from 1.35 to 5.0 percent. Interest payments are payable on February 1 and August 1 of each year, until the principal amount is paid. The bonds were issued for a thirteen-year period with a final maturity date of February 1, 2029.

On March 9, 2016, the net proceeds were placed in the Refunding Escrow Fund to be used to redeem the bonds being refunded. Accordingly, the refunded debt liability as of June 30, 2016 for those refunded bonds of \$64,720,000 was considered to be defeased and the liability for those bonds is not included in the financial statements. The bonds were called and fully repaid on February 1, 2020. The College in effect reduced its aggregate debt service payments by \$6.26 million over the next thirteen years and obtained an economic gain (difference between the present values of the old and new debt service payments discounted at the effective interest rate) of \$5.50 million.

Cuyahoga Community College
 Cuyahoga County, Ohio
 Notes to the Basic Financial Statements
 For the Fiscal Years Ended June 30, 2023 and 2022

2022 Series F General Receipts Refunding Bonds

On May 3, 2022, the College issued \$13,665,000 of Series F General Receipts Refunding Bonds to refund \$13,295,000 of 2012 Series D, General Receipts Refunding Bonds maturing on and after August 1, 2022. Interest payments are payable on February 1 and August 1 of each year, until the principal amount is paid. The term bonds were a direct placement with a bank at a fixed rate of 2.41 percent for a ten-year period with a final maturity date of August 1, 2032, with an optional redemption date by the College on August 1, 2027 for the principal amount redeemed plus interest accrued to the redemption date. In the event of default of payment, the bank may declare the principal outstanding due and payable in manner outlined within the agreement.

The net proceeds were placed in the Refunding Escrow Fund to be used to redeem the bonds being refunded on August 1, 2022. As a result, the refunded debt liability as of June 30, 2022 for those refunded bonds of \$13,295,000 is considered to be defeased and the liability for those bonds is not included in the financial statements. The College in effect reduced its aggregate debt service payments by \$1.85 million over the next ten years and obtained an economic gain (difference between the present values of the old and new debt service payments discounted at the effective interest rate) of \$1.63 million.

The principal and interest requirements to retire the general receipt bonds are presented below.

Not Related to Direct Placement:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$7,135,000	\$1,868,400	\$9,003,400
2025	7,425,000	1,580,100	9,005,100
2026	7,720,000	1,280,750	9,000,750
2027	8,060,000	948,650	9,008,650
2028	8,405,000	602,650	9,007,650
2029	8,725,000	284,875	9,009,875
	<u>\$47,470,000</u>	<u>\$6,565,425</u>	<u>\$54,035,425</u>

Related to Direct Placement:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$1,220,000	\$302,335	\$1,522,335
2025	1,250,000	272,812	1,522,812
2026	1,275,000	242,506	1,517,506
2027	1,310,000	211,598	1,521,598
2028	1,340,000	179,846	1,519,846
2029-2033	6,455,000	395,059	6,850,059
	<u>\$12,850,000</u>	<u>\$1,604,156</u>	<u>\$14,454,156</u>

Cuyahoga Community College
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Years Ended June 30, 2023 and 2022

General receipts pledged to the security and payments of these bonds include all the non-restricted receipts of the College, except moneys expressly excluded in the debt agreement. Significant categories excluded include State appropriations, property tax receipts, grants, gifts, and donations.

2009 Certificates of Participation, Refunding and 2017 Certificates of Participation

On July 16, 2009, the College issued \$10,575,000 of Certificates of Participation (the “Certificates”) for the purpose of the acquisition, construction, furnishing and equipping of the Brunswick Higher Education Center. The Certificates evidence proportionate interests in base rent to be paid by the College, under a lease agreement (the “Lease”) between the College, as lessee and the lessor. The Lease expired on June 30, 2010, but has an annual renewal option through June 30, 2029. The College has exercised this option. The College is required by the Lease to make lease payments (the “Base Rent”) and to pay amounts sufficient to perform its other obligations under the Lease. The Base Rent is an amount equal to the payments due on the Certificates. The payment of Base Rent and other amounts due under the Lease, and the renewal of the Lease, is subject to annual appropriation by the Board of Trustees and Treasurer of the College. The College presently intends to renew the Lease throughout the term of the Lease.

On March 1, 2017, the College issued \$5,245,000 in Certificates of Participation to refund \$4,915,000 of Series 2009 Certificates of Participation maturing on and after June 1, 2019 plus accrued interest. The outstanding balance on the non-refunded debt was retired in full as of June 30, 2018.

The net proceeds of \$5,183,927 were placed in the Refunding Escrow Fund to pay the Refunded Certificates upon June 1, 2018, the call date. As a result, the refunded liability at June 30, 2017 for the Certificates of \$4,915,000 par value (carrying value of \$4,907,239) was considered defeased and the liability for those bonds were not included in the financial statements. The College in effect, reduced its aggregate certificate payments by \$252,757 over the five years and obtained an economic gain of \$233,195 representing the difference between the present values of the old and new certificate payments discounted at the effective interest rate, but incurred an accounting loss of \$276,688 (difference between amount paid to bond escrow agent, the unamortized discount and the refunding amount). The new certificates have a coupon rate of 2.228 percent over the 7.5-year life.

2019 Certificates of Participation

On November 26, 2019, the College issued \$1,820,000 of Certificates of Participation (“the Certificates”) for the purpose of the acquisition of the property located at 3611 Center Road adjacent to the Brunswick Higher Education Center. The Certificates were a direct placement with a bank at a fixed rate of 2.018 percent per annum.

The Certificates may be redeemed in whole, but not in part, at 100 percent of the principal amount redeemed, plus interest accrued to the redemption date, plus amount calculated based on the Optional Redemption Formula set forth in Exhibit A of the agreement.

Cuyahoga Community College
 Cuyahoga County, Ohio
 Notes to the Basic Financial Statements
 For the Fiscal Years Ended June 30, 2023 and 2022

In the event that the lease is terminated because the College does not appropriate sufficient money to pay lease payments for any immediately succeeding renewal term, or there exists an “event of default” under the lease, the Certificates are subject to special redemption at any time for which the required notice can be given, in whole or in part, at a price equal to par plus accrued interest to the redemption date plus any premium, from any available funds.

The College is required to deliver to the bank annual audited financial statements within 30 days of being made available by the Ohio Auditor of State, and such other information as reasonably requested by the bank.

Principal and interest requirements to retire the remaining Certificates of Participation are as follows:

Not Related to Direct Placement:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$897,000	\$19,983	\$916,983
Total	<u>\$897,000</u>	<u>\$19,983</u>	<u>\$916,983</u>

Related to Direct Placement:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$188,000	\$23,974	\$211,974
2025	192,000	20,180	212,180
2026	196,000	16,305	212,305
2027	200,000	12,350	212,350
2028	204,000	8,314	212,314
2029	208,000	4,198	212,198
Total	<u>\$1,188,000</u>	<u>\$85,321</u>	<u>\$1,273,321</u>

2018 Unlimited Tax, General Obligation Bond

On March 1, 2018, the College issued \$227,500,000 Facilities Construction and Improvement Bonds, Series 2018. The bonds are voted general obligation debt of the College and the full faith and credit of the College are irrevocably pledged for the prompt payment of the principal and interest on the bonds when due. The bond issue was comprised of \$201,020,000 in serial bonds and \$26,480,000 in term bonds. Interest on the bonds is payable at rates that range from 2.5 percent to 5 percent, on June 1 and December 1 of each year beginning June 1, 2018. The serial bonds were issued for a twenty-three-year period with a final maturity date of December 1, 2040. The single term bond matures on December 1, 2042. The principal payment dates encompassing both the serial and term bonds range from December 1, 2018 through December 1, 2042, inclusive.

Cuyahoga Community College
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Years Ended June 30, 2023 and 2022

The bonds are subject to optional and mandatory redemption prior to stated maturity. The bonds maturing on or after December 1, 2026 through and including December 1, 2040 are subject to redemption at the option of the College, either in whole or in part, on any date on or after June 1, 2026. The bonds maturing on December 1, 2042 are subject to redemption at the option of the College, either in whole or in part, on any date on or after June 1, 2028. At June 30, 2023, the unspent bond proceeds were \$0 compared to \$14,530,338 at June 30, 2022.

The term bonds are subject to mandatory sinking fund redemption pursuant to the terms of the Bond Legislation. The mandatory redemption is to occur on December 1, 2041 and December 1, 2042 at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest as shown in the following table.

Maturity Date	Mandatory Redemption Date	Principal
December 1, 2042	December 1, 2041	\$12,980,000
	December 1, 2042	13,500,000

The following is a summary of the College's future debt service requirements to retire the General Obligation Bond debt.

Fiscal Year	Principal	Interest	Total
2024	\$6,140,000	\$7,809,875	\$13,949,875
2025	6,325,000	7,559,650	13,884,650
2026	6,640,000	7,235,525	13,875,525
2027	6,970,000	6,895,275	13,865,275
2028	7,320,000	6,538,025	13,858,025
2029-2033	42,210,000	27,074,050	69,284,050
2034-2038	51,575,000	17,570,575	69,145,575
2039-2043	62,800,000	6,214,288	69,014,288
Total	\$189,980,000	\$86,897,263	\$276,877,263

Financed Purchases – The College has entered into agreements to finance the purchase of certain building improvements and equipment which are considered capital assets.

The financed purchases agreements entered into by the College with the Bank contain conditions regarding collateral and events of default. These conditions include defining what constitutes collateral, default events and default remedies. Specific details and which conditions are applicable vary based on the individual agreement.

Collateral includes a security interest in the equipment and property, amounts held in escrow accounts, and insurance proceeds. Default events may include, but are not limited to, the failure by the College to make timely payments and the failure by the College to observe conditions contained in the agreements. In the event of a default, remedies of default may include, but are not limited to, the bank taking possession of the equipment or property, immediately calling due the remainder of payments due in the term, termination of the escrow agreement, and receipt of insurance proceeds in the case of loss or damage.

Cuyahoga Community College
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Years Ended June 30, 2023 and 2022

The original amounts capitalized for the financed purchases and the book values as of June 30, 2023 and June 30, 2022 are as follows:

<u>Capitalized Assets</u>	<u>2023</u>	<u>2022</u>
Equipment - Servers	\$1,965,168	\$1,431,643
Equipment – General	4,916,491	3,918,583
Subtotal of Assets	6,881,659	5,350,226
Less: Accumulated Depreciation	<u>(1,966,088)</u>	<u>(3,393,885)</u>
Current Book Value	<u>\$4,915,571</u>	<u>\$1,956,341</u>

The schedule of the future minimum payments required under the financed purchases and the present value of the minimum payments as of June 30, 2023 is presented below.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$1,875,942	\$161,249	\$2,037,191
2025	1,906,539	117,831	2,024,370
2026	1,208,886	77,398	1,286,284
2027	1,030,385	49,171	1,079,556
2028	641,841	22,359	664,200
Total	<u>\$6,663,593</u>	<u>\$428,008</u>	<u>\$7,091,601</u>

Note 13 – Leases & Subscriptions Liabilities

Lessee – The College has entered into lease agreements as a lessee for buildings, building improvements and equipment which are considered right-to-use assets. A description of the College’s leasing arrangements is as follows:

In April 2019, the College entered into an agreement to lease Collegewide copiers and printers from a third party. The lease agreement commenced on April 1, 2019 with a lease term of five years, expiring on March 31, 2024. The lessee has the right to renew this agreement for up to three additional one-year periods until March 31, 2027. The College makes monthly payments associated with this lease. College is reasonably certain that the renewals will continue to be exercised through all periods in the agreement.

In April 2019, the College entered into an agreement to lease printers and copiers for the Reprographics Center. The lease agreement commenced on April 1, 2019 with a lease term of five years, expiring on March 31, 2024. The lessee has the right to renew this agreement for up to three additional one-year periods until March 31, 2027. The College makes monthly payments associated with this lease. The College is reasonably certain that the renewals will continue to be exercised through all periods in the agreement.

Cuyahoga Community College
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Years Ended June 30, 2023 and 2022

In July 2009, the College entered into an agreement to lease real estate from a third party, consisting of approximately 25,154 square feet of rentable space. The lease term commenced on June 1, 2020 and expires on May 31, 2030. The lessee has an option to extend the term for one period of five years, ending May 31, 2035. The College makes monthly payments associated with this lease, which increases annually based on a schedule included in the lease agreement. The College is not yet reasonably certain that the renewals will continue to be exercised through all periods in the agreement.

In July 2009, the College entered into an agreement to lease up to one hundred parking spaces from a third party. The lease term commenced on June 1, 2020 and expires on May 31, 2030. The lessee has an option to extend the term for one period of five years, ending May 31, 2035. The College makes monthly payments associated with this lease. The College is not yet reasonably certain that the renewals will continue to be exercised through all periods in the agreement.

In October 2018, the College entered into a five-year lease-purchase agreement for equipment including workstations, monitors, phones, power supplies, and servers. The College makes an annual payment associated with this lease in October. The agreement contains a bargain purchase option, that the College is reasonably certain to exercise, therefore, the right-to-use assets are being amortized at the remaining useful life of the assets.

In March 2015, the College entered into a fifteen-year lease-purchase agreement for HB-7 Energy Efficiency building improvement. The College makes an annual payment associated with this lease in April. The agreement contains a bargain purchase option, that the College is reasonably certain to exercise, therefore, the right-to-use assets are being amortized at the remaining useful life of the assets.

Subscriptions – The College has entered into agreements as a lessee for subscription-based information technology arrangements (SBITAs) which are considered right-to-use assets. A description of the College’s leasing arrangements is as follows:

In May 2019, the College entered into a three-year subscription-based information technology arrangement. In June 2022, upon completion of year three, the College entered into a five-year renewal agreement through June 30, 2027. Invoices related to this agreement are paid annually.

In November 2021, the College entered into a three-year subscription-based information technology arrangement through February 16, 2025. Invoices related to this agreement are paid annually.

In February 2023, the College entered into a three-year subscription-based information technology arrangement through February 17, 2025. Invoices related to this agreement are paid annually. The vendor invoices separately for emails sent in excess of annual limit, which totaled \$3,134 in 2023 and \$80 in 2022. Due to the variable nature of the overage, this was not included in the measurement.

Cuyahoga Community College
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Years Ended June 30, 2023 and 2022

In June 2021, the College entered into a four-year subscription-based information technology arrangement through June 30, 2025. Invoices related to this agreement are paid annually.

In July 2020, the College entered into a three-year subscription-based information technology arrangement. In July 2023 upon completion of year three, the College entered into a three-year renewal agreement through August 9, 2026. Invoices related to this agreement are paid annually.

In September 2020, the College entered into a three-year subscription-based information technology arrangement. Invoices related to this agreement are paid annually. The College does not expect to renew this agreement after its expiration August 29, 2023.

In February 2020, the College entered into a five-year subscription-based information technology arrangement through June 30, 2025. Invoices related to this agreement are paid monthly. The vendor invoices separately for transactions in excess of monthly limit, which did not occur in 2023 or 2022. Due to the variable nature of the overage, this was not included in the measurement.

In September 2021, the College entered into a two-year subscription-based information technology arrangement through November 30, 2023. Invoices related to this agreement are paid annually.

In October 2020, the College entered into a three-year subscription-based information technology arrangement through November 30, 2023. Invoices related to this agreement are paid annually.

In June 2020, the College entered into a three-year subscription-based information technology arrangement through November 30, 2023. Invoices related to this agreement are paid annually.

In February 2019, the College entered into a four-year subscription-based information technology arrangement through November 30, 2023. Invoices related to this agreement are paid annually.

In November 2018, the College entered into a five-year subscription-based information technology arrangement through November 30, 2023. Invoices related to this agreement are paid annually.

In March 2021, the College entered into a three-year subscription-based information technology arrangement through June 30, 2024. Invoices related to this agreement are paid annually.

In March 2019, the College entered into a five-year subscription-based information technology arrangement through June 30, 2024. Invoices related to this agreement are paid annually.

In June 2022, the College entered into a two-year subscription-based information technology arrangement. In May 2023, upon completion of year two, the College entered into a two-year renewal agreement through May 4, 2025. Invoices related to this agreement are paid annually.

In January 2021, the College entered into a three-year subscription-based information technology arrangement through February 1, 2024. Invoices related to this agreement are paid monthly.

Cuyahoga Community College
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Years Ended June 30, 2023 and 2022

In July 2019, the College entered into a three-year subscription-based information technology arrangement. In July 2022, upon completion of year three, the College entered into a five-year renewal agreement through June 30, 2027. Invoices related to this agreement are paid annually.

In March 2022, the College entered into a three-year subscription-based information technology arrangement through March 28, 2025. Invoices related to this agreement are paid annually.

In February 2022, the College entered into a three-year subscription-based information technology arrangement through April 30, 2025. Invoices related to this agreement are paid annually.

In February 2022, the College entered into a three-year subscription-based information technology arrangement through February 13, 2025. Invoices related to this agreement are paid annually.

In December 2022, the College entered into a three-year subscription-based information technology arrangement through December 29, 2025. Invoices related to this agreement are paid annually.

In December 2022, the College entered into a three-year subscription-based information technology arrangement through April 25, 2027. Payment for this three-year period was made in advance, and was recorded as pre-paid expense in fiscal year 2023.

In June 2021, the College entered into a three-year subscription-based information technology arrangement through May 31, 2024. \$70,273 was paid in 2023 and 2022 for implementation costs. Invoices related to this agreement are paid quarterly. The vendor invoices as needed separately for usage in excess of limit, which totaled \$76,841 for 2023 and \$57,366 for 2022, were expensed in fiscal year 2023. Due to the variable nature of the overage, this was not included in the measurement.

Cuyahoga Community College
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Years Ended June 30, 2023 and 2022

The schedule of the future minimum payments required under leases and subscriptions and the present value of the minimum lease and subscription payments as of June 30, 2023 is presented below.

Leases:

Fiscal Year	Principal	Interest	Total
2024	\$2,546,007	\$194,002	\$2,740,009
2025	2,067,458	147,424	2,214,882
2026	2,111,217	117,520	2,228,737
2027	1,924,507	87,164	2,011,671
2028	1,269,745	62,972	1,332,717
2029-2030	2,587,908	59,555	2,647,463
Total	<u>\$12,506,842</u>	<u>\$668,637</u>	<u>\$13,175,479</u>

Subscriptions:

Fiscal Year	Principal	Interest	Total
2024	\$1,548,223	\$42,738	\$1,590,961
2025	682,318	16,689	699,007
2026	333,880	6,726	340,606
2027	206,034	2,664	208,698
Total	<u>\$2,770,455</u>	<u>\$68,817</u>	<u>\$2,839,272</u>

Leases & Subscriptions:

Fiscal Year	Principal	Interest	Total
2024	\$4,094,230	\$236,740	\$4,330,970
2025	2,749,776	164,113	2,913,889
2026	2,445,097	124,246	2,569,343
2027	2,130,541	89,828	2,220,369
2028	1,269,745	62,972	1,332,717
2029-2030	2,587,908	59,555	2,647,463
Total	<u>\$15,277,297</u>	<u>\$737,454</u>	<u>\$16,014,751</u>

Cuyahoga Community College
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Years Ended June 30, 2023 and 2022

Lessor – The College records lease receivables for agreements where the College is the lessor. These amounts represent the discounted future lease revenues, amortized using the interest method. For fiscal year 2023, the College recognized lease revenue of \$428,948 and interest revenue of \$18,503. For fiscal year 2022, the College recognized lease revenue of \$225,686 and interest revenue of \$10,036. The College’s leasing arrangements are as described in the following paragraphs.

In March 2005, the College entered into a lease agreement to lease tower and ground space to a third party. The lease contains a lease term of five years with a fixed monthly payment increased annually by three percent. The tenant has the right to extend the lease for five additional five-year terms until March 31, 2035. The College is reasonably certain that the renewals will continue to be exercised through all periods in the agreement.

In July 2017, the College entered into a lease agreement to lease space within the Corporate College West location which includes (1) one-story office building, (“Office Building A”), (1) three-story office building, (“Office Building B”), a connecting atrium between Office Building A and Office Building B, and a portion of the ground floor of Office Building A. The lease term is ten lease years from July 1, 2017 and ending on June 30, 2027, with the first monthly rental payment due August 1, 2017. The lease provides for two additional five-year renewals at the option of the tenant. The monthly payment will increase if the renewal options are exercised. The College is not yet reasonably certain that the renewals will be exercised through all periods in the agreement.

In July 2020, The College entered into a shared responsibility agreement which includes leased space located within its Manufacturing Technology Center. The initial lease term is two years, beginning July 1, 2020 and ending June 30, 2022. In October 2022, upon completion of year two, the College renewed the agreement for a two-year term. The renewal included a one-time payment of \$134,000 that was deferred to be recognized over the two-year term.

Note 14 – Other Employee Benefits

Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and Board approved policies as follows:

Vacation – Full-time non-bargaining administrator and professional employees are granted 20 days of vacation on July 1st of each fiscal year. All other full-time, non-bargaining employees earn vacation based upon length of service, up to 20 days annually. Bargaining unit full-time employees accrue vacation based on years of service as stated in their respective collective bargaining agreements. Faculty are not eligible for vacation days. Unused vacation time up to 45 days can be carried into the new fiscal year. Accumulated unused vacation is paid in full (up to 30 day carry over) to employees upon termination of employment or retirement. All part-time bargaining support staff, working at least 500 hours in the fiscal year, receive an annual vacation payout based on years of service and hours worked.

Sick – Full-time non-bargaining administrators and professionals are granted 15 sick days on July 1st of each fiscal year. All other full-time bargaining and non-bargaining employees accrue sick time monthly, up to 15 days per year. Faculty are granted 15 sick days at the beginning of each academic year. Sick time may be accumulated up to 180 days and carried into the new fiscal year. All non-bargaining employees and certain collectively bargained employees with at least 10 years of service will be paid for unused sick time, at one fourth of the accumulated amount, up to 45 days at retirement or 30 days at termination or resignation. Full-time bargaining College employees with at least 10 years of service will be paid for unused sick time, at one fourth of the accumulated amount, up to 45 days upon retirement.

Health Care Benefits

The College has elected to provide a comprehensive medical benefits package to full-time employees through either a self-insured plan (see Note 15) or fully-insured programs. This package provides a choice of comprehensive medical plans, prescription and dental plans. Benefit consulting services are provided to the College by Findley/USI, located in Cleveland, Ohio. The College maintains a specific stop-loss coverage per employee for medical benefits as follows: \$215,000 for the period of January 1 through December 31, 2023, 2022, and 2021. Employees share in the cost of their coverage by payroll deductions, which are netted against the claims cost. The liability for self-insured employee health care is included in Claims and Other Liabilities on the College Statement of Net Position. The College provides basic life insurance for its employees and offers employees the option to purchase additional life insurance coverage.

President Emeritus Death Benefit

The College offers retirees designated as President Emeritus under policy 3354:1-1108, basic life insurance as an afforded privilege as approved by the current serving College President provided they maintain in good standing the designation of President Emeritus. The benefit is a self-insured, single-employer program. Retirees obligated as of June 30, 2023 and 2022 were 2 and 1,

Cuyahoga Community College
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Years Ended June 30, 2023 and 2022

respectively. As management has deemed the amount of the potential liability to be immaterial to the financial statements, the College recognized the full amount of the liability and expense during the fiscal year of offering the benefit. Liabilities from President Emeritus Death Benefits were reported as Claims and Other Liabilities for \$350,000 and \$175,000 as of June 30, 2023 and 2022, respectively.

Note 15 – Risk Management

Property and Liability

The College is exposed to various risks of loss related to torts; theft of, damage to, and destruction of property; errors and omissions; injuries to third parties; automobile damage; and commercial crime. As a risk transfer technique, the College contracted with various insurance underwriters in fiscal year 2023 for specific types of insurance.

Insurance policies in place during fiscal year 2023 include those listed below.

