SCHENECTADY COUNTY COMMUNITY COLLEGE
(A Component Unit of the County of Schenectady, New York)

ANNUAL REPORT

AUGUST 31, 2021

SCHENECTADY COUNTY COMMUNITY COLLEGE
(A Component Unit of the County of Schenectady, New York)

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INDEPENDENT AUDITORS' REPORT

The Board of Trustees
Schenectady County Community College

We have audited the accompanying financial statements of Schenectady County Community College (the College) (a component unit of the County of Schenectady, New York) and its discretely presented component units, as of and for the years ended August 31, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of the Faculty-Student Association of Schenectady County Community College, Inc. (the Association), which is shown as a discretely presented component unit and represents 16.4% of the total assets and 24.4% of the total revenues of the aggregate discretely presented component units. Those financial statements were audited by another auditor whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Association, is based solely on the report of the other auditor. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of Schenectady County Community College Foundation, Inc. (the Foundation) and the Association were not audited in accordance with *Government Auditing Standards*.

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

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

Opinion

In our opinion, based on our audits and the report of the other auditor, the financial statements referred to above present fairly, in all material respects, the respective financial position of the College and its discretely presented component units as of August 31, 2021 and 2020, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and other required supplementary information, as listed in the table of contents, be presented to supplement the financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the 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 financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the College's basic financial statements. The accompanying supplementary information as listed in the table of contents, including the schedule of expenditures of federal awards required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements.

The accompanying supplementary information, including the schedule of expenditures of federal awards, is the responsibility of management and is derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information, including the schedule of expenditures of federal awards, is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 4, 2022 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, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Lumsden & McCormick, LLP

February 4, 2022

SCHENECTADY COUNTY COMMUNITY COLLEGE
(A Component Unit of the County of Schenectady, New York)
Management's Discussion and Analysis
For the Years Ended August 31, 2021 and 2020 (Unaudited)

This section of Schenectady County Community College's (the College) Annual Report presents management's discussion and analysis (MD&A) of the College's financial activity for the year ended August 31, 2021. This MD&A presents information for 2021 in comparison with 2020 and 2019. This MD&A is designed to focus on current activities, resulting changes, and currently known facts. Please read it in conjunction with the financial statements and the related footnotes. Responsibility for the completeness and fairness of this information rests with the College's management.

The College has determined that the Faculty-Student Association of Schenectady County Community College, Inc. (the Association) and the Schenectady County Community College Foundation, Inc. (the Foundation) meet the requirements for presentation as discretely presented component units pursuant to current accounting guidance. As a result, the Association and Foundation are included in the College's reporting entity. Separately issued financial statements of the component units may be obtained from the College's business office.

The balance sheets report current financial resources, capital assets, deferred outflows of resources, current and long-term liabilities, deferred inflows of resources, and net position. The statements of revenues, expenses, and changes in net position focus on operating and non-operating revenues and expenses and capital appropriations of the College. The statements of cash flows summarize the cash activities of the College including operating, non-capital financing, capital financing, and investing activities. These statements can help the user determine if the College, as a whole, is better or worse off as a result of the year's activities. Over time, increases or decreases in the net position of the College are one indicator of whether its financial health is improving or deteriorating. The user will need to consider many other non-financial factors, such as the trend in applicants and enrollment, student retention, and the condition of the physical buildings and infrastructure to assess the overall health of the College.

Financial Highlights

For the year ended August 31, 2021, the College's change in net position is $7,432,000, reducing the College's net position deficit from ($16,951,000) at August 31, 2020 to ($9,519,000) as of August 31, 2021. The following contributed to the change in net position:

- Fulltime equivalent (FTE) students decreased by 439 or 18% from 2020.
- The College's tuition rate for full-time students was $2,304 per semester, an increase of $108 from 2020. Tuition per credit hour was $192 for 2021, up from $183 in 2020.
- Total operating revenue decreased by $464,000 due primarily to a decrease in net tuition and fees of $450,000.
- Operating expenses decreased by $3,591,000.
- Non-operating revenue increased by $737,000 due primarily to an increase in federal non-operating grants of $4,889,000 offset by a decrease in state appropriations and federal and state financial aid.
- Capital appropriations increased by $3,856,000.