Type of Coverage	Coverage	
Educators' Legal Liability (D&O)	\$5,000,000	Each Loss/ Each Policy Year
Fiduciary Liability	\$2,000,000	Each Occurrence/Aggregate
Commercial General Liability	\$1,000,000/\$2,000,000	Each Occurrence/Aggregate
Foreign Commercial Policy	\$1,000,000/\$2,000,000	Each Occurrence/Aggregate
Foreign Auto Liability Policy	\$1,000,000	Each Occurrence
Foreign Workers' Comp Policy	\$1,000,000	Each Accident
Excess Workers' Comp Policy	WC Statutory/EL \$1,000,000	Each Accident
Excess Liability	\$5,000,000	Each Occurrence
Commercial Property	\$500,000,000	Maximum Limit
Commercial Auto	\$1,000,000	Each Accident
Umbrella Liability Policy	\$25,000,000	Aggregate
Athletic Basic Policy	\$25,000	Per Claim
Athletic Catastrophic	\$5,000,000	Per Claim
Medical/Professional Liability	\$5,000,000	Aggregate
Commercial Crime	\$50,000-\$4,000,000	Per Claim
Cyber Liability Policy	\$3,000,000	Maximum Limit
Police Professional Liability	\$2,000,000	Each Occurrence/Aggregate

Self-Insurance

The College is self-insured for disability, workers' compensation, certain employee health care benefits and its retiree death benefit plan. Of the College's two health care plans, only the largest, based on participants, is self-insured. The employee's short-term disability benefit is self-insured as are any long-term disability claims which occurred prior to January 1, 2009. Since January 1, 2009, the long-term disability plan is fully insured.

On September 1, 2008, the College was approved for self-insured status by the Bureau of Workers' Compensation and began to administer its own workers' compensation program. Liabilities are reported when an employee injury has occurred, it is probable that a claim will be filed under the program, and the amount of the claim can be reasonably estimated. The College utilizes the services of a third-party administrator to review, process, and pay employee claims. The College

Cuyahoga Community College
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Years Ended June 30, 2023 and 2022

also maintains excess insurance coverage that will pay the portion of claims that exceed \$500,000 per occurrence for all employees.

Losses from asserted claims and from un-asserted claims identified under the College's incident reporting systems are accrued based on estimates that incorporate the College's past experience, actuarial reports which include the nature of each claim or incident, relevant trend factors and other considerations. The liabilities for estimated self-insured claims include estimates of ultimate costs for both reported claims and claims incurred but not reported. All claim liabilities are determined by either a third-party administrator or actuarial review based on the requirements of GASB Statement No. 30 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

Changes in the College's healthcare, workers' compensation and disability liabilities during fiscal years 2023, 2022 and 2021 based on claims, changes in estimates and claim payments follow. Details on retiree death benefits are presented in Note 11 along with other postemployment benefits.

	Health Care		
	<u>2023</u>	<u>2022</u>	<u>2021</u>
Liability at the beginning of year	\$2,296,778	\$1,979,611	\$1,935,364
Current year claims, net of changes in estimates	13,756,766	11,911,270	13,996,493
Claim payments	<u>(13,478,937)</u>	<u>(11,594,103)</u>	<u>(13,952,246)</u>
Liability at end of year	<u><u>\$2,574,607</u></u>	<u><u>\$2,296,778</u></u>	<u><u>\$1,979,611</u></u>
	Workers' Compensation		
	<u>2023</u>	<u>2022</u>	<u>2021</u>
Liability at the beginning of year	\$269,902	\$116,238	\$340,010
Current year claims, net of changes in estimates	135,536	301,971	(44,116)
Claim payments	<u>(187,364)</u>	<u>(148,307)</u>	<u>(179,656)</u>
Liability at end of year	<u><u>\$218,074</u></u>	<u><u>\$269,902</u></u>	<u><u>\$116,238</u></u>
	Disability		
	<u>2023</u>	<u>2022</u>	<u>2021</u>
Liability at the beginning of year	\$431,000	\$431,000	\$431,000
Current year claims, net of changes in estimates	103,110	76,423	100,860
Claim payments	<u>(103,110)</u>	<u>(76,423)</u>	<u>(100,860)</u>
Liability at end of year	<u><u>\$431,000</u></u>	<u><u>\$431,000</u></u>	<u><u>\$431,000</u></u>
Other claims and self-insured liabilities	<u>\$421,752</u>	<u>\$240,520</u>	<u>\$79,050</u>
Total self-insured liabilities other than OPEB	<u><u>\$3,645,433</u></u>	<u><u>\$3,238,200</u></u>	<u><u>\$2,605,899</u></u>
Current portion of self-insured liabilities	\$2,848,454	\$2,615,509	\$2,184,604

Cuyahoga Community College
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Years Ended June 30, 2023 and 2022

The College reports self-insured liabilities along with its other miscellaneous liabilities as Claims and Other Liabilities in its financial statements. Other miscellaneous liabilities include unclaimed funds, president emeritus death benefit, and self-insured professional liability totaling \$421,752, \$240,520 and \$79,050 as of June 30, 2023, 2022 and 2021 respectively.

Note 16 – Contingencies

Grants

The College received financial assistance from Federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the College. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the College at June 30, 2023.

Pollution Remediation

In accordance with GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, the College is required to recognize and disclose estimated costs for cleanup of pollution that the College may have an obligation to remediate. In its efforts to refurbish and expand its facilities, the College works proactively to identify and address any environmental remediation obligations in a timely manner. Currently, the College is not aware of any projects that would warrant recognizing any additional obligations.

Litigation

During the normal course of its operations, the College has been named as a defendant in certain legal actions and claims. The College management is of the opinion that the disposition of these legal actions and claims will not have a material adverse effect on the financial condition of the College. The College purchases commercial insurance to cover certain potential losses.

Asset Retirement Obligations

In accordance with GASB Statement No. 83, *Certain Asset Retirement Obligations*, the College is required to recognized and disclose estimated costs for legally enforceable obligations associated with the retirement of future capital assets. Currently, the College is not aware of any projects that would warrant recognizing any material liability related to these obligations.

Cuyahoga Community College
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Years Ended June 30, 2023 and 2022

Note 17 – Contractual Commitments

As of June 30, 2023, and 2022, the College had \$1,821,485 and \$2,526,015 in various contractual purchase commitments outstanding, respectively.

<u>Project</u>	Open Encumbrance at 6/30/2023
Master Planning	\$679,402
Campus and General Furniture and Equipment	468,144
Deferred Maintenance	449,599
Climate	116,951
Various projects under \$100,000	107,389
	<u>\$1,821,485</u>

Note 18 – Discretely Presented Component Unit

1. Description Of Organization

The Cuyahoga Community College Foundation (the “Foundation”) was incorporated in August 1973 as a tax-exempt, nonprofit corporation under Section 501(c)(3) of the Internal Revenue Code for the purpose of securing funding for scholarships and educational program development and enhancement for Cuyahoga Community College (the “College”). The Foundation is classified as a public charity under Code Section 170(b)(1)(A)(iv) and 509(a)(1) because of its relations with the College and is exempt from income taxes on activities related to its exempt purpose. The Foundation is a component unit of Cuyahoga Community College.

2. Summary of Significant Accounting Policies

Basis of Accounting and Financial Statement Presentation— The financial statements of the Foundation are prepared on the accrual basis of accounting. The accompanying financial statements of the Foundation present information regarding its net assets and activities in the following two categories:

Without Donor Restrictions - Net assets available for use in general operations and not subject to donor restrictions. This may include funds designated by the Board of Directors (the “Board”) for specific purposes.

With Donor Restrictions - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time and/or as used for donor specified purposes. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity and the income from such investments is available for general or specific use.

When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

The Foundation follows authoritative guidance issued by the Financial Accounting Standards Board (FASB) which established the Accounting Standards Codification (ASC) as the single source of authoritative accounting principles generally accepted in the United States of America.

Use of Estimates— The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. Summary of Significant Accounting Policies – Continued

Reclassification— Certain amounts in the prior year financial statements have been reclassified to conform to the current year presentation. This reclassification did not impact net asset totals.

Cash and Cash Equivalents— Cash and cash equivalents include cash in checking accounts, money market funds, and short-term investments with an original maturity of three months or less, excluding those within brokerage accounts intended for investment purposes. At times, deposits at financial institutions may exceed federally insured limits.

Investments— Investments of the funds – both with and without donor restrictions – are pooled for making investment transactions and are carried at fair value with any realized or unrealized gains and losses reported in the statement of activities. Interest and dividend income is allocated proportionally across endowed funds each month and is awarded according to the terms and conditions of the funds. For endowed funds, interest and dividend income and capital gains are restricted for the purposes of the related funds unless otherwise specified by the donor. Investment return – net on the statements of activities is comprised of any realized and unrealized gains and losses on investments and interest and dividend income net of any related investment fees.

Contributions Receivable— Contributions received, including unconditional promises to give, bequests, special gifts, and other donations are recognized as revenue by net asset class when received or by pledge when an unconditional pledge is made. All contributions and gifts are available for use without donor restrictions unless specifically restricted by the donor. Noncash bequests, gifts, and donations, if any, would be recorded at the fair value of the asset at the date of donation.

Unconditional promises are recognized at the estimated present value of the future cash flows, net of allowances. The Foundation provides for uncollectible pledges receivable using the allowance method. Promises made that are designated for future periods or restricted by the donor for specific purposes are reported as support with donor restrictions. Conditional promises are recorded when donor stipulations are substantially met. It is the Foundation's policy that an initial minimum balance of \$50,000 be required to establish an endowment fund. The policy allows for an annual review to determine if the accumulation of contributions and interest meet the minimum principal balance requirements.

Beneficial Interest in Remainder Unitrust— The Foundation is the beneficiary of a charitable remainder unitrust for which the Foundation is not the trustee. The Foundation recognizes the present value of the estimated future benefits to be received when the unitrust assets are distributed as an asset with changes in the estimated fair value recorded as change in the value of split-interest agreements.

Cuyahoga Community College
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Years Ended June 30, 2023 and 2022

2. Summary of Significant Accounting Policies – Continued

Special Events, Revenue Recognition — Special event revenue includes sponsorships and ticket sales. These revenues are a hybrid of contribution and exchange transactions. The contracts with sponsors include performance obligations related to name recognition and event entry, while ticket sales have one performance obligation, event entry. The exchange portion of the transaction is the fair value of benefits received by sponsor/ticket purchaser. The revenue allocated to the name recognition performance obligation qualifies for recognition over time, however, management has determined that the effect of recognizing such revenue at a point in time along with the revenue allocated to event entry results in no difference to revenue recognized. As a practical expedient, the Foundation may apply revenue recognition guidance to a portfolio of contracts with similar characteristics if the Foundation reasonably expects the effects on the financial statements of applying this guidance to the portfolio would not differ materially from applying this guidance to the individual contracts (or performance obligations) within that portfolio. The Foundation is taking the practical expedient approach with regard to the special event revenue, as all of the contracts are very similar.

The Foundation had exchange revenue related to special events that was recognized at a point in time of \$219,768 and \$171,762 for the years ended June 30, 2023, and 2022.

Receivables were \$147,007, \$273,765, and \$22,923 at June 30, 2023, 2022, and 2021, respectively. There were no material contract assets or liabilities at June 30, 2023, 2022, or 2021.

In-Kind Gifts— In-kind gifts, when received, are reflected as contributions in the accompanying financial statements at the estimated fair value as of the date of receipt. Such in-kind support is offset by like amounts in educational development, general and administrative, and fundraising expenses.

Program Services Expenses— All scholarships and other program services distributions are approved by the Board. Unconditional gifts to the College are recognized as educational development expense when approved. Gifts approved by the Board that are payable upon performance of specified conditions by the grantee (if any) are recognized in the statement of activities when the specified conditions are satisfied.

Annuities Payable— The Foundation is obligated under two charitable gift annuity contracts, whereby donors have contributed cash to the Foundation with the agreement that the donors shall be the sole recipient of quarterly annuity payments. These quarterly payments, currently totaling \$930 per year, shall terminate on the last payment date preceding the death of the donors. The discount rates used to estimate the obligations range from 1.4 percent to 2.4 percent. Assets held for the charitable gift annuities totaled \$21,212 and \$20,288 on June 30, 2023 and 2022 respectively and are reported as investments in the accompanying statements of financial position.

Cuyahoga Community College
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Years Ended June 30, 2023 and 2022

2. Summary of Significant Accounting Policies – Continued

Refundable Advance— The refundable advance consists of advance payments of conditional grant funding in support of specific programs at the College. Revenue is recognized as the associated conditions are satisfied.

Assets Held on Behalf of the College— Included in the Foundation’s investments are assets held for the College and managed by the Foundation under a fiscal agent agreement. The Foundation owns the assets in the investments; the College has a financial interest in the investments but does not own the underlying assets. The Foundation has recorded a liability equal to the fair market value of the assets held on behalf of the College.

Income Taxes— The Foundation accounts for income taxes in accordance with the “Income Taxes” topic of the FASB ASC. Uncertain income tax positions are evaluated at least annually by management. The Foundation believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. The Foundation files its Form 990 in the U.S. federal jurisdiction and a charitable registration with the office of the state’s attorney general for the State of Ohio.

Adopted Accounting Pronouncement— In February 2016, the FASB issued ASU 2016-02, “Leases” (ASU 2016-02). The new standard establishes a right-of-use model that requires a lessee to record a right-of-use asset and a lease liability on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. FASB issued ASU 2020-05, “Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842),” that deferred the effective date for the Foundation until annual periods beginning after December 15, 2022. The Foundation has fully adopted the provisions of ASU 2016-02 as of June 30, 2023 and has presented the financial statements in accordance with this new pronouncement. The adoption of this standard had no effect on net asset balances.

Subsequent Events—The Foundation has evaluated subsequent events through December 19, 2023, which is the date the financial statements were available to be issued.

Cuyahoga Community College
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Years Ended June 30, 2023 and 2022

3. Investments

For investment purposes, assets are pooled for both funds with donor restrictions and funds without donor restrictions. Realized and unrealized gains and losses and investment income, net of investments fees, are allocated according to the net asset classifications of the individual funds until appropriated and disbursed in accordance with the agreements of the donors.

	2023	2022
Cash and Cash Equivalents	\$794	\$787
Mutual Funds	67,929,984	61,284,559
Common Stock	0	551,727
Alternative Investments	26,950,767	25,503,086
Total	\$94,881,545	\$87,340,159

The investments are exposed to various risks such as interest rate, market, and credit risks.

4. Contributions Receivable

For fiscal years 2023 and 2022, the recorded value of contributions receivable is the present value of estimated future cash receipts using discount rates of 1.00 percent to 5.20 percent. Management has established an allowance of approximately 0.5 percent of gross contributions receivable for uncollectible promises to give. Amounts due are as follows:

	2023	2022
Less than one year	\$2,924,947	\$4,704,367
One to five years	2,623,458	3,013,293
More than five years	0	2,000
Total	5,548,405	7,719,660
Unamortized discount	(160,984)	(84,395)
Allowance for uncollectible pledges	(27,742)	(38,598)
Total	\$5,359,679	\$7,596,667

5. Beneficial Interest in Remainder Unitrust

The beneficial interest in the charitable remainder unitrust totaled \$377,002 and \$413,663 on June 30, 2023 and 2022, respectively, representing the estimated portion of the unitrust for which the Foundation is the designated beneficiary.

Cuyahoga Community College
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Years Ended June 30, 2023 and 2022

6. Cash Surrender Value of Insurance

The Foundation is the owner of certain life insurance policies on various donors who have named the Foundation as beneficiary. These policies are valued at their cash surrender values. The cash surrender value of these policies totaled \$88,620 and \$98,991 on June 30, 2023 and 2022, respectively.

7. Related Party Transactions

The Foundation recognized contributions and special events revenue from the College during the years ended June 30, 2023 and 2022 of \$795,560 and \$700,544, respectively. The amounts owed to the Foundation as of June 30, 2023 and 2022 are \$71,018 and \$13,450, respectively, which are reported as due from related party on the statements of financial position.

The Foundation recognizes contributed services received from the College when those services (a) create or enhance non-financial assets, or (b) require specialized skills, are provided by College employees possessing those skills, and would typically need to be purchased if not provided by the donation. The Foundation recognized \$226,401 and \$216,310 of contributed services as contribution revenue and as administrative, general, and fundraising expenses in fiscal years 2023 and 2022, respectively.

The Foundation is investing \$364,534 and \$259,774 of assets on behalf of the College for the years ended June 30, 2023 and 2022, respectively.

The Foundation received grants restricted for educational development programs and scholarships at the College from various donors of \$3,376,981 and \$6,085,554 in fiscal years 2023 and 2022, respectively. These grants are classified as part of net assets with donor restrictions until the College meets certain conditions.

Undistributed amounts for unconditional pledges to the College are \$1,661,427 and \$3,827,643 as of June 30, 2023 and 2022, respectively, and are reported as due to related party on the statements of financial position.

The Foundation recognized program service expenses of \$7,931,190 and \$9,212,256 for the years ended June 30, 2023 and 2022, respectively. All program service expenses relate to contributions to the College.

During the years ended June 30, 2023 and 2022, the Foundation recognized \$1,132,980 and \$1,860,374, respectively, of support through contribution revenue from its board members and related organizations. The Foundation had receivables of \$1,174,053 and \$993,500 at June 30, 2023 and 2022, respectively, due from its board members and related organizations.

Cuyahoga Community College
 Cuyahoga County, Ohio
 Notes to the Basic Financial Statements
 For the Fiscal Years Ended June 30, 2023 and 2022

8. Contributed Non-Financial Assets

For the years ended June 30, 2023 and 2022, contributed non-financial assets recognized within the Statements of Activities included:

	<u>2023</u>	<u>2022</u>
Advertising	\$37,644	\$5,000
Computer Equipment	8,280	0
Event Materials	7,500	15,000
Medical Equipment	94,700	49,500
Miscellaneous	3,263	1,590
Motor Vehicle Components	42,000	19,660
Motor Vehicles	30,370	24,330
Services (Administrative & General)	170,230	163,181
Services (Fundraising)	56,171	53,129
Totals	<u>\$450,158</u>	<u>\$331,390</u>

Valuation techniques:

Contributed motor vehicles and motor vehicle components are valued at their fair market value at the time of contribution as determined by the donor and evaluated by management as they are restricted for classroom instructional purposes only. Donated medical equipment, advertising, and other materials and supplies are valued using estimated US retail prices of identical or similar products considering the goods' condition and utility for use at the time of contribution. All contributed services were received from the College and were valued at the cost incurred by the College.

Donor restriction and contributed non-financial assets use: All gifts were recognized in accordance with donor restrictions, when applicable.

	<u>2023</u>	<u>2022</u>
Other	\$3,183	\$1,560
Program Support	212,994	98,490
Special Events	7,500	15,000
Unrestricted	226,481	216,340
Totals	<u>\$450,158</u>	<u>\$331,390</u>

Contributed motor vehicles and motor vehicle components were provided to the College's Automotive Technology program for classroom instruction only and cannot be monetized per donor agreement. Other donated items were utilized by the Foundation or College to further support the donor purpose and were not monetized.

Cuyahoga Community College
 Cuyahoga County, Ohio
 Notes to the Basic Financial Statements
 For the Fiscal Years Ended June 30, 2023 and 2022

9. Liquidity and Availability of Resources

Financial assets available for general expenditure, without donor or other restrictions limiting their use, within one year of June 30, 2023 and 2022, are comprised of the following:

	2023	2022
Cash and cash equivalents	\$486,593	\$412,981
Due from related party	71,018	13,450
Total available for general expenditure within one year	\$557,611	\$426,431

The Foundation funds its operations primarily through administrative fees charged to endowed restricted funds and from contributions and special events revenue without donor restrictions.

To support the Foundation’s mission and operations, an administrative fee of up to 1 percent of the value of the endowment may be transferred to net assets without donor restrictions. The administrative fee will be calculated annually based on the three-year rolling quarterly average of the endowment’s fair market value.

Endowment funds consist of donor-restricted endowments which are restricted as either perpetual in nature or for specific purposes. Donor-restricted endowment funds are not available for general expenditures.

The Foundation maintains funds restricted for scholarships, educational development, and special events. These funds are classified as net assets with donor restrictions and are not available for general expenditures.

Total available for general expenditure within one year excludes financial assets restricted to fund program service expenses which are almost entirely funded with donor-restricted net assets.

Cuyahoga Community College
 Cuyahoga County, Ohio
 Notes to the Basic Financial Statements
 For the Fiscal Years Ended June 30, 2023 and 2022

10. Functional Expenses

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated are salaries and benefits recognized as contributed services from the College. The College maintains a federally negotiated facilities and administrative rate agreement that is applied to the contributed services. These expenses are allocated based on estimates of time and effort.

Expense allocation for the year ended June 30, 2023 is as follows:

	Program	Administration & General	Fundraising
Scholarships	\$3,425,821	\$0	\$0
Educational Development	4,505,369	0	0
Professional Fees	0	45,468	0
Conferences & Meetings	0	147,935	0
Miscellaneous	0	26,868	0
Personnel	0	170,230	56,171
Lobbying	0	0	150,000
Special Events	0	0	301,048
Donor Cultivation/Stewardship	0	0	514,641
Total	\$7,931,190	\$390,501	\$1,021,860

Expense allocation for the year ended June 30, 2022 is as follows:

	Program	Administration & General	Fundraising
Scholarships	\$3,132,161	\$0	\$0
Educational Development	6,080,095	0	0
Professional Fees	0	159,023	0
Conferences & Meetings	0	93,830	0
Miscellaneous	0	12,892	0
Personnel	0	163,181	53,129
Lobbying	0	0	150,000
Special Events	0	0	350,614
Donor Cultivation/Stewardship	0	0	408,000
Total	\$9,212,256	\$428,926	\$961,743

Cuyahoga Community College
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Years Ended June 30, 2023 and 2022

11. Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods:

	2023	2022
Subject to expenditure for specified purposes:		
Scholarships	\$74,236,468	\$68,030,564
Educational Development	11,123,218	10,316,054
Special Events	447,528	364,464
	\$85,807,214	\$78,711,082
Perpetual in nature, subject to endowment spending policy and appropriation:		
Scholarships	\$4,083,250	\$4,083,250
Educational Development	11,500,000	11,500,000
Pledges receivable, net – permanently restricted to endowment	0	0
	\$15,583,250	\$15,583,250
Total Net Assets with Donor Restrictions	\$101,390,464	\$94,294,332

Net assets were released from donor restrictions by incurring expenses which satisfied the following purpose restrictions during the years ended June 30, 2023 and 2022:

	2023	2022
Scholarships	\$3,224,821	\$3,131,663
Educational Development	4,342,316	5,792,226
Special Events	227,342	26,242
Annual Administrative Fee	500,000	750,000
Other	45,631	0
Totals	\$8,340,110	\$9,700,131

12. Investment Objectives and Endowment Funds

The Foundation places great importance on risk reduction through asset allocation and style diversification. Investment results are measured using a rolling five to seven-year period or a full market cycle. The following are the investment performance objectives, in order of importance, for the portfolio:

12. Investment Objectives and Endowment Funds – continued

- To generate a minimum annual real rate of return of approximately 5.0 percent after deducting for advisory, money management, custodial fees, and total transaction costs.
- To obtain a total return on the portfolio, net of all investment related fees, that exceeds the total return of the policy benchmark.
- Performance will be evaluated versus achievement of spending policy and comparisons to a similar set of investments.

The goals of the strategic asset allocation policy are to establish a long-term asset allocation plan for the Foundation's portfolio that is consistent with objectives and guidelines contained in this policy and carried out in an efficient manner. To that end, this policy establishes an acceptable range, defined to be any percentage above a minimum and below a maximum percentage of the portfolio allocated to a particular asset class, and a target percentage, defined to be the percentage goal for the investment of the portfolio in that asset class.

Market value fluctuations and operational needs may cause variations from the strategic asset allocation policy ranges stated in this policy. Depending upon market conditions, the percentage allocation to each asset class may vary as much as plus or minus 5.0 percent. The Foundation does not deem it acceptable to time the market with tactical allocation shifts. Asset mixes and the possibilities for rebalancing are considered on a monthly basis. The intention of this policy is to avoid short-term judgments that introduce significant unplanned risk.

Distributions from endowment funds are spent in compliance with the donor's restrictions applicable to the funds being distributed. The Foundation classifies net assets with donor restrictions that are perpetual in nature as: (a) the original value of the gifts donated to the perpetual endowment, (b) the original value of subsequent gifts to the perpetual endowment, and (c) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund that is not classified as perpetual in nature is classified as net assets with purpose restrictions until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by the Uniform Prudent Management of Institutional Funds Act (UPMIFA). In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the Foundation and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the Foundation
7. The investment policies of the Foundation

Cuyahoga Community College
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Years Ended June 30, 2023 and 2022

12. Investment Objectives and Endowment Funds – continued

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration (“underwater endowments”). UPMIFA legally allows the Foundation to make distributions from an underwater endowment in accordance with prudent measures prescribed under the law. There were no deficits of this nature in fiscal years 2023 or 2022.