For the year ended August 31, 2020, the College's change in net position is ($288,000), increasing the College's net position deficit from ($16,663,000) at August 31, 2019 to ($16,951,000) as of August 31, 2020. The following contributed to the change in net position:

- FTE students decreased by 270 or 10% from 2019.
- The College's tuition rate for full-time students was $2,196 per semester, an increase of $108 from 2019. Tuition per credit hour was $183 for 2020, up from $174 in 2019.
- Total operating revenue decreased by $1,448,000 due primarily to a decrease of $1,121,000 in federal, state, and local grants and contracts.
- Operating expenses decreased by $792,000.
- Non-operating revenue, which includes local county sponsor contributions, charges to other counties, and state and federal aid, decreased $404,000. The College's local county sponsor is the County of Schenectady, New York (the County).
- Capital appropriations increased by $2,503,000.

Condensed Balance Sheets
As of August 31, 2021, 2020, and 2019

		2021		2020		2019
Current assets	$	14,065,000	$	12,573,000	$	13,328,000
Net pension asset		1,858,000		-		304,000
Capital assets, net of depreciation		38,164,000		31,226,000		28,442,000
Total assets		54,087,000		43,799,000		42,074,000
Deferred outflows of resources		13,185,000		12,251,000		10,443,000
Total assets and deferred outflows of resources	$	67,272,000	$	56,050,000	$	52,517,000
Current liabilities	$	8,512,000	$	8,072,000	$	8,123,000
Net pension and OPEB liabilities		50,624,000		56,910,000		53,946,000
Total liabilities		59,136,000		64,982,000		62,069,000
Deferred inflows of resources		17,655,000		8,019,000		7,111,000
Net position						
Net investment in capital assets		38,164,000		31,226,000		28,442,000
Unrestricted (deficit)		(47,683,000)		(48,177,000)		(45,105,000)
Total net position (deficit)		(9,519,000)		(16,951,000)		(16,663,000)
Total liabilities, deferred inflows of resources, and net position	$	67,272,000	$	56,050,000	$	52,517,000

FY 20-21

Net position (deficit) amounted to $(9,519,000) as of August 31, 2021. The total Other Postemployment Benefits (OPEB) liability of $50,602,000 is the primary reason for the College's unrestricted deficit as of August 31, 2021. College management believes that the deficit position is similar to virtually all other governmental entities in NYS that provide post-retirement healthcare benefits to their employees.

Total assets increased by $10,288,000 from 2020 to 2021 as a result of the following: an increase of $6,938,000 related to the College's capital projects financed by the County and the State; an increase of $1,858,000 which is the College's proportionate share of the New York State Teachers' Retirement System (TRS) net pension position as of August 31, 2021; and an increase in cash of $1,631,000 due to positive cash flows at year end. Net pension and OPEB liabilities decreased by $6,286,000 primarily due to a decrease in the net pension liability of $5,750,000 and a decrease in the total OPEB liability of $536,000 due to changes in actuarial assumptions.

The net pension liability is $21,000 as of August 31, 2021, which is the College's proportionate share of the New York State and Local Employees' Retirement System (ERS) net pension position. This amount, and the TRS net pension position previously discussed, are determined by an actuarial valuation on the entire ERS and TRS net pension positions. The College's proportionate share is required to be reflected on the balance sheet.

Changes in deferred outflows and deferred inflows of resources reflect changes in OPEB as well as pension activity at the State level. Deferred outflows of resources include contributions required to be paid by the College to the State pension systems after the measurement date, and as such are not included in the current net pension position. Deferred outflows and deferred inflows of resources also reflect variances from actuarial assumptions, actual results of investment earnings compared to projected earnings, and changes of assumptions. The College has no control or authority over these transactions relative to pensions.

FY 19-20

Net position (deficit) amounted to $(16,951,000) as of August 31, 2020. The total OPEB liability of $51,139,000 is the primary reason for the College's unrestricted deficit as of August 31, 2020. College management believes that the deficit position is similar to virtually all other governmental entities in NYS that provide post-retirement healthcare benefits to their employees.

Total assets increased by $1,725,000 from 2019 to 2020 primarily as a result of the College's capital projects financed by the County and the State. Net pension and OPEB liabilities increased by $2,964,000 primarily due to an increase in the net pension liability of $4,251,000, offset by a decrease in the total OPEB liability of $1,287,000 due to changes in actuarial assumptions.

The net pension liability is $5,772,000 as of August 31, 2020, which is the College's proportionate share of the New York State and Local Employees' Retirement System (ERS) and New York State Teachers' Retirement System (TRS) net pension positions. This amount is determined by an actuarial valuation on the entire ERS and TRS net pension positions. The College's proportionate share is required to be reflected on the balance sheet.