The UPMIFA establishes that 5 percent of the value of the permanent and term endowment funds is a safe harbor prudent spending limit. This 5 percent limitation must be determined on the basis of market values that are determined at least quarterly and averaged over a period not less than three years immediately preceding the year in which the appropriation for expenditure is made. If a fund has been in existence less than three years, the fair market value of the endowment fund shall be calculated for the period the endowment fund has been in existence. The Foundation’s spending policy is generally limited to 5 percent but a spending rate in excess of 5 percent can be approved by the Executive Committee of the Foundation’s Board of Directors.

Endowment net asset composition by fund type consist of the following as of June 30, 2023:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor Restricted Endowment Funds			
Purpose Restrictions	\$0	\$71,863,193	\$71,863,193
Original donor-restricted gifts and amounts required to be maintained in perpetuity by donor	0	15,583,250	15,583,250
Accumulated investment return	0	5,836,178	5,836,178
Total Endowment Funds	\$0	\$93,282,621	\$93,282,621

Changes in endowment net assets were as follows for the year ended June 30, 2023:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of the year	\$0	\$86,269,990	\$86,269,990
Investment return - net	0	9,079,222	9,079,222
Contributions and transfers	0	1,538,321	1,538,321
Appropriation of endowment assets for expenditure	0	(3,604,912)	(3,604,912)
Total Endowment Funds	\$0	\$93,282,621	\$93,282,621

Cuyahoga Community College
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Years Ended June 30, 2023 and 2022

12. Investment Objectives and Endowment Funds – continued

Endowment net asset composition by fund type consist of the following as of June 30, 2022:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor Restricted Endowment Funds			
Purpose Restrictions	\$0	\$66,044,372	\$66,044,372
Original donor-restricted gifts and amounts required to be maintained in perpetuity by donor	0	15,583,250	15,583,250
Accumulated investment return	0	4,642,368	4,642,368
Total Endowment Funds	\$0	\$86,269,990	\$86,269,990

Changes in endowment net assets were as follows for the year ended June 30, 2022:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of the year	\$0	\$100,705,550	\$100,705,550
Investment return - net	0	(12,944,779)	(12,944,779)
Contributions and transfers	0	1,733,599	1,733,599
Appropriation of endowment assets for expenditure	0	(3,224,380)	(3,224,380)
Total Endowment Funds	\$0	\$86,269,990	\$86,269,990

13. Investments and Fair Value Measurements

Generally accepted accounting principles provide a framework for measuring fair value, require disclosure about fair value measurements, and establish a three-level hierarchy for disclosure to show the extent and the level of judgment used to estimate fair value measurements:

Level 1 – Uses unadjusted quoted prices that are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Uses inputs other than Level 1 that are either directly or indirectly observable as of the reporting date through correlation with market data, including quoted prices for similar assets or liabilities in active markets and quoted prices in markets that are not active. Level 2 also includes assets and liabilities that are valued using models or other pricing methodologies that do not require significant judgment since the input assumptions used in the models, such as interest rates and volatility factors, are corroborated by readily observable data.

Level 3 – Uses inputs that are unobservable and are supported by little or no market activity and reflect the use of significant management judgment. These values are generally determined using pricing models and market assumptions.

Financial assets are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Foundation's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of fair value assets and their placement within the fair value hierarchy levels.

The following is a description of the valuation methodologies used for instruments measured at fair value:

Common Stock— Common stock is valued at the closing price reported on the active markets in which the individual securities are traded and therefore is classified as Level 1.

Equity Mutual Funds— Equity mutual funds primarily invest in common stock of domestic and international corporations in a variety of industries. Quoted prices in active markets are used to value the equity mutual funds and therefore are classified as Level 1.

Fixed Income Mutual Funds— Fixed income mutual funds primarily invest in U.S. Treasuries and corporate bonds. Quoted prices in active markets are used to value the fixed income mutual funds and therefore are classified as Level 1.

13. Investments and Fair Value Measurements – continued

Alternative Investments—Alternative investments do not have readily determined fair values as they are not listed on national exchanges or over-the-counter markets. Fair value has been determined based on the individual fund’s net asset valuation provided by the investment managers, based on the guidelines established by those investment managers. As a result, the Foundation has not classified these investments within the fair value hierarchy.

Beneficial Interest in Charitable Remainder Unitrust—The fair value of the beneficial interest in the charitable remainder unitrust is estimated at the present value of the projected proceeds that will be received from the unitrust as calculated annually according to IRS Publication 1458, *Actuarial Valuations*. As such, the fair value of the beneficial interest is considered to be determined based on Level 3 inputs.

Cash Surrender Value of Insurance—The cash surrender value of insurance is presented at fair value based on the amount in cash upon cancellation of the insurance policy before maturity as of the reporting period. The fair value is determined by the insurer and represents the exit price from the perspective of the Foundation. Since the valuation is unobservable, the cash surrender value calculation is considered a Level 3 input.

Cuyahoga Community College
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Years Ended June 30, 2023 and 2022

13. Investments and Fair Value Measurements – continued

Financial assets consisted of the following at June 30, 2023:

Measured at Fair Value

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Value</u>
Investments:				
Cash and Cash Equivalents	\$794	\$0	\$0	\$794
Equity Mutual Funds	50,005,558	0	0	50,005,558
Fixed Income Mutual Funds	17,924,426	0	0	17,924,426
Total Investments	<u>\$67,930,778</u>	<u>\$0</u>	<u>\$0</u>	<u>\$67,930,778</u>
Beneficial Interest in				
Remainder Unitrust	0	0	337,002	337,002
Cash Surrender Value of Insurance	0	0	88,620	88,620
Total Measured at Fair Value	<u>\$67,930,778</u>	<u>\$0</u>	<u>\$465,622</u>	<u>\$68,396,400</u>

Investments Measured at the Net Asset Value (NAV)

	<u>Unfunded Commitments</u>	<u>Redemption Notice Period</u>	<u>Redemption Frequency</u>	<u>Value</u>
Black Diamond Arbitrage, Ltd.	0	45 days	Monthly	\$3,958,684
GLAS funds SPC	\$1,371,457	Varies	Varies	1,379,940
Harrison Street Core Property Fund, L.P.	0	45 days	Quarterly	4,229,569
Maverick Stable Fund, Ltd.	0	95 days	Quarterly	4,505,576
Mondrian Global All Countries World Equity Fund, L.P.	0	15 th day of prior month	Monthly	5,060,196
Ninety One Global Franchise Fund	0	1 day	Daily	4,833,944
White Oak Fixed Income C, L.P.	0	6 months	Quarterly	2,982,858
Total Measured at Net Asset Value				<u>\$26,950,767</u>
Total Financial Assets				<u><u>\$95,347,167</u></u>

Cuyahoga Community College
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Years Ended June 30, 2023 and 2022

13. Investments and Fair Value Measurements – continued

Financial assets consisted of the following at June 30, 2022:

Measured at Fair Value

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Value</u>
Investments:				
Cash and Cash Equivalents	\$787	\$0	\$0	\$787
Common Stock	551,727	0	0	551,727
Equity Mutual Funds	43,711,754	0	0	43,711,754
Fixed Income Mutual Funds	17,572,805	0	0	17,572,805
Total Investments	<u>\$61,837,073</u>	<u>\$0</u>	<u>\$0</u>	<u>\$61,837,073</u>
Beneficial Interest in				
Remainder Unitrust	0	0	413,663	413,663
Cash Surrender Value of Insurance	0	0	98,991	98,991
Total Measured at Fair Value	<u>\$61,837,073</u>	<u>\$0</u>	<u>\$512,654</u>	<u>\$62,349,727</u>

Investments Measured at the Net Asset Value (NAV)

	<u>Unfunded Commitments</u>	<u>Redemption Notice Period</u>	<u>Redemption Frequency</u>	<u>Value</u>
Black Diamond Arbitrage, Ltd.	0	45 days	Monthly	\$4,129,686
GLAS funds SPC	\$850,934	Varies	Varies	625,627
Harrison Street Core Property Fund, L.P.	0	45 days	Quarterly	4,190,645
Maverick Stable Fund, Ltd.	0	95 days	Quarterly	4,247,358
Mondrian Global All Countries World Equity Fund, L.P.	0	15 th day of prior month	Monthly	4,449,170
Ninety One Global Franchise Fund	0	1 day	Daily	4,170,536
White Oak Fixed Income C, L.P.	0	6 months	Quarterly	3,690,064
Total Measured at Net Asset Value				<u>\$25,503,086</u>
Total Financial Assets				<u>\$87,852,813</u>

13. Investments and Fair Value Measurements – continued

For the years ended June 30, 2023 and 2022, the Foundation did not have any purchases, issuances, or transfers in or out of the Level 3 assets.

Black Diamond Arbitrage, Ltd. (the “Fund”) is a Cayman Islands exempted company with limited liability that was organized in March 1999. The Fund holds all or substantially all of its assets through Black Diamond Arbitrage Intermediate Ltd., which in turn invests all or substantially all of its assets in Black Diamond Arbitrage Offshore Ltd. (the “Master Fund”). The objective of the Master Fund is to invest in securities of companies that are the target of a merger with another company and companies that are facing a major corporate event and are traded on United States and principal foreign exchanges and markets. Such events may include a significant restructuring, spin-off of operations, bankruptcy, or major litigation.

GLASfunds SPC (“GLASfunds”) is a Cayman Islands exempted company incorporated with limited liability to operate as a private investment fund. GLASfunds seeks to provide consistently superior access to institutional hedge fund and private capital managers through the use of a multimanager investment vehicle. The proceeds from the sale of its shares are to one or more of GLASfunds eight primary investment strategies, each of which is represented by a segregated portfolio which focuses on investments in hedge funds and private equity funds.

Harrison Street Core Property Fund, L.P. (“HSCPF”) is an open-ended core strategy fund which focuses on lower risk, income-oriented investments in student housing, senior housing, medical office, and self-storage. HSCPF seeks to generate a gross annualized return of 9 to 10 percent through complete market cycles (7 to 10 years), with the majority to be derived from current income. HSCPF is managed by Harrison Street Real Estate Capital, LLC, a private real estate investment management firm based in Chicago, Illinois founded in 2005.

Maverick Stable Fund, Ltd. (“Maverick”) is a Cayman Islands exempted company with limited liability that was organized in May 2002. Maverick’s objective is to preserve and grow capital by identifying high-quality investment managers with above-average investment histories and investing assets in private investment vehicles managed by such portfolio managers.

Mondrian Global All Countries World Equity Fund, L.P. (“Mondrian”) is a commingled investment fund managed by Mondrian Investment Group. Mondrian is a focused portfolio of approximately 35 to 50 securities of both U.S. and non-U.S. issuers, including the securities of emerging market companies. Mondrian follows a value-oriented approach focusing on dividend growth with a goal of providing strong downside protection and less volatility than the overall market with low turnover.

13. Investments and Fair Value Measurements – continued

Ninety One Global Franchise Fund (“Ninety One”) is a high-conviction portfolio managed by Ninety One, an independent global asset manager with sizeable employee ownership and professionals across four continents. Ninety One’s strategy is to look for leading companies from around the globe with strong free cash flow and entrenched competitive positions. The portfolio consists of 25 to 40 stocks with strong downside protection, low-turnover, and a quality growth orientation.

White Oak Fixed Income Fund C, L.P. (“White Oak”) is a hedge fund operated by White Oak Global Advisors, LLC which is a is an SEC-registered investment advisor and private credit firm. White Oak’s objective is to earn substantial current income by originating, underwriting, and investing in a diversified portfolio of fixed income securities, including, but not limited to Regulation D/Rule144A bonds, and directly originated term and asset-backed loans, and corporate high yield bonds and bank debt.

(This page is intentionally left blank.)



Required Supplementary Information

This Section of the Cuyahoga Community College’s Annual Comprehensive Financial Report presents supplementary information as a context for further understanding of the College’s implementation of GASB Statement No. 68 and GASB Statement No. 75.

Schedule of College’s Proportionate Share of Net Pension Liability	
OPERS – Traditional Plan & Combined Plan	129
STRS Plan	130
Schedule of College Contributions to Pensions	
OPERS – Traditional Plan & Combined Plan	131
STRS Plan	132
Schedule of College’s Proportionate Share of Net Other Postemployment Benefits (OPEB) Liability (Asset)	
OPERS Plan	133
STRS Plan	134
Schedule of College Contributions to OPEB	
OPERS Plan	135
STRS Plan	136
Schedule of Changes in Net OPEB Liability, College Retiree Death Benefit Plan.....	137
Schedule of Net OPEB Liability, College Retiree Death Benefit Plan.....	139
Notes to Required Supplementary Information	140

Cuyahoga Community College
Schedule of College's Proportionate Share of the Net Pension Liability (Asset)
Public Employees Retirement System of Ohio (OPERS)
Last Ten Years

<i>Traditional Pension Plan</i>					
June 30	College's Proportion of the Net Pension Liability	College's Proportionate Share of the Net Pension Liability	Covered Payroll ⁽¹⁾	College's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2023	0.383492%	\$113,283,705	\$58,879,830	192.40%	75.74%
2022	0.393941%	34,274,461	56,702,906	60.45%	92.62%
2021	0.439321%	65,053,875	61,345,492	106.05%	86.88%
2020	0.481087%	95,090,109	67,096,662	141.72%	82.17%
2019	0.492820%	134,973,407	65,973,092	204.59%	74.70%
2018	0.513851%	80,613,260	67,311,518	119.76%	84.66%
2017	0.483713%	109,843,000	67,488,751	162.76%	77.25%
2016	0.487152%	84,380,870	65,681,465	128.47%	81.08%
2015	0.493176%	59,482,538	64,793,902	91.80%	86.45%
2014	0.493176%	58,139,025	63,947,879	90.92%	86.36%

<i>Combined Pension Plan</i>					
June 30	College's Proportion of the Net Pension Liability (Asset)	College's Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll ⁽²⁾	College's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2023	0.341742%	(\$805,452)	\$1,472,378	(54.70%)	137.14%
2022	0.407594%	(1,605,943)	1,858,204	(86.42%)	169.88%
2021	0.433778%	(1,252,160)	1,911,658	(65.50%)	157.67%
2020	0.437182%	(911,630)	1,946,133	(46.84%)	145.28%
2019	0.473899%	(529,926)	2,026,836	(26.15%)	126.64%
2018	0.478904%	(651,943)	1,961,482	(33.24%)	137.28%
2017	0.467523%	(260,208)	1,820,490	(14.29%)	116.60%
2016	0.487100%	(237,033)	1,772,645	(13.37%)	116.90%
2015	0.493176%	(189,884)	1,730,404	(10.97%)	114.83%
2014	0.450200%	(198,967)	1,716,834	(11.59%)	104.72%

⁽¹⁾ The College's proportionate share of OPERS Net Pension Liability is based on December 31 measurement date of the prior year.

See accompanying notes to the required supplementary information.

Cuyahoga Community College
Schedule of College's Proportionate Share of the Net Pension Liability
State Teachers Retirement System of Ohio
Last Ten Years ⁽¹⁾

June 30	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2023	0.433276%	\$96,317,836	\$58,788,081	163.84%	78.90%
2022	0.446694%	57,113,848	56,395,404	101.27%	87.80%
2021	0.503185%	121,752,783	63,329,882	192.25%	75.50%
2020	0.511849%	113,192,434	61,293,347	184.67%	77.40%
2019	0.515066%	113,251,376	60,727,066	186.49%	77.30%
2018	0.531210%	126,190,005	59,359,629	212.59%	75.30%
2017	0.538902%	180,386,795	58,878,338	306.37%	66.80%
2016	0.539740%	149,168,420	58,368,305	255.56%	72.10%
2015	0.542760%	132,018,030	58,826,877	224.42%	74.70%
2014	0.542760%	157,259,014	57,442,977	273.77%	69.30%

⁽¹⁾ Amounts presented for each fiscal year were determined as of the College's measurement date for the prior year STRS plan which has a fiscal year end of June 30.

See accompanying notes to the required supplementary information.

Cuyahoga Community College
Schedule of College Contributions to Pensions
Public Employees Retirement System of Ohio (OPERS)
Last Ten Fiscal Years

<i>Traditional Pension Plan</i>					
June 30	Contractually Required Contributions ⁽¹⁾	Contributions Paid	Contribution Deficiency (Excess)	Covered Payroll ⁽²⁾	Contributions as a Percent of Covered Payroll
2023	\$8,702,360	\$8,702,360	-	\$61,625,277	14.1%
2022	8,121,862	8,121,862	-	57,507,471	14.1%
2021	8,176,061	8,176,061	-	57,935,876	14.1%
2020	9,500,386	9,500,386	-	67,189,114	14.1%
2019	9,767,532	9,767,532	-	69,236,731	14.1%
2018	8,992,384	8,992,384	-	66,266,066	13.6%
2017	7,987,032	7,987,032	-	63,439,492	12.6%
2016	8,149,241	8,149,241	-	67,404,805	12.1%
2015	7,835,651	7,835,651	-	64,811,009	12.1%
2014	7,738,698	7,738,698	-	64,062,070	12.1%

<i>Combined Pension Plan</i>					
June 30	Contractually Required Contributions ⁽¹⁾	Contributions Paid	Contribution Deficiency (Excess)	Covered Payroll ⁽²⁾	Contributions as a Percent of Covered Payroll
2023	\$217,616	\$217,616	-	\$1,541,032	14.1%
2022	266,161	266,161	-	1,884,570	14.1%
2021	254,784	254,784	-	1,805,407	14.1%
2020	289,943	289,943	-	1,948,815	14.9%
2019	300,080	300,080	-	2,127,102	14.1%
2018	259,451	259,451	-	1,911,930	13.6%
2017	231,564	231,564	-	1,852,509	12.5%
2016	227,864	227,864	-	1,898,868	12.0%
2015	220,845	220,845	-	1,840,378	12.0%
2014	202,174	202,174	-	1,617,388	12.5%

⁽¹⁾ Employer contributions are the same as contractually required contributions.

⁽²⁾ Covered payroll is for the College's fiscal year obligation.

See accompanying notes to the required supplementary information.

Cuyahoga Community College
Schedule of College Contributions to Pensions
State Teachers Retirement System of Ohio
Last Ten Fiscal Years

June 30	Contractually Required Contributions ⁽¹⁾	Contributions Paid	Contribution Deficiency (Excess)	Covered Payroll ⁽²⁾	Contributions as a Percent of Covered Payroll
2023	\$7,806,560	\$7,806,560	-	\$58,634,330	13.31%
2022	7,913,090	7,913,090	-	58,788,081	13.46%
2021	7,596,928	7,596,928	-	56,395,404	13.47%
2020	8,560,224	8,560,224	-	63,329,882	13.52%
2019	8,278,410	8,278,410	-	61,293,347	13.51%
2018	8,201,568	8,201,568	-	60,727,066	13.51%
2017	8,010,719	8,010,719	-	59,359,629	13.50%
2016	7,949,331	7,949,331	-	58,878,338	13.50%
2015	7,883,799	7,883,799	-	58,368,305	13.51%
2014	7,647,494	7,647,494	-	58,826,877	13.00%

⁽¹⁾ Employer contributions are the same as contractually required contributions.

⁽²⁾ Covered payroll is for the College's fiscal year obligation and includes ARP applicable wages.

See accompanying notes to the required supplementary information.

Cuyahoga Community College
Schedule of College's Proportionate Share of the Net OPEB Liability (Asset)*
Public Employees Retirement System of Ohio (OPERS)
Last Seven Years ⁽¹⁾

June 30 ⁽²⁾	Proportion of the Net OPEB Liability/Asset	Proportionate Share of the Net OPEB Liability (Asset)	Covered Payroll ⁽²⁾	Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2023	0.382913%	\$2,414,339	\$62,358,320	3.87%	94.79%
2022	0.394940%	(12,370,126)	60,389,664	(20.48%)	128.23%
2021	0.438622%	(7,814,401)	65,080,610	(12.01%)	115.57%
2020	0.479846%	66,279,198	71,090,520	93.23%	47.80%
2019	0.494398%	64,457,829	71,126,007	90.62%	46.33%
2018	0.517880%	56,237,953	72,783,866	77.27%	54.14%
2017	0.490415%	49,533,591	67,253,952	73.65%	54.04%

*OPEB is an abbreviation for Other Postemployment Benefits other than pensions.

⁽¹⁾ This is a ten-year schedule - however, the information is not required to be presented retroactively. Years will be added to this schedule in the future fiscal years until 10 years of information is available.

⁽²⁾ The College's proportionate share of OPERS Net OPEB liability is based on December 31 measurement date of the prior year.

See accompanying notes to the required supplementary information.

Cuyahoga Community College
Schedule of College's Proportionate Share of the Net OPEB Liability (Asset)*
State Teachers Retirement System of Ohio
Last Seven Years ⁽¹⁾

June 30 ⁽²⁾	Proportion of the Net OPEB Liability/Asset	Proportionate Share of the Net OPEB Liability (Asset)	Covered Payroll	Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2023	0.433276%	(\$11,218,963)	\$58,788,081	(19.08%)	230.70%
2022	0.446694%	(9,418,182)	56,395,404	(16.70%)	174.70%
2021	0.503185%	(8,843,460)	63,329,882	(13.96%)	182.10%
2020	0.511849%	(8,477,456)	61,293,347	(13.83%)	174.70%
2019	0.515066%	(8,276,580)	60,727,066	(13.63%)	176.00%
2018	0.531210%	20,725,843	59,359,629	34.92%	47.10%
2017	0.538902%	28,820,628	58,878,338	48.95%	37.30%

*OPEB is an abbreviation for Other Postemployment Benefits other than pensions.

⁽¹⁾ With the implementation of this standard in fiscal year 2018, prior year information was limited three years from and including the establishment of the initial liability as of June 30, 2016 measurement.

⁽²⁾ The College's proportionate share of STRS Net OPEB liability is based on June 30 measurement date of the prior

See accompanying notes to the required supplementary information.

Cuyahoga Community College
*Schedule of College Contributions to OPEB**
Public Employees Retirement System of Ohio (OPERS)
Last Seven Fiscal Years

June 30	Contractually Required Contributions	Contributions Paid	Contribution Deficiency (Excess)	Covered Payroll ⁽¹⁾	Contributions as a Percent of Covered Payroll
2023	\$113,719	\$113,719	\$0	\$65,265,962	0.17%
2022	102,600	102,600	0	61,246,541	0.17%
2021	102,114	102,114	0	61,463,394	0.17%
2020	114,403	114,403	0	71,188,475	0.16%
2019	125,055	125,055	0	74,644,557	0.17%
2018	489,581	489,581	0	70,812,210	0.69%
2017	1,094,678	1,094,678	0	67,253,952	1.63%

*OPEB is an abbreviation for Other Postemployment Benefits other than pensions.

⁽¹⁾ Covered payroll is for the December 31 measurement period.

⁽²⁾ Although this schedule is intended to present information for ten years, information prior to 2017 was not available. This schedule will be populated in subsequent years.

See accompanying notes to the required supplementary information.

Cuyahoga Community College
*Schedule of College Contributions - OPEB**
State Teachers Retirement System of Ohio
Last Ten Fiscal Years

June 30	Contractually Required Contributions	Contributions Paid	Contribution Deficiency (Excess)	Covered Payroll ⁽¹⁾	Contributions as a Percent of Covered Payroll ⁽²⁾
2023	\$0	\$0	\$0	\$58,634,330	0.00%
2022	0	0	0	58,788,081	0.00%
2021	0	0	0	56,395,404	0.00%
2020	0	0	0	63,329,882	0.00%
2019	0	0	0	61,293,347	0.00%
2018	0	0	0	60,727,066	0.00%
2017	0	0	0	59,359,629	0.00%
2016	0	0	0	58,878,338	0.00%
2015	0	0	0	58,368,305	0.00%
2014	0	0	0	58,826,877	0.00%

*OPEB is an abbreviation for Other Postemployment Benefits other than pensions.

⁽¹⁾ Covered payroll is for the College's fiscal year obligation.

⁽²⁾ STRS' Board of Trustees reduced the rate to be allocate to health care in 2014 to address pension funding shortfall.

See accompanying notes to the required supplementary information.

Cuyahoga Community College
Schedule of Changes in Net OPEB Liability*
College Retiree Death Benefit Plan
Last Six Fiscal Years ⁽¹⁾

	2023	2022
Total OPEB Death Benefit Liability		
Service cost	\$22,000	\$81,000
Interest on Net OPEB	12,000	29,000
Changes in Expected vs Actual Experience and funding estimates	49,000	(559,000)
Annual OPEB Cost	83,000	(449,000)
Benefit Payments	(22,000)	(18,000)
Net Change in Total OPEB Liability	61,000	(467,000)
Total OPEB Liability - Beginning ⁽²⁾	1,370,000	1,837,000
Total OPEB Liability - Ending	<u>\$1,431,000</u>	<u>\$1,370,000</u>
 Plan Position		
Contributions by Employer ⁽³⁾	\$22,000	\$18,000
Benefit Payments	(22,000)	(18,000)
Net Change in Plan Net Position	0	0
Plan Net Position - Beginning	0	0
Plan Net Position - Ending	<u>\$0</u>	<u>\$0</u>
 College's Net OPEB Liability	 \$1,431,000	 \$1,370,000
 Plan Net Position as a percentage of the OPEB Death Benefit Liability	 0.0%	 0.0%
 Covered Employee Payroll	 n/a	 n/a

* OPEB is an abbreviation for Other Postemployment Benefits other than pensions.

⁽¹⁾ The schedule is intended to show ten years of activity and will be expanded as additional years are added.

⁽²⁾ In fiscal year 2018, the College restated the beginning liability to include active employees based on actuarial calculation of the present value of OPEB benefits.

⁽³⁾ As a self-insured funder of this liability, the College pays all eligible claims and establishes a reserve equivalent to the actuarial accrued liability but does not set aside separately identified assets to meet potential future claims.

See accompanying notes to the required supplementary information.

Cuyahoga Community College
Schedule of Changes in Net OPEB Liability*
College Retiree Death Benefit Plan
Last Six Fiscal Years ⁽¹⁾

2021	2020	2019	2018
\$77,000	\$69,000	\$68,000	\$68,000
37,000	41,000	42,000	39,000
(241,000)	(81,000)	(19,000)	(1,500)
(127,000)	29,000	91,000	105,500
(34,000)	(27,000)	(17,000)	(27,500)
(161,000)	2,000	74,000	78,000
1,998,000	1,996,000	1,922,000	1,844,000
<u>\$1,837,000</u>	<u>\$1,998,000</u>	<u>\$1,996,000</u>	<u>\$1,922,000</u>
\$34,000	\$27,000	\$17,000	\$27,500
(34,000)	(27,000)	(17,000)	(27,500)
0	0	0	0
0	0	0	0
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$1,837,000	\$1,998,000	\$1,996,000	\$1,922,000
0.0%	0.0%	0.0%	0.0%
n/a	n/a	n/a	n/a

Cuyahoga Community College
Schedule of the Net OPEB Liability*
College Retiree Death Benefit Plan
Last Ten Fiscal Years

<i>Retiree Death Benefit Plan</i>			
June 30 ⁽¹⁾	Actuarial Accrued Liability (AAL)	Covered Payroll	Net OPEB Liability as a Percentage of Covered Payroll ⁽²⁾⁽³⁾
2023	\$1,431,000	\$104,685,755	1.37%
2022	1,370,000	101,446,787	1.35%
2021	1,837,000	102,503,214	1.79%
2020	1,998,000	111,387,180	1.79%
2019	1,996,000	110,422,773	1.81%
2018 ⁽⁴⁾	1,922,000	107,703,076	1.78%
2017	1,844,000	108,577,289	1.70%
2016	1,789,000	101,419,072	1.76%
2015	1,758,000	99,080,676	1.77%
2014	1,741,000	96,807,334	1.80%

*OPEB is an abbreviation for Other Postemployment Benefits other than pensions.

⁽¹⁾ The College Retiree Death Benefit Liability was measured on April 30 of each reported year on actuarial data and assumptions, see Note 11.

⁽²⁾ Only retirees and their beneficiaries are eligible for the College death benefit. Retirees are not included in Covered Payroll.

⁽³⁾ The College self-insures its Retiree Death Benefits and allocates resources as and when required on a Pay-As-You-Go basis. The College Retiree Death Benefit is not a Fiduciary Plan.

⁽⁴⁾ The College implemented GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, in 2018 and accordingly recorded the additional liability associated with the Actuarial Accrued Liability of active employees not yet eligible.

See accompanying notes to the required supplementary information.

Cuyahoga Community College
Cuyahoga County, Ohio
Notes to Required Supplementary Information
For the Fiscal Years Ended June 30, 2023 and 2022

Net Pension Liability

Changes in Assumptions – OPERS Traditional and Combined Plans, Net Pension Liability

Amounts reported in the required supplementary information for OPERS Traditional and Combined Plans incorporate changes in assumptions used by OPERS in calculating the pension liability. These assumptions are presented below for the periods indicated:

Key Methods and Assumptions in Valuing Total Pension Liability – Fiscal Year 2023		
<u>Actuarial Information</u>	<u>Traditional Plan</u>	<u>Combined Plan</u>
Experience Study	5-year period ended December 31, 2020	5-year period ended December 31, 2020
Actuarial Cost Method	Individual Entry Age	Individual Entry Age
<u>Actuarial Assumptions:</u>		
Investment Rate of Return	6.90%	6.90%
Wage Inflation	2.75%	2.75%
Projected Salary Increase	2.75 – 10.75% (includes 2.75% wage inflation)	2.75 – 8.25% (includes 2.75% wage inflation)
COLA:		
Pre-Jan 7, 2013 Retirees	3.00% Simple	3.00% Simple
Post-Jan 7, 2013 Retirees	3.00% Simple through 2023 then 2.05% simple	3.00% Simple through 2023 then 2.05% simple

Key Methods and Assumptions in Valuing Total Pension Liability – Fiscal Year 2022		
<u>Actuarial Information</u>	<u>Traditional Plan</u>	<u>Combined Plan</u>
Experience Study	5-year period ended December 31, 2020	5-year period ended December 31, 2020
Actuarial Cost Method	Individual Entry Age	Individual Entry Age
<u>Actuarial Assumptions:</u>		
Investment Rate of Return	6.90%	6.90%
Wage Inflation	2.75%	2.75%
Projected Salary Increase	2.75 – 10.75% (includes 2.75% wage inflation)	2.75 – 8.25% (includes 2.75% wage inflation)
COLA:		
Pre-Jan 7, 2013 Retirees	3.00% Simple	3.00% Simple
Post-Jan 7, 2013 Retirees	3.00% Simple through 2022 then 2.05% simple	3.00% Simple through 2022 then 2.05% simple

Cuyahoga Community College
Cuyahoga County, Ohio
Notes to Required Supplementary Information
For the Fiscal Years Ended June 30, 2023 and 2022

Key Methods and Assumptions in Valuing Total Pension Liability – Fiscal Year 2021

<u>Actuarial Information</u>	<u>Traditional Plan</u>	<u>Combined Plan</u>
Experience Study	5-year period ended December 31, 2015	5-year period ended December 31, 2015
Actuarial Cost Method	Individual Entry Age	Individual Entry Age
<u>Actuarial Assumptions:</u>		
Investment Rate of Return	7.20%	7.20%
Wage Inflation	3.25%	3.25%
Projected Salary Increase	3.25 – 10.75% (includes 3.25% wage inflation)	3.25 – 8.25% (includes 3.25% wage inflation)
COLA:		
Pre-Jan 7, 2013 Retirees	3.00% Simple	3.00% Simple
Post-Jan 7, 2013 Retirees	0.50% Simple through 2021 then 2.15% simple	0.50% Simple through 2021 then 2.15% simple

Key Methods and Assumptions in Valuing Total Pension Liability – Fiscal Year 2020

<u>Actuarial Information</u>	<u>Traditional Plan</u>	<u>Combined Plan</u>
Experience Study	5-year period ended December 31, 2015	5-year period ended December 31, 2015
Actuarial Cost Method	Individual Entry Age	Individual Entry Age
<u>Actuarial Assumptions:</u>		
Investment Rate of Return	7.20%	7.20%
Wage Inflation	3.25%	3.25%
Projected Salary Increase	3.25 – 10.75% (includes 3.25% wage inflation)	3.25 – 8.25% (includes 3.25% wage inflation)
COLA:		
Pre-Jan 7, 2013 Retirees	3.00% Simple	3.00% Simple
Post-Jan 7, 2013 Retirees	1.40% Simple through 2020 then 2.15% simple	1.40% Simple through 2020 then 2.15% simple

Cuyahoga Community College
Cuyahoga County, Ohio
Notes to Required Supplementary Information
For the Fiscal Years Ended June 30, 2023 and 2022

Key Methods and Assumptions in Valuing Total Pension Liability – Fiscal Year 2019

<u>Actuarial Information</u>	<u>Traditional Plan</u>	<u>Combined Plan</u>
Experience Study	5-year period ended December 31, 2015	5-year period ended December 31, 2015
Actuarial Cost Method	Individual Entry Age	Individual Entry Age
<u>Actuarial Assumptions:</u>		
Investment Rate of Return	7.20%	7.20%
Wage Inflation	3.25%	3.25%
Projected Salary Increase	3.25 – 10.75% (includes 3.25% wage inflation)	3.25 – 8.25% (includes 3.25% wage inflation)
COLA:		
Pre-Jan 7, 2013 Retirees	3.00% Simple	3.00% Simple
Post-Jan 7, 2013 Retirees	3.00% Simple through 2018 then 2.15% simple	3.00% Simple through 2018 then 2.15% simple

Key Methods and Assumptions in Valuing Total Pension Liability – Fiscal Year 2017-18

<u>Actuarial Information</u>	<u>Traditional Plan</u>	<u>Combined Plan</u>
Experience Study	5-year period ended December 31, 2015	5-year period ended December 31, 2015
Actuarial Cost Method	Individual Entry Age	Individual Entry Age
<u>Actuarial Assumptions:</u>		
Investment Rate of Return	7.50%	7.50%
Wage Inflation	3.25%	3.25%
Projected Salary Increase	3.25 – 10.75% (includes 3.25% wage inflation)	3.25 – 8.25% (includes 3.25% wage inflation)
COLA:		
Pre-Jan 7, 2013 Retirees	3.00% Simple	3.00% Simple
Post-Jan 7, 2013 Retirees	3.00% Simple through 2018 then 2.15% simple	3.00% Simple through 2018 then 2.15% simple

Cuyahoga Community College
 Cuyahoga County, Ohio
Notes to Required Supplementary Information
 For the Fiscal Years Ended June 30, 2023 and 2022

Key Methods and Assumptions in Valuing Total Pension Liability – Fiscal Year 2016 and Prior		
<u>Actuarial Information</u>	<u>Traditional Plan</u>	<u>Combined Plan</u>
Experience Study	5-year period ended December 31, 2010	5-year period ended December 31, 2010
Actuarial Cost Method	Individual Entry Age	Individual Entry Age
<u>Actuarial Assumptions:</u>		
Investment Rate of Return	8.00%	8.00%
Wage Inflation	3.75%	3.75%
Projected Salary Increase	4.25 – 10.05% (includes 3.75% wage inflation)	4.25 – 8.05% (includes 3.75% wage inflation)
COLA:		
Pre-Jan 7, 2013 Retirees	3.00% Simple	3.00% Simple
Post-Jan 7, 2013 Retirees	3.00% Simple through 2018 then 2.80% simple	3.00% Simple through 2018 then 2.80% simple

Mortality rates - Amounts reported beginning in 2022, pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

Amounts reported 2017 through 2021 use mortality rates based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

Cuyahoga Community College
 Cuyahoga County, Ohio
Notes to Required Supplementary Information
 For the Fiscal Years Ended June 30, 2023 and 2022

Amounts reported for 2016 and prior use mortality rates based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males, 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

Changes in Assumptions – STRS, Net Pension Liability

Beginning with fiscal year 2023, amounts reported incorporate changes in assumptions and changes in benefit terms used by STRS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in fiscal years 2022, 2018 through 2021, and 2017 and prior are presented below:

	<u>Fiscal Year 2023</u>	<u>Fiscal Year 2022</u>
Inflation	2.50 percent	2.50 percent
Projected salary increases	Varies by service from 2.50 percent to 8.50 percent	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation	7.00 percent, net of investment expenses, including inflation
Payroll Increases	3.00 percent	3.00 percent
Cost-of-Living Adjustments (COLA)	0.00 percent, effective July 1, 2017	0.00 percent, effective July 1, 2017

	<u>Fiscal Years 2018-21</u>	<u>Fiscal Year 2017 and Prior</u>
Inflation	2.50 percent	2.75 percent
Projected salary increases	12.50 percent at age 20 to 2.50 percent at 65	12.25 percent at age 20 to 2.75 percent at age 70
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation	7.75 percent, net of investment expenses, including inflation
Payroll Increases	3.00 percent	3.50 percent
Cost-of-Living Adjustments (COLA)	0.0 percent, effective July 1, 2017	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, 2013 or later, 2 percent COLA commences on fifth anniversary of retirement date.

Cuyahoga Community College
Cuyahoga County, Ohio
Notes to Required Supplementary Information
For the Fiscal Years Ended June 30, 2023 and 2022

The information presented in the required supplemental schedule was determined as part of the actuarial valuation for the dates indicated.

Beginning with fiscal year 2023, post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110 percent for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95 percent for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disable Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

Beginning with fiscal year 2018, post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

For fiscal year 2017 and prior actuarial valuation, mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males' ages are set-back two years through age 89 and no set-back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89, and no set back from age 90 and above.

Cuyahoga Community College
Cuyahoga County, Ohio
Notes to Required Supplementary Information
For the Fiscal Years Ended June 30, 2023 and 2022

Net OPEB Liability

Changes in Assumptions – OPERS, Net OPEB Liability

For 2020 through 2023, the OPERS Board maintained the change in the investment return assumption at 6.0 percent, after reducing from 6.5 percent to 6.0 percent in 2019. For 2023, the single discount rate changed to 5.22 percent from 6.00 percent in 2022. For 2022 and 2021, the single discount rate changed to 6.00 percent from 3.96 percent in 2020. In 2022 and 2021, the single discount rate was 6.00 percent, 3.96 percent in 2020, 3.16 percent in 2019, 3.85 percent in 2018, and prior to 2018 the single discount rate was 4.23 percent. For 2023, the municipal bond rate changed from 1.84 percent to 4.05 percent. The municipal bond rate was 2.00 in 2021, 2.75 in 2020, 3.71 in 2019, and prior to 2019 was 3.31 percent. For 2023 and 2022, the health care cost trend rate changed from 8.5 percent initial, 3.5, ultimate in 2035 to 5.5 percent initial, 3.5 ultimate in 2034. For 2021, the health care cost trend rate changed from 10.5 percent initial, 3.5, ultimate in 2030 to 8.5 percent initial, 3.5 ultimate in 2035. For 2020, the health care cost trend rate changed from 10 percent initial, 3.25, ultimate in 2029 to 10.5 percent initial, 3.5 ultimate in 2030. In 2019, the health care cost trend rate changed from 7.5 percent initial, 3.25, ultimate in 2028 to 10 percent initial, 3.25 ultimate in 2029.

Changes in Assumptions – STRS, Net OPEB Liability

For fiscal year 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.

For fiscal year 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. For fiscal years 2023 and 2022, the discount rate was decreased to 7.00 percent from 7.45.

For fiscal year 2023, the health care cost trends decreased to 3.94 percent ultimate from 4.00 percent from fiscal year 2022.

The health care cost trends remained at 4.00 percent ultimate for fiscal years 2018 through 2022.

Cuyahoga Community College
 Cuyahoga County, Ohio
Notes to Required Supplementary Information
 For the Fiscal Years Ended June 30, 2023 and 2022

The initial rates for healthcare cost trends have varied as illustrated in the table below:

Healthcare cost trends	Medical		Prescription Drug	
	Pre-Medicare	Medicare	Pre-Medicare	Medicare
2023	7.50%	(68.78%)	9.00%	(5.47%)
2022	5.00%	(16.18%)	6.50%	29.98%
2021	5.00%	(6.69%)	6.50%	11.87%
2020	5.87%	4.93%	7.73%	9.62%
2019	6.00%	5.00%	8.00%	(5.23%)
2018	7.00%	6.00%	5.64%	5.20%

Changes in Benefit Terms – STRS, Net OPEB

For fiscal year 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 2020.

For fiscal year 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.

For fiscal year 2020, the subsidy multiplier for non-Medicare benefit recipients was increased from 1.944 percent to 1.984 percent per year of service effective January 1, 2020. The non-Medicare frozen subsidy base premium was increased effective January 1, 2020 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2021.

For fiscal year 2021, the subsidy multiplier for non-Medicare benefit recipients was increased from 1.984 percent to 2.055 percent per year of service effective January 1, 2021. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

For fiscal year 2022, the subsidy multiplier for non-Medicare benefit recipients was increased from 2.055 percent to 2.100 percent per year of service effective January 1, 2022. 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 Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

For fiscal year 2023, salary increase rates were updated based on the actuarial experience study for the period July 1, 2015 through June 30, 2021 and were changed from age based to service based. Healthcare trends were updated to reflect emerging claims and recoveries experience.

(This page is intentionally left blank.)



Statistical Section

Cuyahoga Community College implemented the provisions of Governmental Accounting Standards Board Statement No. 44, *Economic Condition Reporting: The Statistical Section*.

This Section of the Cuyahoga Community College's Annual Comprehensive Financial Report presents detailed information as a context for further understanding of the information in the financial statements, note disclosures, and supplementary information.

Financial Trends

These schedules contain trend information to help the reader understand how the College's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the College's most significant revenue sources.

Debt Capacity

These schedules contain information to help the reader assess the affordability of the College's current levels of outstanding debt and the College's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the College's financial activities take place.

Operating Information

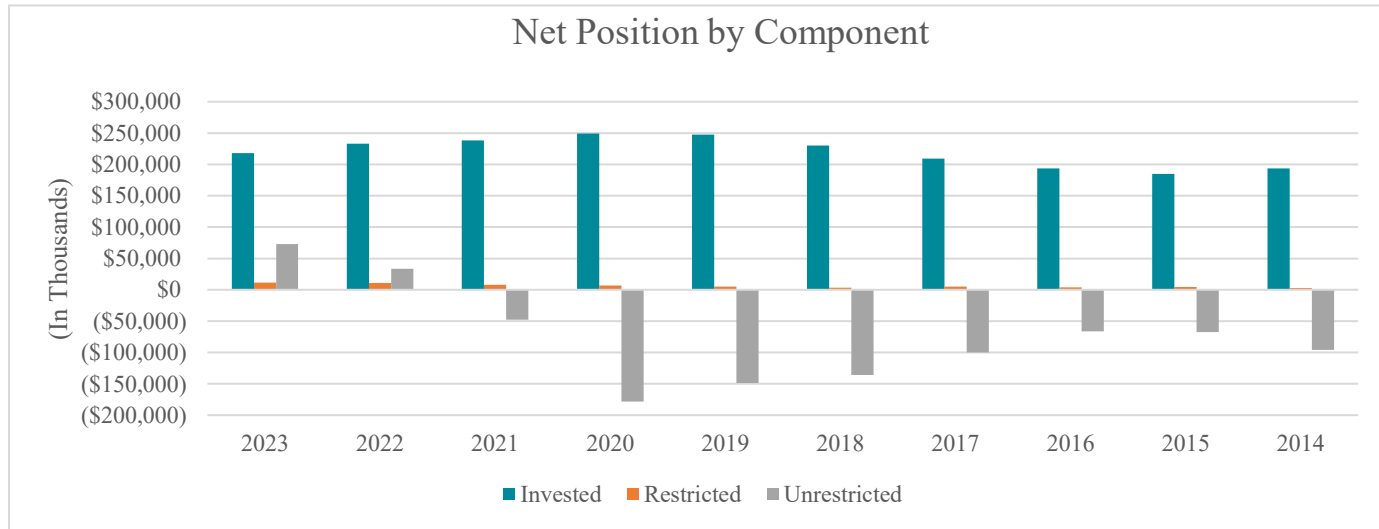
These schedules contain service and capital asset data to help the reader understand how the information in the College's financial report relates to the services the government provides and the activities it performs.

Statistical Section

Schedule of Net Position by Component	S2
Schedule of Expenses by Program.....	S4
Schedule of Revenues by Source	S6
Schedule of Other Changes in Net Position.....	S8
Assessed and Estimated Actual Value of Taxable Property	S10
Property Tax Rates – Direct and Overlapping Governments	S12
Principal Real Property Taxpayers	S18
Property Tax Levies and Collections.....	S19
Historic Tuition and Fees.....	S21
Ratio of Debt per Student	S22
General Receipt Bond Coverage.....	S25
Computation of Legal Debt Margin.....	S26
Demographic and Economic Statistics	S28
Principal Employers.....	S29
Employee Statistics.....	S30
Historical Headcount	S33
Graduation Statistics	S34
Capital Asset Information	S36

Cuyahoga Community College
Schedule of Net Position by Component
Last Ten Fiscal Years (Dollars in Thousands)

	2023	2022⁽⁵⁾	2021⁽⁴⁾	2020⁽⁴⁾
Net Investment in Capital Assets	\$217,744	\$233,188	\$238,398	\$249,848
Restricted for Other Purposes	11,171	10,879	7,929	6,703
Unrestricted (Deficit)	72,822	33,734	(47,881)	(178,447)
Total Net Position⁽³⁾	\$301,737	\$277,801	\$198,446	\$78,104



Source: College Financial Audit Reports

- (1) The effects of GASB 68 are presented for fiscal years beginning in 2014. By recording the proportionate share of net pension liability and deferred outflows and inflows associated with the State pension funds, Unrestricted Net Position resulted in deficits since implementation.
- (2) The effects of GASB 75 are presented beginning fiscal year 2018. GASB 75 required a restatement in restatement to 2017 ending net position as a result of the cumulative effect of this change in accounting principle. The cumulative change reduced FY17 ending net position \$78.7 million from \$114.2 million to \$35.5 million as restated in the financial statements.
- (3) The effects of GASB 84 are presented for fiscal years beginning in 2020. Funds previously classified as Agency funds were evaluated to determine if the fund should be classified as College or Fiduciary under the Standard. The result was \$244,672 and \$204,805 increase in Net Position at June 30, 2020 and 2019.
- (4) The effects of GASB 87 are presented for fiscal years beginning in 2021. The result was \$409,980 and \$391,172 decrease in Net Position at June 30, 2021 and 2020. This resulted in the fiscal year ending balance from 2020 being restated from \$78,104 to \$77,713 for the beginning of fiscal year 2021.
- (5) The effects of GASB 96 are presented for fiscal years beginning in 2022. The result was \$313,517 increase in Net Position at June 30, 2022. This resulted in the fiscal year ending balance from 2022 being restated from \$277,488 to \$277,801.
- (6) Minor differences in totals may result due to rounding to thousands. Financial statements are presented in whole dollars.

2019⁽³⁾	2018	2017⁽²⁾	2016	2015	2014⁽¹⁾
\$247,753	\$230,094	\$209,165	\$193,448	\$185,116	\$193,676
5,115	3,499	5,114	4,026	4,443	2,949
(148,494)	(136,186)	(100,053)	(66,382)	(67,248)	(95,674)
<u>\$104,374</u>	<u>\$97,407</u>	<u>\$114,226</u>	<u>\$131,092</u>	<u>\$122,311</u>	<u>\$100,951</u>

Cuyahoga Community College
Schedule of Expenses by Program
Last Ten Fiscal Years (Dollars in Thousands)

	2023	2022⁽³⁾	2021⁽²⁾	2020^{(1) (2)}
Instruction and Department Research	\$87,314	\$76,452	\$90,077	\$98,481
Public Service	11,834	7,271	3,345	11,853
Academic Support	27,493	22,617	26,615	30,795
Student Services	21,498	10,242	2,692	28,127
Institutional Support	44,709	27,358	19,746	54,774
Operation and Maintenance of Plant	31,403	23,313	18,874	38,679
Student Aid	20,621	40,604	26,597	23,293
Depreciation	35,269	34,681	31,089	26,169
Auxiliary Enterprises	6,317	6,885	6,345	8,607
Total Operating Expenses	<u>286,458</u>	<u>249,423</u>	<u>225,380</u>	<u>320,778</u>
Interest on Capital Debt	10,092	10,916	11,473	11,901
Other	0	0	0	0
Total Nonoperating Expenses	<u>10,092</u>	<u>10,916</u>	<u>11,473</u>	<u>11,901</u>
Total Expenses	<u>\$296,550</u>	<u>\$260,339</u>	<u>\$236,853</u>	<u>\$332,679</u>

Source: College Financial Audit Reports

⁽¹⁾ The College implemented GASB 84 for fiscal year 2021 which required a restatement of FY20 that resulted in an increase of \$172,047 and \$242,101 in Operating Expenses for FY2020 and 2019, respectively.