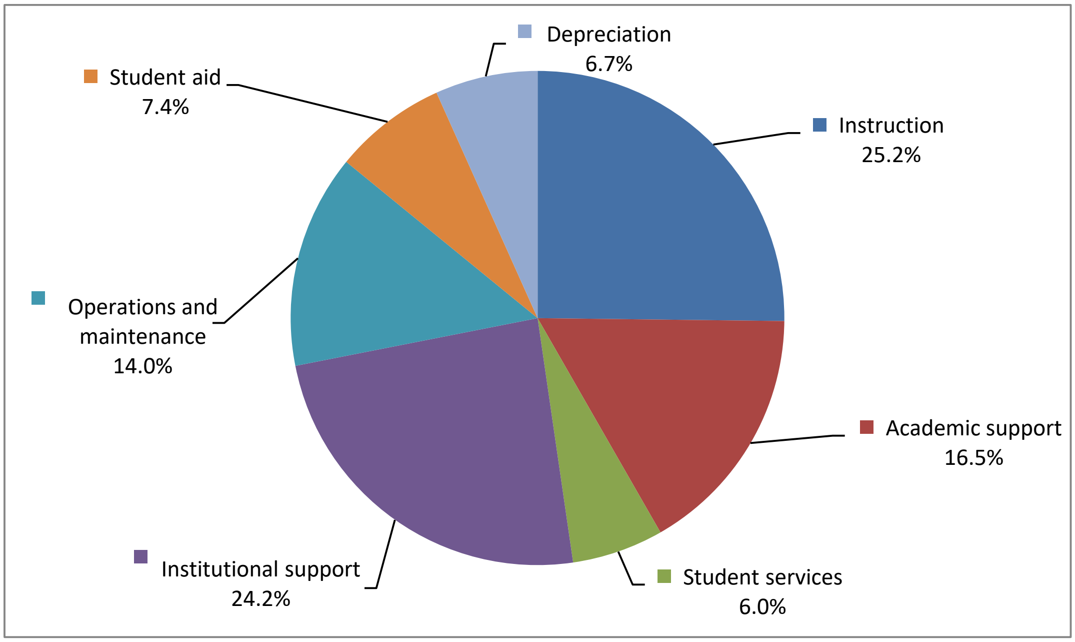
Changes in deferred outflows and deferred inflows of resources reflect changes in OPEB as well as pension activity at the State level. Deferred outflows of resources include contributions required to be paid by the College to the State pension systems after the measurement date, and as such are not included in the current net pension position. Deferred outflows and deferred inflows of resources also reflect variances from actuarial assumptions, actual results of investment earnings compared to projected earnings, and changes of assumptions. The College has no control or authority over these transactions relative to pensions.

Operating Expenses

Operating Expenses
For the Years Ended August 31, 2021, 2020, and 2019

	2021	2020	2019
Instruction	**$ 8,860,000**	$ 11,538,000	$ 12,401,000
Academic support	**5,806,000**	7,036,000	5,797,000
Student services	**2,113,000**	2,688,000	3,884,000
Institutional support	**8,529,000**	9,327,000	9,642,000
Operations and maintenance	**4,915,000**	4,360,000	4,543,000
Student aid	**2,599,000**	1,921,000	1,428,000
Depreciation	**2,351,000**	1,894,000	1,861,000
Total	**$ 35,173,000**	$ 38,764,000	$ 39,556,000

Percentage of Operating Expenses
For the Year Ended August 31, 2021



FY 20-21

Total operating expenses for the 2020-21 fiscal year decreased by $3,591,000 or 9.3% from the prior fiscal year. Changes affecting the decrease are:

- Payroll decreased $1,470,000. Raises were offset by cost-savings from retirements, resignations and reduction of the part time workforce on campus due to COVID-19.
- Employee benefits, which are allocated across all functions, decreased $2,884,000. Net pension expense recognized in 2021 was $415,000 compared to $2,208,000 in 2020. OPEB expense recognized in 2021 was $2,655,000 compared to $3,233,000 in 2020.
- Student aid increased $678,000, primarily due to funding received from the Federal Higher Education Emergency Relief Fund (HEERF) for emergency grants to students of $1,673,000.