⁽²⁾ The College implemented GASB 87 for fiscal year 2022 which required a restatement of FY21 that resulted in an increase of \$409,980 and \$391,172 in Operating Expenses for FY2021 and 2020, respectively.

⁽³⁾ The College implemented GASB 96 for fiscal year 2023 which required a restatement of FY22 that resulted in a decrease of \$379,811 in Operating Expenses, and \$66,294 increase in Non-Operating Expenses for FY2022, respectively.

⁽⁴⁾ Minor differences in totals may result due to rounding to thousands. Financial statements are presented in whole dollars.

2019	2018	2017	2016	2015	2014
\$86,668	\$47,281	\$96,972	\$91,430	\$89,337	\$91,090
15,165	14,485	14,292	13,453	11,502	13,570
24,728	13,729	29,035	24,394	23,056	23,150
30,661	26,660	26,375	24,582	22,825	22,719
60,968	57,245	54,386	47,665	42,173	44,132
37,680	32,808	32,340	27,976	26,427	28,224
22,224	22,994	26,972	31,173	34,842	39,543
22,229	21,280	23,186	23,891	23,585	24,015
10,877	11,509	12,416	13,517	14,249	14,489
<u>311,200</u>	<u>247,991</u>	<u>315,974</u>	<u>298,081</u>	<u>287,996</u>	<u>300,932</u>
12,507	7,351	4,902	5,513	6,272	6,521
258	0	384	0	0	0
<u>12,765</u>	<u>7,351</u>	<u>5,286</u>	<u>5,513</u>	<u>6,272</u>	<u>6,521</u>
<u>\$323,965</u>	<u>\$255,342</u>	<u>\$321,260</u>	<u>\$303,594</u>	<u>\$294,268</u>	<u>\$307,453</u>

Cuyahoga Community College
Schedule of Revenues by Source
Last Ten Fiscal Years (Dollars in Thousands)

	2023	2022	2021	2020⁽¹⁾
Student Tuition and Fees	\$33,662	\$33,520	\$34,847	\$39,001
Federal Grants and Contracts	7,712	6,998	7,136	7,194
State Grants and Contracts	1,415	1,043	1,638	1,448
Local Grants and Contracts	123	58	71	69
Private Grants and Contracts	8,136	9,996	8,786	7,180
Sales and Services	7,282	6,255	5,002	5,442
Auxiliary Enterprises	7,478	7,909	8,128	10,663
Other Operating Revenues	2,682	1,534	866	2,183
Total Operating Revenues	68,490	67,313	66,474	73,180
State Appropriations	64,418	67,160	70,876	69,466
Property Taxes	144,583	143,517	139,686	112,380
Federal Grants and Contracts	22,653	66,879	57,844	32,797
State Grants and Contracts	94	172	200	494
Gain on Sale of Assets	0	0	0	0
Unrestricted Investment Income	12,159	(13,894)	18,209	3,556
Restricted Investment Income	301	(107)	189	3,338
Other Nonoperating Revenues	301	15	9	16
Total Nonoperating Revenues	244,509	263,742	287,013	222,047
Total Revenues	\$312,999	\$331,055	\$353,487	\$295,227

⁽¹⁾ The College implemented GASB 84 for fiscal year 2021 which required a restatement that resulted in an increase of \$211,914 and \$221,017 for 2020 and 2019 revenue.

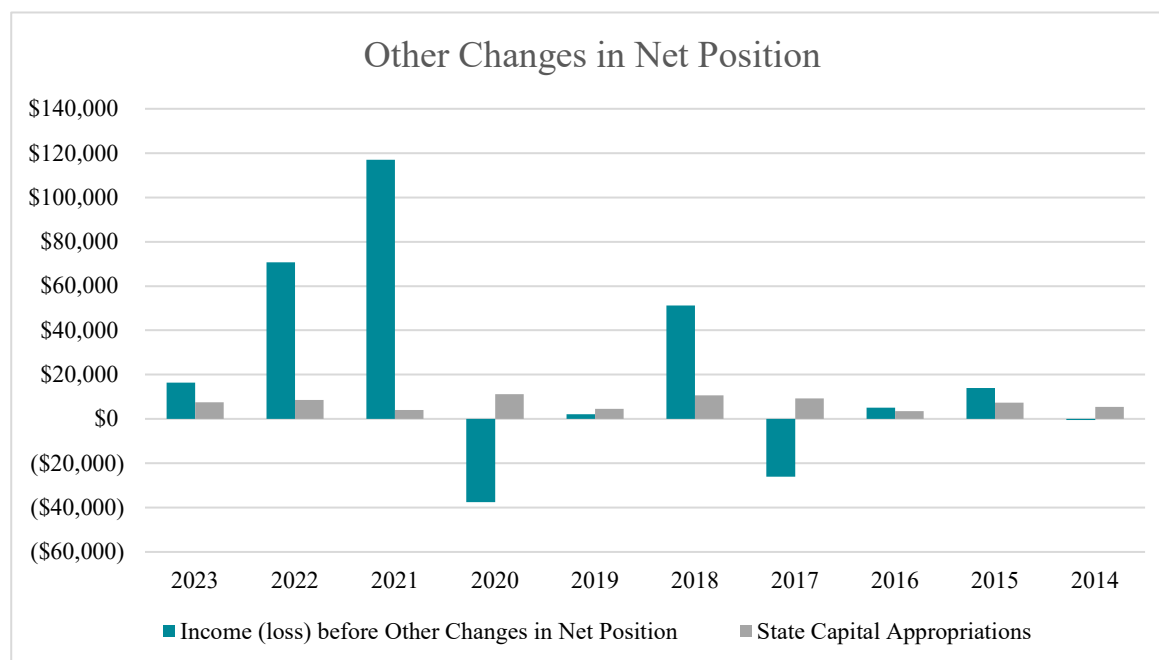
⁽²⁾ Minor differences in totals may result due to rounding to thousands. Financial statements are presented in whole dollars.

Source: College Financial Audit Reports

2019⁽¹⁾	2018	2017	2016	2015	2014
\$42,450	\$40,141	\$43,107	\$44,035	\$46,498	\$49,098
7,741	8,196	8,437	8,808	8,964	9,304
916	1,117	1,355	1,686	1,376	1,007
48	65	7	0	0	97
7,377	4,362	6,244	5,009	6,474	3,318
7,565	6,941	7,391	7,333	7,221	6,881
11,783	12,751	14,135	15,555	16,508	16,814
3,384	3,170	3,193	3,469	3,758	3,389
<u>81,264</u>	<u>76,743</u>	<u>83,869</u>	<u>85,895</u>	<u>90,799</u>	<u>89,908</u>
70,692	72,105	71,092	67,814	63,828	59,457
130,957	117,641	94,495	111,972	101,588	93,359
31,406	32,540	36,205	43,250	49,437	53,195
515	605	595	163	40	0
0	0	0	0	0	28
4,578	5,472	8,897	(454)	2,550	10,979
6,632	1,350	22	13	12	6
0	79	0	108	61	61
<u>244,780</u>	<u>229,792</u>	<u>211,306</u>	<u>222,866</u>	<u>217,516</u>	<u>217,085</u>
<u>\$326,044</u>	<u>\$306,535</u>	<u>\$295,175</u>	<u>\$308,761</u>	<u>\$308,315</u>	<u>\$306,993</u>

Cuyahoga Community College
Schedule of Other Changes in Net Position
Last Ten Fiscal Years (Dollars in Thousands)

	<u>2023</u>	<u>2022⁽⁵⁾</u>	<u>2021⁽⁴⁾</u>	<u>2020⁽³⁾⁽⁴⁾</u>	<u>2019⁽³⁾</u>
Income (loss) before Other Changes in Net Position ⁽²⁾	\$16,449	\$70,716	\$116,635	(\$37,452)	\$2,080
State Capital Appropriations	7,487	8,639	4,098	11,183	4,661
Total Change in Net Position	<u>\$23,936</u>	<u>\$79,355</u>	<u>\$120,733</u>	<u>(\$26,269)</u>	<u>\$6,741</u>



Source: College Financial Audit Reports

- (1) Increase in operating results includes a net \$49.1 million reduction in expense due to allocation of proportionate share of net favorable changes in State run pension and OPEB (other postemployment benefit) plans' funded positions. College employees participate in the OPERS, STRS or alternative plans.
- (2) Minor differences in totals may result due to rounding to thousands. Financial statements are presented in whole dollars.
- (3) The College implemented GASB 84 for fiscal year 2021 which required a restatement that resulted in a decrease of \$39,867 of operating loss for FY2020 and decrease of \$21,084 for FY2019.
- (4) The College implemented GASB 87 for fiscal year 2022 which required a restatement that resulted in a increase of \$409,980 of operating loss for FY2021 and increase of \$391,172 for FY2020.
- (5) The College implemented GASB 96 for fiscal year 2023 which required a restatement of FY22 that resulted in a decrease of \$379,811 in Operating Expenses, and \$66,294 increase in Non-Operating Expenses for FY2022, respectively.

<u>2018⁽¹⁾</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$51,193	(\$26,085)	\$5,167	\$14,046	(\$459)
10,678	9,219	3,614	7,314	5,427
<u>\$61,871</u>	<u>(\$16,866)</u>	<u>\$8,781</u>	<u>\$21,360</u>	<u>\$4,968</u>

Cuyahoga Community College
Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years (Dollars in Thousands)

Collection Year	Real Property			Estimated Actual Value	Tangible Personal Property	
	Assessed Value				Public Utility	
	Residential/ Agricultural	Commercial/ Industrial	Total		Assessed Value	Estimated Actual Value
2023	\$24,543,738	\$8,966,687	\$33,510,425	\$95,744,071	\$1,558,304	\$1,770,800
2022	24,422,121	8,919,967	33,342,088	95,263,109	1,463,477	1,663,042
2021	20,900,615	8,486,698	29,387,313	83,963,751	1,386,485	1,575,551
2020	20,833,634	8,413,390	29,247,024	83,562,926	1,301,186	1,478,620
2019	20,772,109	8,548,567	29,320,676	83,773,360	1,215,929	1,381,738
2018	18,843,520	7,880,857	26,724,377	76,355,363	1,153,892	1,311,241
2017	18,837,520	7,727,214	26,564,734	75,899,239	1,059,011	1,203,421
2016	18,786,257	7,801,504	26,587,761	75,965,031	938,390	1,066,352
2015	18,473,813	8,364,776	26,838,589	76,681,683	894,864	1,016,891
2014	18,485,315	8,368,656	26,853,971	76,725,631	840,870	955,534

Real property is reappraised every six years with a State mandated update of the current market value in the third following each appraisal. Property taxes in Cuyahoga County were revalued during the 2015 triennial property value update. Most properties in Cuyahoga County experienced a reduction in property values.

The assessed value of real property (including public utility real property) is 35 percent of true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property.

The tangible personal property values associated with each year were values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by a 10 percent and a 2 1/2 percent rollback, and the homestead exemptions before being billed.

*Minor differences in totals may result due to rounding to thousands. Table of expected collections are presented in Note 9, Property Taxes and Abatements.

Source: Cuyahoga County Fiscal Officer

Total

Assessed Value	Estimated Actual Value	Weighted Average Tax Rate
\$35,068,729 *	\$97,514,871	\$4.1166
34,805,565	96,926,151	4.1185
30,773,798	85,539,303	4.5673
30,548,210	85,041,546	4.5430
30,536,605	85,155,098	4.1430
27,878,269	77,666,604	4.4669
27,623,745	77,102,660	3.9599
27,526,151	77,031,384	3.9619
27,733,453	77,698,574	3.9970
27,694,841	77,681,166	3.0897

Cuyahoga Community College
Property Tax Rates -Direct and Overlapping Governments
(Per \$1,000 of Assessed Value)
Last Ten Years

	2023		2022		2021		2020	
	Gross Rate	Effective Rate ⁽¹⁾	Gross Rate	Effective Rate ⁽¹⁾	Gross Rate	Effective Rate ⁽¹⁾	Gross Rate	Effective Rate ⁽¹⁾
Voted Millage - by Levy								
2005 Operating - Continuing								
Effective Millage Rates								
Residential/Agricultural	\$1.2000	\$0.9322	\$1.2000	\$0.9325	\$1.2000	\$1.0836	\$1.2000	\$1.0807
Commercial/Industrial	1.2000	1.0660	1.2000	1.0693	1.2000	1.1246	1.2000	1.1073
Tangible/Public Utility Personal	1.2000	1.2000	1.2000	1.2000	1.2000	1.2000	1.2000	1.2000
2009 Operating - Continuing								
Effective Millage Rates								
Residential/Agricultural	\$1.9000	\$1.4760	\$1.9000	\$1.4765	\$1.9000	\$1.7157	\$1.9000	\$1.7111
Commercial/Industrial	1.9000	1.6878	1.9000	1.6930	1.9000	1.7807	1.9000	1.7533
Tangible/Public Utility Personal	1.9000	1.9000	1.9000	1.9000	1.9000	1.9000	1.9000	1.9000
2014 Operating - Continuing								
Effective Millage Rates								
Residential/Agricultural	\$0.9000	\$0.6992	\$0.9000	\$0.6994	\$0.9000	\$0.8127	\$0.9000	\$0.8105
Commercial/Industrial	0.9000	0.7995	0.9000	0.8019	0.9000	0.8435	0.9000	0.8305
Tangible/Public Utility Personal	0.9000	0.9000	0.9000	0.9000	0.9000	0.9000	0.9000	0.9000
2018 Capital Bond Levy								
Effective Millage Rates								
Residential/Agricultural	\$0.5000	\$0.5000	\$0.5000	\$0.5000	\$0.5000	\$0.5000	\$0.5000	\$0.5000
Commercial/Industrial	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000
Tangible/Public Utility Personal	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000
2019 Operating - Continuing								
Effective Millage Rates								
Residential/Agricultural	\$0.4000	\$0.3441	\$0.4000	\$0.3442	\$0.4000	\$0.4000	\$0.4000	\$0.4000
Commercial/Industrial	0.4000	0.3791	0.4000	0.3803	0.4000	0.4000	0.4000	0.4000
Tangible/Public Utility Personal	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000
Total Effective Voted Millage by Type of Property								
Residential/Agricultural	\$4.9000	\$3.9515	\$4.9000	\$3.9526	\$4.9000	\$4.5121	\$4.9000	\$4.5023
Commercial/Industrial	4.9000	4.4324	4.9000	4.4445	4.9000	4.6488	4.9000	4.5911
Tangible/Public Utility Personal	4.9000	4.9000	4.9000	4.9000	4.9000	4.9000	4.9000	4.9000
Total Weighted Average Tax Rate								
		\$4.1166		\$4.1185		\$4.5673		\$4.5430

Source: Ohio Department of Taxation, Cuyahoga County Fiscal Officer

Note: The rates presented for a particular calendar year are the rates that when applied to the assessed value presented in the Assessed Values tables (S10 & S11), generate the property tax revenue billed in that year.

The County's basic property tax rate may be increased only by a majority vote of the County's residents.

Overlapping rates are those of local and county governments that apply to property owners within the County.

Debt Service levies are designed to raise a fixed amount of revenue each year. A rate is set each year so that when it is applied to the total assessed value, the fixed amount is generated.

⁽¹⁾ Based on lower of Residential/Agricultural and Commercial/Industrial effective rates.

2019		2018		2017		2016		2015		2014	
Gross Rate	Effective Rate ⁽¹⁾	Gross Rate	Effective Rate ⁽¹⁾	Gross Rate	Effective Rate ⁽¹⁾	Gross Rate	Effective Rate ⁽¹⁾	Gross Rate	Effective Rate ⁽¹⁾	Gross Rate	Effective Rate ⁽¹⁾
\$1.2000	\$1.0807	\$1.2000	\$1.1871	\$1.2000	\$1.1838	\$1.2000	\$1.1828	\$1.2000	\$1.2000	\$1.2000	\$1.2000
1.2000	1.1073	1.2000	1.1958	1.2000	1.1964	1.2000	1.2000	1.2000	1.1900	1.2000	1.1691
1.2000	1.2000	1.2000	1.2000	1.2000	1.2000	1.2000	1.2000	1.2000	1.2000	1.2000	1.2000
\$1.9000	\$1.7111	\$1.9000	\$1.8795	\$1.9000	\$1.8744	\$1.9000	\$1.8728	\$1.9000	\$1.9000	\$1.9000	\$1.9000
1.9000	1.7533	1.9000	1.8934	1.9000	1.8943	1.9000	1.9000	1.9000	1.9000	1.9000	1.9000
1.9000	1.9000	1.9000	1.9000	1.9000	1.9000	1.9000	1.9000	1.9000	1.9000	1.9000	1.9000
\$0.9000	\$0.8105	\$0.9000	\$0.8903	\$0.9000	\$0.8879	\$0.9000	\$0.8871	\$0.0000	\$0.0000	\$0.0000	\$0.0000
0.9000	0.8305	0.9000	0.8969	0.9000	0.8973	0.9000	0.9000	0.0000	0.0000	0.0000	0.0000
0.9000	0.9000	0.9000	0.9000	0.9000	0.9000	0.9000	0.9000	0.0000	0.0000	0.0000	0.0000
\$0.5000	\$0.5000	\$0.5000	\$0.5000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
0.5000	0.5000	0.5000	0.5000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.5000	0.5000	0.5000	0.5000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
\$4.5000	\$4.1023	\$4.5000	\$4.4569	\$4.0000	\$3.9461	\$4.0000	\$3.9427	\$4.0000	\$4.0000	\$3.1000	\$3.1000
4.5000	4.1911	4.5000	4.4861	4.0000	3.9880	4.0000	4.0000	4.0000	3.9900	3.1000	3.0691
4.5000	4.5000	4.5000	4.5000	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	3.1000	3.1000
	\$4.1430		\$4.4669		\$3.9599		\$3.9619		\$3.9970		\$3.0897

(continued)

Cuyahoga Community College
Property Tax Rates -Direct and Overlapping Governments - continued
(Per \$1,000 of Assessed Value)
Last Ten Years

	2023		2022		2021		2020	
	Gross Rate	Effective Rate ⁽¹⁾	Gross Rate	Effective Rate ⁽¹⁾	Gross Rate	Effective Rate ⁽¹⁾	Gross Rate	Effective Rate ⁽¹⁾
Overlapping Rates by Taxing District								
Cuyahoga County	\$14.8500	\$12.2519	\$14.8500	\$12.2552	\$14.8500	\$14.0063	\$14.0500	\$12.8012
Cities								
Bay Village	\$14.9000	\$14.9000	\$14.9000	\$14.9000	\$14.9000	\$14.9000	\$14.9000	\$14.9000
Beachwood	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000
Bedford	21.7000	21.7000	21.7000	21.7000	21.7000	21.7000	21.7000	21.7000
Bedford Heights	21.9000	21.9000	21.9000	21.9000	21.9000	21.9000	21.9000	21.9000
Berea	16.8000	12.2351	16.8000	12.2366	15.8000	11.5630	15.8000	11.5590
Brecksville	8.2100	8.2100	8.2100	8.2100	8.2100	8.2100	8.2100	8.2100
Broadview Heights	12.5200	9.6699	12.5200	9.6721	12.5200	9.8593	12.5200	9.8587
Brook Park	4.7500	4.6479	4.7500	4.6479	4.7500	4.6698	4.7500	4.6696
Brooklyn	5.9000	5.9000	5.9000	5.9000	5.9000	5.9000	5.9000	5.9000
Cleveland	12.7000	12.7000	12.7000	12.7000	12.7000	12.7000	12.7000	12.7000
Cleveland Heights	12.4200	12.4200	12.4200	12.4200	12.4200	12.4200	12.4200	12.4200
East Cleveland	12.7000	12.7000	12.7000	12.7000	12.7000	12.7000	12.7000	12.7000
Euclid	13.6000	6.5085	13.6000	6.5097	13.6000	6.9982	13.6000	6.9863
Fairview Park	11.8000	11.3503	11.8000	11.3502	11.8000	11.4718	11.8000	11.4712
Garfield Heights	28.5000	28.5000	29.1300	29.1300	28.5000	28.5000	28.3000	28.3000
Highland Heights	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000
Independence	2.2000	2.2000	2.2000	2.2000	2.2000	2.2000	2.2000	2.2000
Lakewood	17.4000	17.4000	17.4000	17.4000	17.4000	17.4000	17.4000	17.4000
Lyndhurst	11.5000	11.5000	11.5000	11.5000	11.5000	11.5000	11.5000	11.5000
Maple Heights	20.0000	18.5684	20.0000	18.5665	20.0000	19.4905	20.0000	19.4748
Mayfield Heights	10.0000	10.0000	10.0000	10.0000	10.0000	10.0000	10.0000	10.0000
Middleburg Heights	5.4500	4.6495	5.4500	4.6495	5.4500	4.6825	5.4500	4.6825
North Olmsted	11.8000	11.8000	12.2000	12.2000	12.2000	12.2000	12.2000	12.2000
North Royalton	8.2000	6.3045	8.2000	5.9629	8.2000	6.4256	8.2000	6.4279
Olmsted Falls	12.6500	8.3834	12.6500	8.3941	12.6500	9.1999	12.6500	9.2144
Parma	7.4000	6.2490	7.4000	6.2485	7.4000	6.9373	7.4000	6.9349
Parma Heights	10.0000	10.0000	10.0000	10.0000	10.0000	10.0000	10.0000	10.0000
Pepper Pike	9.5000	8.7687	9.5000	8.7688	9.5000	8.9201	9.5000	8.9223
Richmond Heights	17.1000	14.5552	17.1000	14.5552	17.1000	14.6851	18.3000	15.8800
Rocky River	10.5500	10.5500	10.6500	10.6500	10.6800	10.6800	10.6800	10.6800
Seven Hills	13.2400	10.6696	13.2400	10.6582	13.2400	11.7205	13.4900	11.7423
Shaker Heights	9.9000	9.9000	9.9000	9.9000	9.9000	9.9000	9.9000	9.9000
Solon	3.8000	3.6062	3.8000	3.6062	3.8000	3.6325	3.8000	3.6320
South Euclid	18.8500	16.9507	18.8500	16.9576	18.8500	18.0996	18.8500	18.0575
Strongsville	9.3000	6.2589	9.3000	6.2597	9.3000	6.7699	9.3000	6.7697
University Heights	13.2000	13.2000	13.2000	13.2000	13.2000	13.2000	13.2000	13.2000
Warrensville Heights	9.7000	5.7851	9.7000	5.7847	9.7000	6.2557	9.7000	6.2400
Westlake	9.5200	9.5200	9.5200	9.5200	9.5200	9.5200	9.5200	9.5200
Townships/Villages								
Bentleyville	\$8.9000	\$5.7524	\$8.9000	\$5.8715	\$8.9000	\$6.0087	\$8.9000	\$5.7974
Bratenahl	13.5000	11.7865	15.0000	12.9989	15.0000	14.0507	15.0000	13.9401
Brooklyn Heights	4.4000	4.4000	4.4000	4.4000	4.4000	4.4000	4.4000	4.4000
Chagrin Falls Township	8.3000	6.7185	8.3000	6.7210	0.4000	0.4000	0.4000	0.4000
Chagrin Falls Village	0.4000	0.4000	0.8000	0.8000	8.3000	7.3136	8.3000	7.3021
Cuyahoga Heights	4.4000	4.4000	4.4000	4.4000	4.4000	4.4000	4.4000	4.4000
Gates Mills	14.4800	12.2984	14.4800	12.2950	14.4800	12.4579	14.4000	12.2576
Glenwillow	3.3000	3.3000	3.3000	3.3000	3.3000	3.3000	3.3000	3.3000
Highland Hills	20.7000	11.5976	20.7000	11.5979	20.7000	12.2577	20.7000	11.5378
Hunting Valley	16.1000	16.0143	16.1000	15.9570	16.1000	16.1000	16.1000	16.1000
Linndale	2.8000	2.8000	2.8000	2.8000	2.8000	2.8000	2.8000	2.8000
Mayfield	5.0000	3.7217	5.0000	3.7218	5.0000	3.7540	7.3000	4.1661
Moreland Hills	10.3000	10.3000	10.3000	10.3000	10.3000	10.3000	10.3000	10.3000
Newburgh Heights	31.8000	29.5298	31.8000	29.5294	31.8000	30.9661	31.8000	30.8597
North Randall	3.3000	3.3000	3.3000	3.3000	4.8000	4.4641	4.8000	4.4580
Oakwood	3.8000	3.8000	3.8000	3.8000	3.8000	3.8000	3.8000	3.8000
Olmsted Township	31.5000	18.2524	31.5000	18.2526	31.5000	20.3164	31.5000	20.3754
Orange	7.0000	7.0000	7.0000	7.0000	7.0000	7.0000	7.0000	7.0000
Valley View	6.7000	6.3425	6.7000	6.3415	6.7000	6.5352	6.7000	6.5314
Walton Hills	3.3000	3.3000	3.3000	3.3000	3.3000	3.3000	3.3000	3.3000
Woodmere	4.3000	4.3000	4.3000	4.3000	4.3000	4.3000	4.3000	4.3000

Source: Ohio Department of Taxation, Cuyahoga County Fiscal Officer

Note: The rates presented for a particular calendar year are the rates that when applied to the assessed value presented in the Assessed Values tables (S10 & S11), generate the property tax revenue billed in that year.

⁽¹⁾ Based on lower of Residential/Agricultural and Commercial/Industrial effective rates.

2019		2018		2017		2016		2015		2014	
Gross Rate	Effective Rate ⁽¹⁾	Gross Rate	Effective Rate ⁽¹⁾	Gross Rate	Effective Rate ⁽¹⁾	Gross Rate	Effective Rate ⁽¹⁾	Gross Rate	Effective Rate ⁽¹⁾	Gross Rate	Effective Rate ⁽¹⁾
\$14.0500	\$12.7973	\$14.0500	\$13.9140	\$14.0500	\$13.8802	\$14.0500	\$13.8698	\$14.0500	\$14.0195	\$14.0500	\$13.9495
\$14.9000	\$14.9000	\$14.9000	\$14.9000	\$14.9000	\$14.9000	\$14.9000	\$14.9000	\$14.9000	\$14.9000	\$14.9000	\$14.9000
4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000
21.7000	21.7000	21.7000	21.7000	21.7000	21.7000	21.7000	21.7000	21.7000	21.7000	21.7000	21.7000
21.9000	21.9000	21.9000	21.9000	21.9000	21.9000	21.9000	21.9000	21.9000	21.9000	21.9000	21.9000
16.8000	12.5640	16.8000	12.7858	16.8000	12.7814	16.8000	12.7856	16.8000	12.7609	16.8000	12.7590
8.2100	8.2100	8.2100	8.2100	8.2100	8.2100	8.2100	8.2100	8.2100	8.2100	8.2100	8.2100
12.5200	9.8606	11.8200	9.2960	11.8200	9.2954	11.8200	9.2958	10.4000	7.9083	10.4000	7.3266
4.7500	4.7070	4.7500	4.6803	4.7500	4.6833	4.7500	4.6833	4.7500	4.6764	4.7500	4.6694
5.9000	5.9000	5.9000	5.9000	5.9000	5.9000	5.9000	5.9000	5.9000	5.9000	5.9000	5.9000
12.7000	12.7000	12.7000	12.7000	10.1500	10.1241	12.7000	12.7000	12.7000	12.7000	12.7000	12.7000
12.4200	12.4200	12.4200	12.4200	13.9200	13.9200	13.9200	13.9200	13.9200	13.9200	12.9000	12.9000
12.7000	12.7000	12.7000	12.7000	12.7000	12.7000	12.7000	12.7000	12.7000	12.7000	12.7000	12.7000
13.6000	6.9823	13.6000	7.4632	13.6000	7.4435	13.6000	7.4252	13.6000	7.3102	13.6000	7.2808
11.8000	11.4712	11.8000	11.5629	11.8000	11.5640	11.8000	11.5636	11.8000	11.6115	11.8000	11.6106
29.3000	29.3000	28.0600	28.0600	25.8100	25.8100	27.2000	27.2000	27.2000	27.2000	27.0000	27.0000
4.0000	4.0000	4.0000	4.0000	3.3500	3.3241	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000
2.2000	2.2000	2.2000	2.2000	1.8500	1.8241	2.2000	2.2000	2.2000	2.2000	2.2000	2.2000
17.4000	17.4000	17.4000	17.4000	7.1300	7.1041	17.4000	17.4000	17.4000	17.4000	17.4000	17.4000
11.5000	11.5000	11.5000	11.5000	12.7500	12.7241	11.5000	11.5000	11.5000	11.5000	11.5000	11.5000
20.0000	19.4675	20.0000	20.0000	18.0500	18.0241	16.8000	16.8000	15.5000	15.5000	15.5000	15.5000
10.0000	10.0000	10.0000	10.0000	8.6700	8.6441	10.0000	10.0000	10.0000	10.0000	10.0000	10.0000
5.4500	4.6825	5.4500	4.7069	6.5000	5.7308	5.4500	4.7066	5.4500	4.7068	5.4500	4.7065
13.3000	13.3000	13.3000	13.3000	14.5500	14.5241	13.3000	13.3000	13.3000	13.3000	13.3000	13.3000
8.2000	6.4287	8.2000	6.8378	8.2500	6.0446	8.2000	6.0196	8.2000	6.0518	8.2000	6.0491
12.6500	9.2165	12.6500	9.8049	14.0000	11.1257	13.3500	10.5030	13.3500	10.5637	13.3500	10.3201
7.4000	6.9349	7.4000	7.4000	6.2500	6.2241	7.5000	7.5000	7.6000	7.5510	7.1000	6.7841
10.0000	10.0000	10.0000	10.0000	10.6500	10.6241	10.0000	10.0000	10.0000	10.0000	10.0000	10.0000
9.5000	8.8995	9.5000	9.3237	9.9500	9.7794	9.5000	9.3558	9.5000	9.1995	9.5000	9.3947
18.3000	15.8778	18.3000	15.9788	17.6500	15.2983	18.1000	15.7728	18.1000	15.7457	18.1000	15.7130
10.6800	10.6800	10.8000	10.8000	9.0200	8.9941	10.9000	10.9000	10.9000	10.9000	10.9000	10.9000
13.4900	11.7519	14.3900	14.2100	11.1900	10.9789	11.1000	10.9096	11.2000	11.2000	11.2000	11.2000
9.9000	9.9000	9.9000	9.9000	7.6500	7.6241	9.9000	9.9000	9.9000	9.9000	9.9000	9.9000
3.8000	3.6319	3.8000	3.6512	3.4500	3.2746	3.8000	3.6505	3.8000	3.6722	3.8000	3.6715
18.8500	18.0411	18.8500	18.7744	17.3500	17.2865	16.3500	16.2817	16.3500	16.2605	16.3500	16.1215
9.3000	6.7749	9.3000	7.1611	10.5500	8.3868	9.3000	7.1672	9.8000	7.7790	9.8000	7.7831
13.2000	13.2000	13.2000	13.2000	12.6000	12.5741	13.2000	13.2000	13.2000	13.2000	13.2000	13.2000
9.7000	6.2400	9.7000	6.6245	10.5500	7.4467	9.7000	6.6175	9.7000	6.4330	9.7000	6.4212
9.5200	9.5200	9.5200	9.5200	9.5700	9.5441	9.5200	9.5200	9.5200	9.5200	9.5200	9.5200
\$8.9000	\$7.3327	\$8.9000	\$7.5305	\$8.9000	\$7.5156	\$8.9000	\$7.5117	\$8.9000	\$7.5206	\$8.9000	\$7.5028
15.0000	13.9413	15.0000	15.0000	15.0000	14.9046	15.0000	14.9081	16.0000	16.0000	16.0000	16.0000
4.4000	4.4000	4.4000	4.4000	4.4000	4.4000	4.4000	4.4000	4.4000	4.4000	4.4000	4.4000
0.4000	0.4000	0.8000	0.8000	0.8000	0.8000	0.8000	0.8000	0.4000	0.4000	0.4000	0.4000
8.3000	7.3021	8.9000	8.2916	9.3000	8.6901	9.4000	8.7842	9.3000	8.9221	9.5000	9.1218
4.4000	4.4000	4.4000	4.4000	4.4000	4.4000	4.4000	4.4000	4.4000	4.4000	4.4000	4.4000
14.4000	12.2608	14.4000	12.6592	11.2700	9.4637	14.4000	12.6041	14.4000	13.0219	14.4000	12.9965
3.3000	3.3000	3.3000	3.3000	1.8000	1.7741	3.3000	3.3000	3.3000	3.3000	3.3000	3.3000
20.7000	12.0372	20.7000	12.4100	13.1500	9.3158	20.7000	12.4473	20.7000	11.0053	20.7000	10.9855
8.1000	8.1000	8.1000	8.1000	7.8500	7.8241	5.1000	5.1000	5.1000	5.1000	5.1000	5.1000
2.8000	2.8000	2.8000	2.8000	1.8000	1.7741	2.8000	2.8000	2.8000	2.8000	2.8000	2.8000
7.3000	4.1661	7.3000	4.2204	8.3500	5.2421	7.3000	4.2176	7.3000	4.2208	7.3000	4.2193
10.3000	10.3000	7.3000	7.3000	11.7000	11.6483	7.3000	7.3000	7.3000	7.3000	7.3000	7.3000
31.8000	30.8580	31.8000	31.8000	29.1500	28.3233	31.8000	30.9649	31.8000	30.6399	31.8000	30.5869
4.8000	4.4580	4.8000	4.5550	3.3500	3.0792	4.8000	4.5551	4.8000	4.4616	4.8000	4.4577
3.8000	3.8000	3.8000	3.8000	2.4500	2.4241	3.8000	3.8000	3.8000	3.8000	3.8000	3.8000
27.5000	16.4320	27.5000	17.7494	25.8500	16.0412	27.5000	17.7328	27.5000	18.0081	23.5000	14.0481
7.0000	7.0000	7.0000	7.0000	5.5500	5.5241	7.1000	7.1000	7.1000	7.1000	7.1000	7.1000
6.7000	6.5316	6.7000	6.6987	4.1500	4.1204	6.7000	6.7000	6.7000	6.7000	6.7000	6.7000
3.3000	3.3000	0.3000	0.3000	1.8000	1.7741	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000
4.3000	4.3000	4.3000	4.3000	2.8500	2.8241	4.3000	4.3000	4.3000	4.3000	4.3000	4.3000

(continued)

Cuyahoga Community College
Property Tax Rates -Direct and Overlapping Governments - continued
(Per \$1,000 of Assessed Value)
Last Ten Years

	2023		2022		2021		2020	
	Gross Rate	Effective Rate ⁽¹⁾	Gross Rate	Effective Rate ⁽¹⁾	Gross Rate	Effective Rate ⁽¹⁾	Gross Rate	Effective Rate ⁽¹⁾
Special Districts								
Chagrin Falls Township Fire District	\$0.8000	\$0.8000	\$0.8000	\$0.8000	\$0.8000	\$0.8000	\$0.8000	\$0.8000
Cleveland Heights Library	10.0000	6.9265	10.0000	6.9346	10.0000	7.8191	10.0000	7.7566
Cleveland Library	8.8000	6.2914	8.8000	6.2917	8.8000	7.7357	8.8000	7.7532
Cleveland Metro Parks	2.7500	2.7404	2.7500	2.1502	2.7500	2.4849	2.7500	2.4797
Cleveland Cuyahoga Port Authority	0.1300	0.0888	0.1300	0.0888	0.1300	0.1032	0.1300	0.1029
Cuyahoga County Library	3.5000	2.8311	3.5000	2.8320	3.5000	3.2636	2.5000	2.2594
East Cleveland Library	7.0000	5.8818	7.0000	5.8835	7.0000	6.3273	7.0000	6.5711
Euclid Library	5.6000	4.1079	5.6000	4.1097	5.6000	4.8731	5.6000	4.7707
Lakewood Library	3.5000	1.5412	3.5000	1.5407	3.5000	1.9585	3.5000	1.9555
Rocky River Library	6.1000	3.3229	6.1000	3.3223	6.1000	3.9555	6.1000	3.9465
Shaker Heights Library	5.9000	4.6959	11.8000	9.4301	5.9000	5.0500	5.9000	5.1569
Westlake Library	2.8000	2.1820	2.8000	2.1826	2.8000	2.4409	2.8000	2.4384
Joint Vocational Schools								
Cuyahoga Valley JVS	\$2.0000	\$2.0000	\$2.0000	\$2.0000	\$2.0000	\$2.0000	\$2.0000	\$2.0000
Polaris JVS	3.0900	2.5273	3.0900	2.5274	3.0900	2.6858	3.0900	2.6859
Schools								
Bay Village City	\$128.4300	\$51.2735	\$121.7800	\$44.6337	\$121.7800	\$50.5244	\$121.7800	\$50.3936
Beachwood City	91.1800	39.3326	91.5000	39.6679	91.7000	42.8053	92.1000	43.1121
Bedford City	75.7200	36.6576	75.7200	36.6487	75.7200	42.3994	75.7200	42.2903
Berea City	81.5000	38.1932	81.9000	38.6004	81.9000	44.4869	82.1000	44.6639
Brecksville-Broadview Heights City	82.6300	36.9986	82.7900	37.1606	82.7900	41.4252	82.6300	41.2320
Brooklyn City	61.5500	47.6395	63.7000	49.7869	64.0000	53.8016	64.8000	54.3502
Chagrin Falls Exempted Village	123.5700	54.2001	124.0000	54.6570	124.1000	57.8814	124.1000	59.3948
Cleveland Heights - University Heights City	159.8000	79.2964	158.3000	77.8768	158.3000	86.6039	153.6000	81.3260
Cleveland Municipal	84.1000	45.7481	84.1000	45.7503	84.3000	54.6352	79.1000	49.3240
Cuyahoga Heights Local	35.7000	25.4830	35.7000	25.4703	35.7000	28.1791	35.7000	28.1506
East Cleveland City	88.3800	54.7080	88.3800	54.6962	88.3800	59.3090	95.1000	65.8038
Euclid City	94.0700	57.2177	105.9200	69.0829	105.3200	74.8844	97.1200	66.5296
Fairview Park City	101.8400	47.9505	105.2200	51.3209	106.0200	59.6803	98.1200	51.7581
Garfield Heights City	71.2600	59.4630	78.5100	66.6480	78.5100	67.6098	80.0600	68.8988
Independence Local	34.8500	32.4496	34.8500	32.4511	35.3000	33.0848	35.7000	33.4397
Lakewood City	122.2300	46.0740	122.2300	46.0639	122.2300	54.9933	122.2300	54.9368
Maple Heights City	81.3000	60.8746	90.2000	69.7643	90.2000	73.3894	92.7000	75.8080
Mayfield City	90.6700	46.7378	90.6700	46.7423	90.6700	50.5256	90.6700	50.2626
North Olmsted City	103.8000	53.5108	96.5000	46.2011	96.5000	53.6257	96.5000	53.6127
North Royalton City	64.7000	39.5024	66.7000	41.5027	66.7000	41.5542	67.0000	41.8544
Olmsted Falls City	106.9000	50.0229	106.9000	50.0347	106.9000	56.3485	99.7000	49.2875
Orange City	90.9000	42.2500	90.9000	42.3328	90.9000	44.4810	91.0000	44.3483
Parma City	71.2000	42.8952	74.5000	46.1911	74.9000	51.4320	74.9000	51.4158
Richmond Heights Local	99.5800	55.6439	99.9800	56.0453	99.9800	60.8365	99.9800	60.6339
Rocky River City	95.1700	40.3753	90.2700	35.4701	91.2700	41.9205	91.3700	41.9428
Shaker Heights City	188.8300	86.4477	189.1800	86.8705	189.1800	91.8062	189.1800	91.3291
Solon City	89.1000	48.3243	89.1000	48.3256	89.1000	51.9984	89.1000	51.9373
South Euclid-Lyndhurst City	113.2900	59.0805	113.2900	59.1056	113.2900	68.8829	106.3900	61.7711
Strongsville City	86.6800	38.2776	86.9800	38.5852	87.4800	43.7372	87.6800	43.9355
Warrensville City	97.5000	60.0285	97.0000	59.5230	97.8000	67.8303	98.4000	68.2308
Westlake City	68.8000	30.1737	69.7000	31.0798	69.8000	33.6383	69.1500	32.9644

Source: Ohio Department of Taxation, Cuyahoga County Fiscal Officer

Note: The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented in the Assessed Value Table, generated the property tax revenue billed in that year.

⁽¹⁾ Based on lower of Residential/Agricultural and Commercial/Industrial effective rates.

2019		2018		2017		2016		2015		2014	
Gross Rate	Effective Rate ⁽¹⁾	Gross Rate	Effective Rate ⁽¹⁾	Gross Rate	Effective Rate ⁽¹⁾	Gross Rate	Effective Rate ⁽¹⁾	Gross Rate	Effective Rate ⁽¹⁾	Gross Rate	Effective Rate ⁽¹⁾
\$0.8000	\$0.8000	\$0.8000	\$0.8000	\$0.8000	\$0.8000	\$0.8000	\$0.8000	\$0.8000	\$0.8000	\$0.8000	\$0.8000
10.0000	7.7429	10.0000	8.2615	10.0000	8.2156	10.0000	8.2030	10.0000	8.1722	7.8000	5.9232
8.8000	7.4836	6.8000	6.3485	9.9000	9.4047	6.8000	6.3455	6.8000	6.3380	6.8000	6.3345
2.7500	2.4827	2.7500	2.7183	2.7500	2.7112	2.7500	2.7119	2.7500	2.7368	2.7500	2.7046
0.1300	0.1029	0.1300	0.1131	0.1300	0.1127	0.1300	0.1127	0.1300	0.1127	0.1300	0.1106
2.5000	2.2596	2.5000	2.4755	2.5000	2.4707	2.5000	2.4695	2.5000	2.5000	2.5000	2.5000
7.0000	6.5679	7.0000	7.0000	7.0000	7.0000	7.0000	7.0000	7.0000	6.8799	7.0000	6.8699
5.6000	4.8401	5.6000	5.6000	5.6000	5.5731	5.6000	5.6000	5.6000	5.6000	4.0000	4.0000
3.5000	1.9500	3.5000	2.3534	3.1000	3.0582	3.5000	2.3492	3.5000	2.5231	3.5000	2.5158
6.1000	3.9496	12.2000	9.3440	13.9000	11.9097	6.1000	4.6625	6.1000	5.0923	6.1000	5.0851
5.9000	5.1116	8.0000	7.6800	3.4500	3.2746	4.0000	3.8073	4.0000	4.0000	4.0000	4.0000
2.8000	2.4374	2.8000	2.6620	1.9000	1.8743	2.8000	2.6632	2.8000	2.8000	2.8000	2.8000
\$2.0000	\$2.0000	\$2.0000	\$2.0000	\$2.0000	\$2.0000	\$2.0000	\$2.0000	\$2.0000	\$2.0000	\$2.0000	\$2.0000
3.0900	2.6879	3.0900	2.9402	3.0900	2.9588	2.4000	2.2699	2.4000	2.1745	2.4000	2.3311
\$122.1800	\$50.7635	\$122.1800	\$57.4924	\$122.4100	\$57.7192	\$116.8100	\$52.0512	\$116.8100	\$55.4302	\$116.8100	\$55.3710
92.1000	43.1048	86.2000	40.3077	86.4000	40.4945	86.4000	40.4524	86.4000	41.8402	86.4000	41.7664
75.7200	42.2539	75.7200	45.3116	151.4400	90.4089	75.7200	45.1652	75.7200	44.7465	70.8200	39.7646
82.2000	44.7861	82.2000	48.6825	82.2000	48.6417	78.0000	44.4553	78.7000	44.7135	78.8000	44.7727
82.7900	41.4324	82.8900	44.8383	77.0000	38.9209	77.0000	38.9563	77.0000	39.9725	77.2000	40.1206
58.7000	47.9171	58.6000	48.7920	59.8000	49.5834	59.8000	49.8372	60.2000	51.7532	60.1000	51.5968
124.1000	59.3825	124.1000	61.5733	115.2000	53.2459	115.3000	53.3127	115.3000	54.2389	115.6000	54.4484
154.2000	81.7993	156.0900	88.4875	155.5900	87.4551	149.5900	81.3081	149.5900	80.9511	149.5900	80.3810
79.3000	49.4754	79.3000	52.6274	79.3000	52.5271	79.3000	52.4795	79.4000	52.1999	79.8000	52.4272
35.7000	28.1502	35.7000	30.1360	35.7000	30.1164	35.7000	30.1361	35.7000	29.9292	35.7000	29.9081
95.1000	65.7264	95.1000	57.9180	95.1000	57.7160	95.1000	57.5531	94.1000	49.5689	94.1000	49.1233
98.8200	68.1765	109.8200	85.4798	110.9200	7.9000	102.0200	77.3439	101.6000	75.9075	100.7000	74.7478
98.7200	52.3514	98.7200	57.0089	98.6200	56.9657	96.1700	54.4972	96.4700	57.0918	96.4700	57.0551
86.2600	74.9436	86.2600	77.0187	87.7600	78.4876	81.0600	71.6367	81.0600	74.0316	78.2600	71.0127
36.7000	34.4428	36.7000	34.7439	36.7000	34.7328	36.1000	34.1022	35.8000	34.3753	36.0000	34.5646
122.7300	55.3328	122.7300	62.9459	122.7300	62.8527	122.7300	62.8665	123.2300	66.6502	123.2300	66.5450
92.7000	75.7705	91.5000	77.3260	91.5000	76.8867	88.7000	74.0557	88.2000	72.8876	81.2000	65.6009
90.6700	50.2354	90.6700	53.9209	90.7200	53.8387	84.1200	47.2295	84.1200	47.5242	84.2200	47.5784
97.1000	54.1915	97.1000	59.9663	96.9000	59.7380	96.9000	59.7329	96.9000	60.7606	91.4000	55.2378
68.5000	43.3351	68.5000	44.4431	65.7000	41.6366	65.7000	41.6407	65.7000	41.8761	65.7000	41.8733
100.0000	49.6759	100.0000	53.7395	100.4000	54.0416	102.2000	55.8188	102.2000	56.6998	102.2000	56.7414
91.0000	44.3390	91.2000	45.9803	91.2000	45.6792	91.2000	45.6578	91.1000	47.5692	91.1000	47.2718
75.8600	52.3733	75.8600	55.4407	75.8100	55.3674	75.7100	55.2463	75.5100	54.6272	75.7000	54.7813
99.9800	60.5447	99.9800	64.6260	87.9000	52.4409	87.9000	52.4040	87.9000	51.7942	87.9000	51.6553
91.5700	42.1701	90.4700	47.2882	89.5500	46.3520	89.5500	46.2970	89.5500	49.5457	89.5500	49.5067
190.4800	92.5465	190.4800	99.0596	186.7300	94.7243	186.7300	94.5621	186.8300	99.0736	179.9300	91.7270
82.2000	45.0210	82.2000	47.3343	82.2000	47.2525	82.2000	47.2543	82.2000	49.6833	82.2000	49.6144
106.3900	61.7027	107.7000	67.6029	107.7000	66.6670	107.8000	66.9334	107.6000	66.9823	107.4000	66.5513
81.7800	38.0813	81.7800	41.0156	81.7800	41.0288	81.7800	41.0607	81.7800	41.9228	81.6800	41.8543
99.7000	69.4776	93.2000	68.8734	92.4000	68.0382	91.7000	67.2653	91.8000	64.3691	91.8000	64.1855
69.9000	33.7056	69.9000	35.8434	70.2000	36.1210	70.1000	37.3163	70.1000	37.3163	70.1000	37.3110

Cuyahoga Community College
Principal Real Property Taxpayers
2022 and 2013

Taxpayer	2022 Collection Year	
	Real Property Assessed Value	Real Property Assessed Value
Stark Enterprises (Crocker Park, Easton Place, et al)	\$144,334,300	0.43 %
K&D Properties (Terminal Tower, Reserve Square, et al)	129,827,260	0.39
City of Cleveland (1)	114,375,110	0.34
Brookfield Properties (Frmr Forest City, Beachwood Mall)	113,824,690	0.34
127 PS Fee Owner LLC	87,820,780	0.26
Cleveland-Cuyahoga County Port Authority	83,864,760	0.25
Progressive Insurance Company	79,625,500	0.24
First Interstate (Steelyard, Legacy Village, et al)	62,668,170	0.19
Cleveland Propco II LLC	57,692,750	0.17
The Cleveland Clinic Foundation	53,494,370	0.16
Totals	\$927,527,690	2.77 %
Total Real Property Assessed Valuation	\$33,510,425,630	

Taxpayer	2013 Collection Year	
	Real Property Assessed Value	Real Property Assessed Value
Cleveland Electric Illuminating Company	\$632,392,720	2.28 %
Cleveland Clinic Foundation	278,199,150	1.00
City of Cleveland	112,711,920	0.41
East Ohio Gas	101,997,810	0.37
Cuyahoga County	81,381,930	0.29
Key Center Properties, LLC	80,559,150	0.29
Southpark Mall LLC	75,587,220	0.27
Beachwood Place LTD	74,251,700	0.27
American Transmission Systems	74,149,070	0.27
University Hospitals Health System	71,152,880	0.26
Totals	\$1,582,383,550	5.71 %
Total Real Property Assessed Valuation	\$27,694,841,450	

Source: Cuyahoga County Fiscal Office, Cuyahoga County, Ohio

(1) Includes, among other things, the following properties which are subject to ad valorem taxation; land comprising the site of the Cleveland Browns Stadium, various municipal parking lots, and areas of Cleveland Hopkins International Airport and Burke Lakefront Airport that are leased to third parties.