FY 19-20

Total operating expenses for the 2019-20 fiscal year decreased by $792,000 or 2.0% from the prior fiscal year. Changes affecting the decrease are:

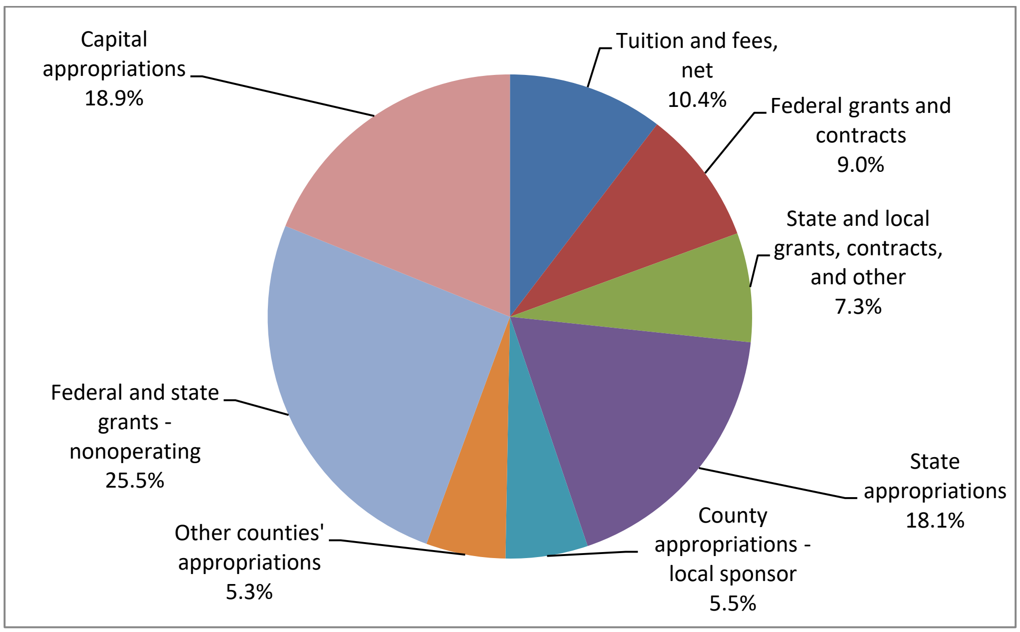
- Payroll decreased $330,000. Raises were offset by cost-savings from retirements and resignations.
- Employee benefits, which are allocated across all functions, increased $710,000. Net pension expense recognized in 2020 was $2,208,000 compared to $1,328,000 in 2019. OPEB expense recognized in 2020 was $3,233,000 compared to $3,303,000 in 2019.
- Academic support increased due to additional state and local grant awards, primarily for personnel costs and student supplies.
- Student services decreased $1,196,000, primarily due to a decrease in enrollment.
- Student aid increased $493,000, primarily due to emergency grants to students of $574,000 funded by HEERF.

Revenues

Revenues
For the Years Ended August 31, 2021, 2020, and 2019

	2021	2020	2019
Tuition and fees, net	**$ 4,423,000**	$ 4,873,000	$ 5,201,000
Federal grants and contracts	**3,833,000**	4,101,000	4,092,000
State and local grants, contracts, and other	**3,101,000**	2,980,000	4,110,000
State appropriations	**7,716,000**	9,303,000	9,595,000
County appropriations – local sponsor	**2,364,000**	2,580,000	2,272,000
Other counties' appropriations	**2,237,000**	1,999,000	2,256,000
Federal and state grants - nonoperating	**10,862,000**	8,427,000	8,590,000
Capital appropriations	**8,069,000**	4,213,000	1,710,000
Total	**$ 42,605,000**	$ 38,476,000	$ 37,826,000

Percentage of Revenues
For the Year Ended August 31, 2021



FY 20-21

Total revenues increased from 2020 by $4,129,000 or 10.7% as discussed below:

- Net tuition decreased by $450,000 due to a decline in enrollment of approximately 439 fulltime equivalent (FTE) students, offset in part by increases in full-time tuition ($108) and part-time tuition ($9).
- Federal grants and contracts and Federal and state grants – non operating together totaled $14,695,000 in 2021, an increase $2,167,000 from the prior year. This increase is primarily related to $5,593,000 in HEERF in the current year compared to $705,000 in the prior year, offset in part by a $2,584,000 decrease in Pell and the New York State Tuition Assistance Program.
- Capital appropriations were $8,069,000 in 2021, an increase of $3,856,000 from the prior year. This is the cost of new capital projects at the College that were funded by the County and the State.

FY 19-20

Total revenues increased from 2019 by $650,000 or 1.7% as discussed below:