(2) Minor differences in percentages may result due to rounding.

Cuyahoga Community College
Property Tax Levies and Collections ⁽¹⁾
Last Ten Years (Dollars in Thousands)

Collection Year ⁽²⁾	Total Current Levy ⁽³⁾	Current Collections	Percentage of Current Tax Collections to Tax Levy	Delinquent Current	Total Tax Collections ⁽⁴⁾	Percent of Total Tax Collections to Tax Levy	Accumulated Outstanding Delinquent Taxes	Percentage of Delinquent Tax to Total Tax Levy
2022	\$143,157	\$135,558	94.7 %	\$6,035	\$141,593	98.9 %	\$16,934	11.8 %
2021	140,203	133,946	95.5	4,795	138,741	99.0	17,040	12.2
2020	139,178	132,775	95.4	4,720	137,495	98.8	17,530	12.6
2019	126,358	119,617	94.7	4,919	124,536	98.6	15,168	12.0
2018	124,697	117,833	94.5	4,640	122,473	98.2	16,271	13.0
2017	109,604	103,674	94.6	3,634	107,308	97.9	14,338	13.1
2016	108,923	102,715	94.3	3,394	106,109	97.4	15,280	14.0
2015	110,824	101,389	91.5	4,080	105,469	95.2	25,114	22.7
2014	86,010	77,996	90.7	3,471	81,467	94.7	18,335	21.3
2013	85,526	78,531	91.8	3,536	82,067	96.0	17,343	20.3

Source: College and Cuyahoga County, Ohio financial records.

⁽¹⁾ Includes Homestead/Rollback taxes assessed locally, but distributed through the State. The amounts above represent collections relative to the tax levy, and will not match amounts presented in the financial statements.

⁽²⁾ The 2023 information cannot be presented as all collections have not been made by June 30, 2023.

⁽³⁾ The College's tax levy increased by 0.3 mills in 2011, 0.9 mills during 2015, 0.5 mills during 2018, and 0.4 mills in 2019.

⁽⁴⁾ The County's current reporting system does not track delinquency tax collections by tax year. Outstanding delinquencies are tracked in total by the date the parcel is first certified delinquent. Penalties and interest are to the total outstanding delinquent balance. The presentation will be updated as new information becomes available.

(This page is intentionally left blank.)

Cuyahoga Community College
Historic Tuition and Fees
Last Ten Fiscal Years

Fiscal Year	Tuition and Fees Per Credit Hour	Annual Cost Per Full-time Student ⁽¹⁾	Increase (Decrease)	
			Dollars	Percent
2023	\$124.54	\$3,736.20	\$150.00	4.18 %
2022	119.54	3,586.20	150.00	4.37
2021	114.54	3,436.20	0.00	0.00
2020	114.54	3,436.20	0.00	0.00
2019	114.54	3,436.20	300.00	9.57
2018	104.54	3,136.20	0.00	0.00
2017	104.54	3,136.20	0.00	0.00
2016	104.54	3,136.20	0.00	0.00
2015	104.54	3,136.20	99.90	3.29
2014	101.21	3,036.30	99.90	3.40

Source: College Records and Student Business Services

⁽¹⁾ Calculated at the full-time 30 credit hour load times the applicable cost per credit hour.

Cuyahoga Community College

Ratio of Debt per Student

Last Ten Fiscal Years

Fiscal Year	General Bonded Debt			Other General Debt	
	General Bonded Debt⁽¹⁾	Ratio of Bonded Debt to Estimated Actual Value⁽²⁾	Bonded Debt per Capita⁽³⁾	Fixed Rate General Receipts Bonds	Certificates of Participation
2023	\$202,201,912	0.209 %	n/a	\$64,791,491	\$2,085,000
2022	208,676,367	0.244	\$168.83	73,777,355	3,147,000
2021	214,980,822	0.251	172.07	83,329,344	4,189,000
2020	221,120,277	0.260	174.82	91,544,746	5,208,000
2019	226,999,731	0.267	183.79	99,472,639	4,300,000
2018	242,869,186	0.313	195.25	107,133,025	5,103,000
2017	0	0	0	114,488,411	5,878,348
2016	0	0	0	121,838,797	6,299,120
2015	0	0	0	118,128,127	6,957,745
2014	0	0	0	123,790,193	7,596,371

Source: College Financial Audit Reports

Note: n/a - Information not available at date of report. Future data will be added as it becomes available.

⁽¹⁾ Although the general obligation bond retirement fund is restricted for debt service, it is not specifically restricted to the payment of principal. There, these resources are not shown as a deduction from general obligation bonded debt.

⁽²⁾ The Estimated Actual Value can be found on S10 and S11.

⁽³⁾ Calculation based on general bonded debt divided by demographic and economic statistics from S28.

⁽⁴⁾ Implementation of GASB Statement No. 87 requires items previously classified as Capital Leases to be classified as Leases or Finances Purchases. Prior to FY20 was not re-stated for this implementation.

⁽⁵⁾ Calculation based on total debt amount divided by historical headcount from S33.

⁽⁶⁾ Calculation based on total debt amount divided by demographic and economic statistics from S28.

Other General Debt (cont.)

Subscriptions & Leases ⁽⁴⁾	Financed Purchases ⁽⁴⁾	Total Debt	Debt per Student ⁽⁵⁾	Debt per Capita ⁽⁶⁾	Debt as a % of Total Estimated Actual Value of Taxable Property
\$15,277,297	\$6,663,593	\$291,019,293	\$16,718.52	n/a	0.300 %
19,811,578	5,794,545	311,206,845	19,741.62	\$251.78	0.364
22,031,229	5,646,066	330,176,461	18,842.46	264.27	0.388
19,778,728	7,121,105	344,772,856	17,723.27	272.59	0.405
14,161,505	0	344,933,875	14,581.86	279.28	0.405
15,087,721	0	370,192,932	15,860.88	297.62	0.477
17,885,829	0	138,252,588	5,784.63	110.73	0.179
22,221,254	0	150,359,171	6,268.36	120.35	0.195
26,299,706	0	151,385,578	5,948.59	120.54	0.195
21,361,753	0	152,748,317	5,635.64	121.25	0.197

(This page is intentionally left blank.)

Cuyahoga Community College
General Receipt Bond Coverage
Last Ten Fiscal Years

Fiscal Year	Gross General Receipts ⁽¹⁾	Related Expenses ⁽²⁾	Net General Receipts	Debt Service Requirements ⁽³⁾			Coverage Ratio
				Principal	Interest	Total	
2023	\$51,103,440	\$6,316,541	\$44,786,899	\$8,185,000	\$2,400,825	\$10,585,825	4.2
2022	49,217,679	6,884,443	42,333,236	7,630,000	3,081,125	10,711,125	4.0
2021	48,843,409	6,344,704	42,498,705	7,280,000	3,434,375	10,714,375	4.0
2020	57,078,016	8,606,785	48,471,231	6,940,000	3,769,825	10,709,825	4.5
2019	64,961,446	10,877,386	54,084,060	6,635,000	4,081,238	10,716,238	5.0
2018	63,002,799	11,509,346	51,493,453	6,330,000	4,381,331	10,711,331	4.8
2017	67,825,437	12,416,278	55,409,159	6,325,000	4,382,273	10,707,273	5.2
2016	70,391,597	13,516,908	56,874,689	5,640,000	5,542,725	11,182,725	5.1
2015	73,985,185	14,249,044	59,736,141	5,430,000	5,764,050	11,194,050	5.3
2014	76,182,112	14,488,750	61,693,362	5,235,000	5,951,025	11,186,025	5.5

Source: College Financial Audit Reports

Note: Repayment of General Receipt Bond debt is secured by the pledge of the General Receipts.

⁽¹⁾ General Receipts pledged to the security and payment of the Bonds include all the receipts of the College, except monies raised by taxation (State and local) and State appropriations until and unless their pledge to Bond Services Charges is authorized by law (not anticipated to occur) and is made by a supplemental trust agreement; any grants, gifts, donations and pledges, and receipts therefrom, which under restrictions imposed in the grant or promise or as a condition of the receipt are not available for payment of Bond Service Charges; and any special fee charged pursuant to Section 154.21(d) and of the Revised Code receipts therefrom (that fee, relating to bonds of the State issued by the Ohio Public Facilities Commission, has never been required to be imposed and is not anticipated to be required to be imposed).

⁽²⁾ Related Expenses for Auxiliary Enterprises operations must be netted from General Receipts.

⁽³⁾ The debt service requirements above include the General Receipts Series A, C, D, E, and F bonds. Series A bonds were retired in fiscal year 2015. Series C bonds were retired in fiscal year 2022.

Cuyahoga Community College
Computation of Legal Debt Margin
Last Ten Fiscal Years (Dollars in Thousands)

	2023	2022	2021	2020
Residential/Agricultural Real Property	\$24,543,738	\$24,422,121	\$20,900,615	\$20,833,634
Commercial/Industrial Real Property	8,966,687	8,919,967	8,486,698	8,413,390
Public Utility Tangible	1,558,304	1,463,477	1,386,485	1,301,186
Total Assessed Valuation	\$35,068,729	\$34,805,565	\$30,773,798	\$30,548,210
Debt Limit - 9% of Assessed Value ⁽²⁾	\$3,156,186	\$3,132,501	\$2,769,642	\$2,749,339
Amount of Debt Applicable to Debt Limit				
General Receipt Bonds	\$64,791	\$73,777	\$83,329	\$91,545
General Obligation Bonds (UTGO)	202,202	208,676	214,981	221,120
Certificates of Participation	2,085	3,147	4,189	5,208
Less Amount Available in Debt Service	0	0	0	0
Total ⁽³⁾	269,078	285,601	302,499	317,873
Exemptions:				
General Receipt Bonds	(64,791)	(73,777)	(83,329)	(91,545)
Certificates of Participation	(2,085)	(3,147)	(4,189)	(5,208)
Total Exemptions	(66,876)	(76,924)	(87,518)	(96,753)
Amount of Debt Subject to Limit	202,202	208,676	214,981	221,120
Legal Debt Margin ⁽³⁾	\$2,953,984	\$2,923,824	\$2,554,661	\$2,528,219
Legal Debt Margin as a Percentage of the Debt Limit	93.59%	93.34%	92.24%	91.96%
Unvoted Debt Limit - .10% of Assessed Value ⁽²⁾	\$35,069	\$34,806	\$30,774	\$30,548
Amount of Debt Applicable	0	0	0	0
Unvoted Legal Debt Margin	\$35,069	\$34,806	\$30,774	\$30,548
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limit	100.00%	100.00%	100.00%	100.00%
Voted Debt not subject to Margin Limits ⁽³⁾				
General Obligation Bonds (UTGO)	\$202,202	\$208,676	\$214,981	\$221,120

Source: Cuyahoga County Fiscal Officer and College Financial Records

⁽¹⁾ HB530 changed the assessed valuation utilized in the legal debt margin calculation to exclude tangible personal property as well as railroad and telephone tangible property.

⁽²⁾ Ohio Bond Law sets a limit of 9% for overall debt and 1/10 of 1% for unvoted debt.

⁽³⁾ Minor differences in totals may result due to rounding to thousands. Financial statements are presented in whole dollars.

2019	2018 ⁽¹⁾	2017	2016	2015	2014
\$20,772,109	\$18,843,520	\$18,837,519	\$18,786,257	\$18,473,813	\$18,485,315
8,548,566	7,880,857	7,727,214	7,801,504	8,364,776	8,368,656
1,215,929	1,153,892	1,059,011	938,390	894,864	840,870
<u>\$30,536,604</u>	<u>\$27,878,269</u>	<u>\$27,623,744</u>	<u>\$27,526,151</u>	<u>\$27,733,453</u>	<u>\$27,694,841</u>
\$2,748,294	\$2,509,044	\$2,486,137	\$2,477,354	\$2,496,011	\$2,492,536
\$99,473	\$107,133	\$114,488	\$121,839	\$118,128	\$123,790
227,000	242,869	0	0	0	0
4,300	5,103	5,878	6,299	6,958	7,596
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
330,772	355,105	120,367	128,138	125,086	131,387
(99,473)	(107,133)	(114,488)	(121,839)	(118,128)	(123,790)
(4,300)	(5,103)	(5,878)	(6,299)	(6,958)	(7,596)
(103,773)	(112,236)	(120,367)	(128,138)	(125,086)	(131,387)
227,000	242,869	0	0	0	0
<u>\$2,521,295</u>	<u>\$2,266,175</u>	<u>\$2,486,137</u>	<u>\$2,477,354</u>	<u>\$2,496,011</u>	<u>\$2,492,536</u>
91.74%	90.32%	100.00%	100.00%	100.00%	100.00%
\$30,537	\$27,878	\$27,624	\$27,526	\$27,733	\$27,695
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$30,537</u>	<u>\$27,878</u>	<u>\$27,624</u>	<u>\$27,526</u>	<u>\$27,733</u>	<u>\$27,695</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
<u>\$227,000</u>	<u>\$242,869</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Cuyahoga Community College
Demographic and Economic Statistics
Last Ten Years

<u>Year</u>	<u>Population</u>	<u>Total Personal Income (In Thousands)</u>	<u>Personal Income Per Capita</u>	<u>Cuyahoga County Unemployment Rate</u>	<u>Total Assessed Property Value ⁽¹⁾ (In Thousands)</u>
2022	1,236,041	n/a ⁽²⁾	n/a ⁽²⁾	5.6 %	\$ 35,068,729
2021	1,249,387	\$78,449,474	\$62,790	7.6	34,805,565
2020	1,264,817	73,578,996	59,923	14.0	30,773,798
2019	1,235,072	69,783,547	56,502	4.7	30,548,210
2018	1,243,857	68,087,050	54,739	6.1	30,536,604
2017	1,248,514	65,900,676	52,783	6.3	27,878,269
2016	1,249,352	62,496,228	50,023	5.9	27,623,744
2015	1,255,921	60,919,487	48,506	5.5	27,526,151
2014	1,259,828	61,128,130	48,521	5.8	27,733,453
2013	1,263,154	59,739,324	47,294	7.5	27,694,841

Source: U.S Census, Bureau of Economic Analysis, Ohio Department of Job and Family Services,
Cuyahoga County Office of the County Fiscal Officer.

Note: 2023 information not available.

⁽¹⁾ Based on collection year.

⁽²⁾ Data for total personal income and personal income per capital not available for year 2022

Cuyahoga Community College
Principal Employers
(Ranked by the Number of Full-Time Equivalent Employees)
2022 and Ten Years Ago

Employer ⁽²⁾	2022 ⁽¹⁾	
	Employees	Percent of Total County Employment
Cleveland Clinic Health System	50,846	8.8 %
University Hospitals Health System	24,462	4.2
Group Management Services Inc. ⁽³⁾	23,889	4.1
Minute Men Cos.	21,680	3.8
U.S. Office of Personnel Management	16,110	2.8
Walmart	12,700	2.2
Progressive Corp.	12,291	2.1
Amazon	10,510	1.8
Giant Eagle	9,684	1.7
Accurate Staffing Inc.	9,221	1.6
Totals	191,393	33.1 %
Total Employment within the County	577,100	
	2013	
Employer ⁽²⁾	Employees	Percent of Total County Employment
Cleveland Clinic Health System	33,514	5.7 %
U.S. Office of Personnel Management	15,668	2.7
University Hospitals Health System	14,810	2.5
Giant Eagle, Inc.	8,113	1.4
Progressive Corporation	8,074	1.4
Cuyahoga County	7,895	1.4
State of Ohio	7,544	1.3
United States Postal Service	7,258	1.2
Group Management Services Inc. ⁽³⁾	6,825	1.2
City of Cleveland	6,000	1.0
Totals	115,701	19.8 %
Total Employment within the County	584,100	

⁽¹⁾ Data is only available through June 30, 2022.

⁽²⁾ Employers listed are exclusively or essentially located in Northeast Ohio.

⁽³⁾ The employees of these staffing firms work on behalf of other companies.

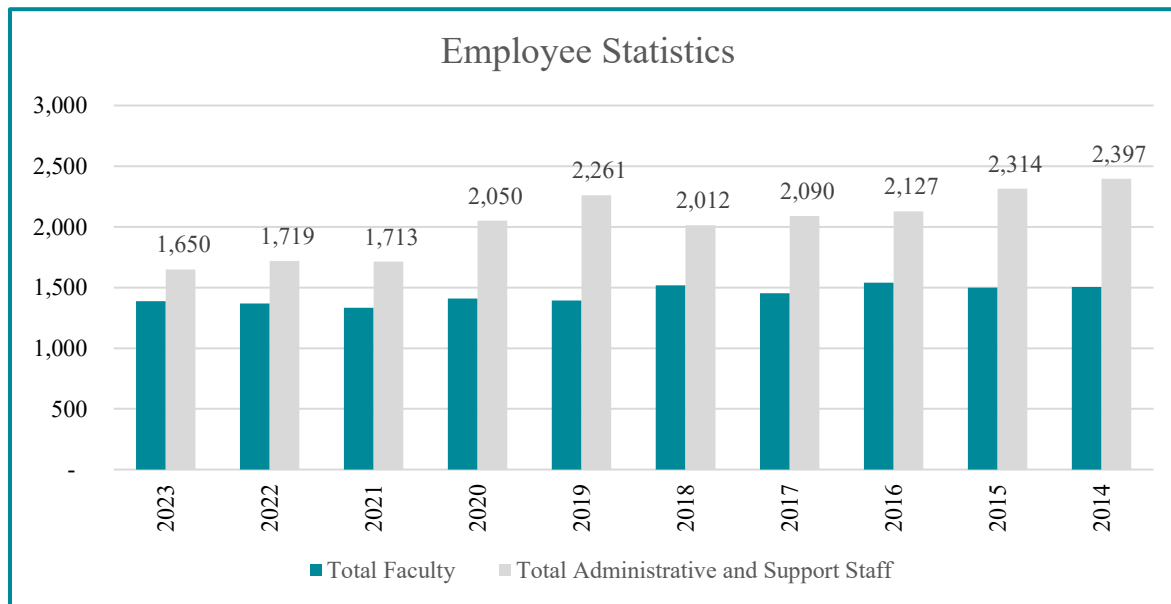
⁽⁴⁾ Source: Crain's Cleveland Business Book of Lists 2022

Cuyahoga Community College

Employee Statistics

Last Ten Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Faculty				
Full-time	373	392	399	409
Part-time	1,014	977	934	1,001
Total Faculty	<u>1,387</u>	<u>1,369</u>	<u>1,333</u>	<u>1,410</u>
Administrative and Support Staff Staff ⁽¹⁾				
Full-time	905	900	897	1,037
Part-time	745	819	816	1,013
Total Administrative and Support Staff	<u>1,650</u>	<u>1,719</u>	<u>1,713</u>	<u>2,050</u>
Total Employees	<u><u>3,037</u></u>	<u><u>3,088</u></u>	<u><u>3,046</u></u>	<u><u>3,460</u></u>
Students Per Faculty Member	13	12	13	17
Students Per Staff Member	11	9	10	12



Method: Using 1.0 for each full-time and each part-time employee at fiscal year end.

Source: College Records - Human Resource Department and Evidence & Inquiry

⁽¹⁾ The College began tracking part time versus full time administrative and support staff in fiscal year 2016. Information regarding split between categories was not available for prior years.

2019	2018	2017	2016	2015	2014
409	409	409	409	407	404
983	1,110	1,045	1,131	1,093	1,100
<u>1,392</u>	<u>1,519</u>	<u>1,454</u>	<u>1,540</u>	<u>1,500</u>	<u>1,504</u>
1,043	1,068	1,056	1,007		
1,218	944	1,034	1,120		
<u>2,261</u>	<u>2,012</u>	<u>2,090</u>	<u>2,127</u>	2,314	2,397
<u>3,653</u>	<u>3,531</u>	<u>3,544</u>	<u>3,667</u>	<u>3,814</u>	<u>3,901</u>
14	15	16	16	17	18
9	12	11	11	11	11

(This page is intentionally left blank.)

Cuyahoga Community College

Historical Headcount

Last Ten Fiscal Years

Fiscal Year Fall Semester Headcount⁽¹⁾

Major/Program	2023	2022	2021	2020	2019
Health Careers	2,324	2,170	2,391	2,380	2,546
Nursing	2,268	2,106	2,507	2,688	3,024
Business	3,020	2,052	2,315	2,504	2,864
Engineering	750	522	619	522	638
Public Service	841	744	967	897	1,114
Applied Industrial Technology/ Associate of Technical Study	1,092	503	680	1,309	2,250
Associate of Arts/ Associate of Science	5,014	4,936	5,344	6,195	8,877
Creative Arts ⁽²⁾	630	580	585	624	796
Certificate Programs	927	839	967	948	1,230
Other	541	1,312	1,148	687	316
Total	17,407	15,764	17,523	18,754	23,655

Major/Program	2018	2017	2016	2015	2014
Health Careers	2,761	2,852	2,885	3,294	3,723
Nursing	3,058	2,956	2,979	3,124	3,420
Business	3,171	3,493	3,822	4,178	5,360
Engineering	681	691	777	823	908
Public Service	1,337	1,419	1,571	1,719	1,510
Applied Industrial Technology/ Associate of Technical Study	858	738	411	830	838
Associate of Arts/ Associate of Science	9,098	9,350	9,171	8,998	8,737
Creative Arts ⁽²⁾	838	761	760	864	999
Certificate Programs	1,096	1,184	1,096	1,073	993
Other	442	456	515	546	616
Total	23,340	23,900	23,987	25,449	27,104

Source: College Records - Institutional Research

⁽¹⁾ Represents headcount on the 15th day of the fall semester included in the applicable fiscal year.

Cuyahoga Community College
Graduation Statistics
Last Ten Fiscal Years

Ethnicity	2023		2022		2021		2020	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Native American	6	0.13 %	0	0.00 %	7	0.16 %	11	0.26 %
Black	789	17.51	662	18.84	848	19.31	844	20.12
Asian	158	3.51	136	3.87	184	4.19	121	2.88
Hispanic	376	8.34	261	7.43	286	6.51	290	6.91
White	2,717	60.30	2,128	60.58	2,692	61.29	2,593	61.81
Other	351	7.79	160	4.55	283	6.44	251	5.98
Unknown	109	2.42	166	4.73	92	2.09	85	2.03
Total	4,506	100.00 %	3,513	100.00 %	4,392	100.00 %	4,195	100.00 %
Age								
<20	374	8.30 %	220	6.26 %	285	6.49 %	304	7.25 %
20-24	1,779	39.48	1,299	36.98	1,435	32.67	1,600	38.14
25-29	843	18.71	664	18.90	1,024	23.32	876	20.88
30-34	577	12.81	470	13.38	656	14.94	520	12.40
35-39	391	8.68	346	9.85	358	8.15	283	6.75
40-59	494	10.96	481	13.69	598	13.62	577	13.75
>60	48	1.06	33	0.94	36	0.82	35	0.83
Total	4,506	100.00 %	3,513	100.00 %	4,392	100.00 %	4,195	100.00 %
Average Age	28.6		26.0		25.6		25.6	
Sex								
Female	2,768	61.43 %	2,054	58.47 %	2,756	62.75 %	2,463	58.71 %
Male	1,738	38.57	1,459	41.53	1,636	37.25	1,732	41.29
Total	4,506	100.00 %	3,513	100.00 %	4,392	100.00 %	4,195	100.00 %
Degree Type								
Associate of Arts	747	16.58 %	946	26.93 %	1,650	37.57 %	1,348	32.13 %
Associate of Applied Business	296	6.57	367	10.45	389	8.86	422	10.06
Associate of Applied Science	512	11.36	656	18.67	766	17.44	756	18.02
Associate of Science	313	6.95	369	10.50	602	13.71	456	10.87
Associate of Technical Science	22	0.49	13	0.37	18	0.41	24	0.57
Certificate	2,076	46.07	500	14.23	595	13.55	617	14.71
Post-Degree Certificate	97	2.15	214	6.09	71	1.62	68	1.62
Short Term Certificate	443	9.83	448	12.75	301	6.85	504	12.01
Total	4,506	100.00 %	3,513	100.00 %	4,392	100.00 %	4,195	100.00 %

Source: College Records - Institutional Research

2019		2018		2017		2016		2015		2014	
Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent
17	0.40 %	13	0.29 %	29	0.65 %	27	0.71 %	35	0.94 %	22	0.66 %
916	21.33	960	21.55	1,023	22.81	979	25.57	912	24.38	834	25.14
139	3.24	130	2.92	138	3.08	116	3.03	93	2.49	99	2.98
269	6.26	181	4.06	156	3.48	156	4.08	145	3.87	107	3.22
2,629	61.21	2,796	62.76	2,825	63.02	2,313	60.42	2,358	63.01	2,088	62.94
133	3.10	253	5.68	119	2.65	60	1.57	124	3.31	54	1.63
192	4.47	122	2.74	193	4.31	177	4.62	75	2.00	114	3.43
<u>4,295</u>	<u>100.00 %</u>	<u>4,455</u>	<u>100.00 %</u>	<u>4,483</u>	<u>100.00 %</u>	<u>3,828</u>	<u>100.00 %</u>	<u>3,742</u>	<u>100.00 %</u>	<u>3,318</u>	<u>100.00 %</u>
105	2.44 %	236	5.30 %	94	2.10 %	141	3.68 %	40	1.07 %	81	2.44 %
1,487	34.62	1,468	32.95	1,452	32.39	1,206	31.50	976	26.08	1,024	30.86
1,096	25.52	957	21.48	993	22.15	851	22.23	892	23.84	684	20.61
598	13.92	693	15.56	637	14.21	492	12.85	583	15.58	425	12.81
337	7.85	372	8.35	443	9.88	372	9.72	372	9.94	343	10.34
618	14.39	675	15.15	789	17.60	714	18.66	818	21.86	723	21.79
54	1.26	54	1.21	75	1.67	52	1.36	61	1.63	38	1.15
<u>4,295</u>	<u>100.00 %</u>	<u>4,455</u>	<u>100.00 %</u>	<u>4,483</u>	<u>100.00 %</u>	<u>3,828</u>	<u>100.00 %</u>	<u>3,742</u>	<u>100.00 %</u>	<u>3,318</u>	<u>100.00 %</u>
25.6		30.0		31.0		31.0		32.4		31.8	
2,519	58.65 %	2,655	59.60 %	2,770	61.79 %	2,245	58.65 %	2,303	61.54 %	2,217	66.82 %
1,776	41.35	1,800	40.40	1,713	38.21	1,583	41.35	1,439	38.46	1,101	33.18
<u>4,295</u>	<u>100.00 %</u>	<u>4,455</u>	<u>100.00 %</u>	<u>4,483</u>	<u>100.00 %</u>	<u>3,828</u>	<u>100.00 %</u>	<u>3,742</u>	<u>100.00 %</u>	<u>3,318</u>	<u>100.00 %</u>
1,381	32.15 %	1,359	30.50 %	1,638	36.54 %	1,071	27.98 %	1,182	31.59 %	1,202	36.23 %
392	9.13	521	11.69	533	11.89	481	12.56	493	13.17	440	13.26
844	19.65	873	19.60	866	19.32	873	22.81	886	23.68	979	29.51
424	9.87	435	9.76	358	7.99	223	5.83	185	4.94	173	5.21
28	0.65	27	0.61	34	0.76	11	0.29	11	0.29	13	0.39
631	14.69	644	14.46	535	11.93	582	15.20	275	7.35	183	5.52
92	2.14	102	2.29	88	1.96	66	1.72	65	1.74	66	1.99
503	11.71	494	11.09	431	9.61	521	13.61	645	17.24	262	7.90
<u>4,295</u>	<u>100.00 %</u>	<u>4,455</u>	<u>100.00 %</u>	<u>4,483</u>	<u>100.00 %</u>	<u>3,828</u>	<u>100.00 %</u>	<u>3,742</u>	<u>100.00 %</u>	<u>3,318</u>	<u>100.00 %</u>

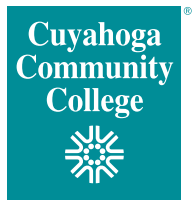
Cuyahoga Community College
Capital Asset Information
Last Ten Fiscal Years

Location	2023	2022	2021	2020	2019
District Administration Building					
Total Square Footage	45,819	45,819	45,819	45,819	45,819
Total Acreage	2.3	2.3	2.3	2.3	2.3
Eastern Campus					
Total Square Footage	607,067	607,067	607,067	607,067	607,067
Total Acreage	202.8	202.8	202.8	202.8	202.8
Metropolitan Campus					
Total Square Footage	1,387,055	1,387,055	1,387,055	1,387,055	1,372,823
Total Acreage	51.7	51.7	51.7	51.7	51.7
Western Campus					
Total Square Footage	809,478	809,478	809,478	801,243	693,280
Total Acreage	205.7	205.7	205.7	205.7	205.7
Westshore Campus					
Total Square Footage	168,864	168,864	168,864	168,864	77,648
Total Acreage	49.6	49.6	49.6	49.6	49.6
Brunswick University Center					
Total Square Footage	31,888	31,888	31,888	31,888	31,888
Total Acreage	1.5	1.5	1.5	1.5	1.5
Transportation Innovation Center					
Total Square Footage	27,610	27,610	27,610	27,610	27,610
Total Acreage	12.8	12.8	12.8	12.8	12.8
Jerry Sue Thornton Center					
Total Square Footage	72,350	72,350	72,350	72,350	72,350
Total Acreage	3.9	3.9	3.9	3.9	3.9
Corporate College West					
Total Square Footage	104,202	104,202	104,202	104,202	104,202
Total Acreage	14.3	14.3	14.3	14.3	14.3
Corporate College East					
Total Square Footage	107,000	107,000	107,000	107,000	107,000
Total Acreage	18.7	18.7	18.7	18.7	18.7
Total Square Footage	3,361,333	3,361,333	3,361,333	3,353,098	3,139,687
Total Acreage	563.3	563.3	563.3	563.3	563.3
Dining					
Dining - Seating Capacity	723	723	723	723	693
Number of Vehicles					
Private Passenger	32	31	48	50	44
Light Trucks	13	19	19	20	20
Medium Trucks	28	25	25	26	26
Heavy Trucks	4	3	4	4	4
Extra Heavy Trucks	17	16	15	16	11
Trailers	18	17	15	19	19
School Buses	1	1	1	1	1
Fire Trucks	2	1	1	2	2
Motorcycles	0	0	0	0	0
Ambulances	1	1	0	0	0
Total Vehicles	116	114	128	138	127
Parking Capacity					
Metropolitan Campus	1,716	1,844	1,864	1,864	1,864
District Administrative Services	201	206	206	206	206
Jerry Sue Thornton Center	293	334	334	334	334
Eastern Campus	1,635	1,872	1,872	1,872	1,872
Corporate College East	597	635	635	635	635
Brunswick University Center	210	365	365	365	365
Transportation Innovation Center	45	45	45	45	45
Westshore Campus	899	466	466	466	466
Corporate College West	656	777	777	777	777
Western Campus	3,348	3,204	3,204	3,204	3,204
Total Parking Capacity	9,600	9,748	9,768	9,768	9,768

Source: College Records

2018	2017	2016	2015	2014
45,819	45,819	45,819	45,819	45,819
2.3	2.3	2.3	2.3	2.3
607,067	607,067	607,067	607,067	607,067
202.8	202.8	202.8	202.8	202.8
1,334,314	1,334,314	1,334,314	1,334,314	1,334,314
51.7	51.7	51.7	51.7	51.7
693,280	693,280	693,280	693,280	685,597
205.7	205.7	205.7	205.7	193.3
77,648	77,648	77,648	77,648	77,648
49.6	49.6	49.6	49.6	49.6
31,888	31,888	31,888	31,888	31,888
1.5	1.5	1.5	1.5	1.5
27,610	0	0	0	0
12.8	0.0	0.0	0.0	0.0
72,350	72,350	72,350	72,350	72,350
3.9	3.9	3.9	3.9	3.9
104,202	104,202	104,202	104,202	104,202
14.3	14.3	14.3	14.3	14.3
107,000	107,000	107,000	107,000	107,000
18.7	18.7	18.7	18.7	18.7
3,101,178	3,073,568	3,073,568	3,073,568	3,065,885
563.3	550.5	550.5	550.5	538.1
980	980	980	980	980
37	40	44	47	39
18	20	22	23	23
26	17	19	20	21
4	5	5	5	3
11	7	4	4	4
19	19	14	14	10
1	2	2	2	2
2	2	2	2	2
0	0	0	0	0
0	0	1	1	0
118	112	113	118	104
1,864	1,864	1,864	1,864	1,864
206	206	206	206	206
334	334	334	334	334
1,872	1,872	1,872	1,872	1,872
635	635	635	635	635
365	365	365	365	365
45	0	0	0	0
466	466	466	466	466
777	777	777	777	777
3,204	3,204	3,204	3,204	3,204
9,768	9,723	9,723	9,723	9,723

(This page is intentionally left blank.)



**CUYAHOGA COMMUNITY COLLEGE
DISTRICT ADMINISTRATIVE SERVICES**

700 Carnegie Ave. | Cleveland, OH 44115

tri-c.edu



Cuyahoga Community College

**Single Audit Reports
For the Fiscal Year Ended June 30, 2023**

Cuyahoga Community College
Cuyahoga County, Ohio
For the Fiscal Year Ended June 30, 2023
Table of Contents

<u>Title</u>	<u>Page</u>
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1
Independent Auditor’s Report on Compliance for Each Major Program; Report on Internal Control over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	3
Schedule of Expenditures of Federal Awards	7
Notes to the Schedule of Expenditures of Federal Awards	9
Schedule of Findings and Questioned Costs	10
Schedule of Prior Audit Findings and Questioned Costs	12
Corrective Action Plan	13

**Independent Auditor’s Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance with *Government Auditing Standards***

Board of Trustees
Cuyahoga Community College
Cleveland, Ohio

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 the aggregate discretely presented component unit of Cuyahoga Community College (the “College”), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the College’s basic financial statements, and have issued our report thereon dated December 19, 2023, wherein we noted that the College implemented Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*, as disclosed in Note 2.

Report on Internal Control over Financial Reporting

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

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

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

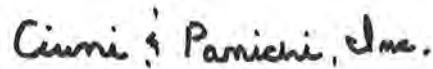
Board of Trustees
Cuyahoga Community College

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.



Cleveland, Ohio
December 19, 2023

**Independent Auditor’s Report on Compliance for Each Major Program;
Report on Internal Control over Compliance; and Report on the Schedule of
Expenditures of Federal Awards Required by the Uniform Guidance**

Board of Trustees
Cuyahoga Community College
Cleveland, Ohio

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

We have audited Cuyahoga Community College’s (the “College”) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the College’s major federal programs for the year ended June 30, 2023. The College’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Qualified Opinion on Student Financial Assistance Cluster

In our opinion, except for the noncompliance described in the Basis for a Qualified and Unmodified Opinions section of our report, the College complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Student Financial Assistance Cluster for the year ended June 30, 2023.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the college complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2023.

Basis for Qualified and Unmodified Opinions

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 qualified and unmodified opinions 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.

Matter Giving Rise to Qualified Opinion on Student Financial Assistance Cluster

As described in the accompanying schedule of findings and questioned costs, the College did not comply with a requirement regarding the Student Financial Assistance Cluster as described in finding number 2023-001 for Special Tests and Provisions.

Compliance with such requirement is necessary, in our opinion, for the College to comply with the requirements applicable to the program.

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.

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.

Other Matters

Government Auditing Standards requires the auditor to perform limited procedures on the College's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The College's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a deficiency in internal control over compliance that we consider to be a material weakness.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-001 to be a material weakness.

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.

Government Auditing Standards requires the auditor to perform limited procedures on the College's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The College's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

Board of Trustees
Cuyahoga Community College

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 aggregate discretely presented component unit of the College, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the College's basic financial statements. We issued our report thereon dated December 19, 2023, which contained unmodified opinions on those financial statements, wherein we noted that the College implemented Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*, as disclosed in Note 2. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. 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.

Cimini & Panichi, Inc.

Cleveland, Ohio
December 19, 2023

Cuyahoga Community College
 Cuyahoga County, Ohio
 Schedule of Expenditures of Federal Awards
 For the Fiscal Year Ended June 30, 2023

Federal Agency/Pass Through Agency/Program Title	Pass-Through / Identifying Number	Assistance Listing Number	Passed Through to Sub-recipients	Expenditures
U.S. Department of Education:				
Direct Recipient:				
Student Financial Assistance Cluster				
Federal Pell Grant Program		84.063	\$ -	\$ 21,492,013
Federal Supplemental Education Opportunity Grants		84.007	-	1,088,737
Federal Direct Student Loans		84.268	-	8,473,263
Federal Work-Study Program		84.033	-	156,704
Total Student Financial Assistance Cluster			-	31,210,717
TRIO Cluster:				
TRIO - Student Support Services		84.042	-	862,731
TRIO - Talent Search		84.044	-	677,553
TRIO - Upward Bound		84.047	-	729,581
TRIO - Educational Opportunity Centers		84.066	-	406,565
Total Trio Cluster			-	2,676,430
Higher Education Institutional Aid		84.031A	-	342,878
Fund for the Improvement of Postsecondary Education		84.116G	-	31,330
Fund for the Improvement of Postsecondary Education		84.116N	-	24,406
Total Fund for the Improvement of Postsecondary Education		84.116	-	55,736
Education Stabilization Fund:				
COVID-19 - Education Stabilization Fund		84.425E	-	17,812
COVID-19 - Education Stabilization Fund		84.425F	-	15,135
Total Education Stabilization Fund - Direct		84.425	-	32,947
Passed through the Ohio Department of Education (ODOE):				
Education Stabilization Fund:				
COVID-19 - Education Stabilization Fund	N/A	84.425C	-	30,103
COVID-19 - Education Stabilization Fund	N/A	84.425U	-	27,887
Total Education Stabilization Fund - Passed through		84.425	-	57,990
Total Education Stabilization Fund			-	90,937
Passed through the Ohio Department of Higher Education:				
Adult Education - Basic Grants to States	N/A	84.002	-	1,708,809
Passed through the Ohio Department of Education:				
Career and Technical Education - Basic Grants to States	N/A	84.048	-	571,026
Total U.S. Department of Education			-	36,656,533
U.S. Department of Health and Human Services:				
Direct Recipient:				
Biomedical Research and Research Training	5T34GM137792-02	93.859	80,716	345,492
Passed through The MetroHealth System:				
Affordable Care Act (ACA) Public Health Training Centers Program	N/A	93.516	-	196,308
Passed through Catholic Charities:				
Refugee and Entrant Assistance State Administered Programs	G-2021-17-0223-02	93.566	-	66,841
Total U.S. Department of Health and Human Services			80,716	608,641
U.S. Department of Labor:				
Passed through Cuyahoga County, Ohio and City of Cleveland, Ohio:				
WIOA Cluster:				
WIOA Youth Activities	N/A	17.259	-	1,286,849
Total WIOA Cluster			-	1,286,849

See Notes to the Schedule of Expenditures of Federal Awards

(Continued)

Cuyahoga Community College
 Cuyahoga County, Ohio
 Schedule of Expenditures of Federal Awards (continued)
 For the Fiscal Year Ended June 30, 2023

Federal Agency/Pass Through Agency/Program Title	Pass-Through / Identifying Number	Assistance Listing Number	Passed Through to Sub-recipients	Expenditures
Passed through Manufacturing Advocacy and Growth Network: H-1B Job Training Grants	N/A	17.268	-	4,350
Passed through American Association of Community Colleges: Apprenticeship USA Grants	N/A	17.285	-	5,412
Total U.S. Department of Labor			-	1,296,611
U.S. Department of Defense:				
Passed through Lorain Community College: National Defense Education Program	46564	12.006	-	485
Passed through Lorain Community College: Basic and Applied Scientific Research	N00014-20-1-2703	12.300	-	124,661
Total U.S. Department of Defense			-	125,146
National Endowment for the Arts:				
Direct Recipient: Promotion of the Arts - Grants to Organizations and Individuals		45.024	-	15,000
Passed through Arts Midwest: Promotion of the Arts Partnership Agreements	00032311	45.025	-	6,500
Total National Endowment for the Arts			-	21,500
National Science Foundation:				
Passed through The Ohio State University: Education and Human Resources	SPC-1000004352 GR 121328	47.076	-	35,361
Total Expenditures of Federal Awards			\$ 80,716	\$ 38,743,792

See Notes to the Schedule of Expenditures of Federal Awards

Cuyahoga Community College

Cuyahoga County, Ohio

Notes to Schedule of Expenditures of Federal Awards

For the Fiscal Year Ended June 30, 2023

Note 1 – Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) reflects the expenditures of Cuyahoga Community College (the “College”) under programs financed by U.S. Government for the year ended June 30, 2023. The Schedule has been prepared using the accrual basis of accounting.

For the purposes of the Schedule, federal awards include the following:

- Direct federal awards
- Pass-through funds received from non-federal organizations made under federally sponsored programs conducted by those organizations

All programs are presented by federal agency. Pass-through programs are also presented by the entity through which the College received the federal award. Assistance Listing Numbers (ALN) and Pass-Through Numbers are presented for those programs for which such numbers are available.

Note 2 – Indirect Costs

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

Note 3 – Subrecipients

The College passes certain federal awards received from the United States Department of Health and Human Services to other governments or not-for-profit agencies (subrecipients). As Note 1 describes, the College reports expenditures of federal awards to subrecipients on the accrual basis.

As a pass-through entity, the College has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that subrecipients achieve the awards’ performance goals.

Cuyahoga Community College
 Cuyahoga County, Ohio
 Schedule of Findings and Questioned Costs
 For the Fiscal Year Ended June 30, 2023

1. Summary of Auditor’s Results

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	None reported
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weaknesses reported for major federal programs?	Yes
(d)(1)(iv)	Were there any other significant deficiencies in internal control reported for major federal programs?	None reported
(d)(1)(v)	Type of Major Programs’ Compliance Opinion	Qualified – Student Financial Assistance Cluster Unmodified – Adult Education – Basic Grants to States Unmodified – WIOA Cluster
(d)(1)(vi)	Are there any reportable findings under 2 CFR section 200.516(a)?	Yes
(d)(1)(vii)	Major Programs	Student Financial Assistance Cluster: ALN 84.063, 84.007, 84.268, 84.033 Adult Education – Basic Grants to States: ALN 84.002 WIOA Cluster: ALN 17.259
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: >\$1,162,314 Type B: All Others
(d)(1)(ix)	Low Risk Auditee?	Yes

**2. Findings Related to the Financial Statements
 Required To Be Reported In Accordance With GAGAS**

None noted.

Cuyahoga Community College

Cuyahoga County, Ohio

Schedule of Findings and Questioned Costs (continued)

For the Fiscal Year Ended June 30, 2023

3. Findings for Federal Awards

2023-001: Material Weakness and Material Noncompliance – Return of Title IV Funds

Federal Program Information:

Federal Pell Grant Program, ALN 84.063, Federal Supplemental Education Opportunity Grants, ALN 84.007, Federal Direct Student Loans, ALN 84.268

Criteria:

Returns of Title IV funds are required to be deposited or transferred into the SFA account or electronic fund transfers initiated to the Department of Education (ED) as soon as possible, but no later than 45 days after the date the institution determines that the student withdrew (34 CFR 668.173(b)).

Condition:

The College did not return Title IV funds to the ED within the required time frame for certain students who required a return of funds.

Context:

Of the 29 withdrawn students tested for proper return of Title IV funds, the funds for 6 students requiring a return were not returned to ED by the College within the required time frame.

Questioned Costs:

None

Cause and Effect:

A manual process the College had in place to identify students with return to Title IV calculations was not properly followed to make sure calculations performed were processed and returned to ED within the required time frame. This led to returns of Title IV funds to ED being completed after the required time frame.

Recommendation:

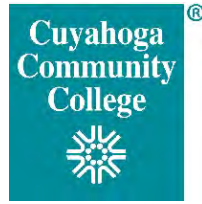
We recommend that the College institute a process to ensure that all returns of Title IV aid are calculated and returned within the required time frame.

Management's Response:

See corrective action plan.

Cuyahoga Community College
Cuyahoga County, Ohio
Schedule of Prior Audit Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

No prior year findings or questioned costs.



Where futures beginSM

**Cuyahoga Community College
Cleveland, OH**

CORRECTIVE ACTION PLAN

December 19, 2023

Finding Number:

2023-001

College Response:

In November 2023, in conjunction with the College's annual external audit, errors were identified in Cuyahoga Community College's timely Return to Title IV funds. After careful internal review of the student records, all applicable corrections to student records were made to ensure compliance with federal regulations. All financial aid funds related to Return of Title IV funds had been returned to the U.S. Department of Education. In December 2023, the college completed a review of internal procedures and processes to mitigate untimely Return of Title IV funds in the future.

Mitigation Strategy:

The following process and procedural changes for the review of the Return of Title IV funds have been put in place to resolve the issue of late returns of funds as identified in the 2022-2023 external audit:

1. Retrained staff responsible for the Return of Title IV processing, including updates and revisions to the policies and procedure manual for this financial aid function to strengthen the internal quality check for manual review of the accuracy of returns
2. Identified and cross-train additional financial aid employees to support the high-volume financial aid process, including two team members to check and validate the timely processing and accuracy of the return of funds
3. Developed an enhanced report to compare completed calculations of the return of funds in Banner to the processed with the COD-generated report to verify the timely return of funds

Access and Completion

District Administrative Offices | 700 Carnegie Avenue | Cleveland, Ohio 44115-2878
216-987-3384 | Fax: 216-566-5977

4. Automated reports for Return of Title IV report to be delivered bi-weekly to the central mailbox, which will enable multiple employees to have access to the Return of Title IV reports and ensure more than one trained team member to timely process the return of funds to meet the 45-day federal requirement
5. Conduct a quality check of the Return of Title IV funds to assess the accuracy of the calculation and timely return of funds by conducting an internal Financial Aid Team review of 5-10% of the return of funds assessment every 60 days

Anticipated Completion Date: 12/19/2023

Responsible Contact Person: Angela Johnson –VP of Enrollment Management

This page intentionally left blank.

OHIO AUDITOR OF STATE KEITH FABER



CUYAHOGA COMMUNITY COLLEGE

CUYAHOGA 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 1/18/2024

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov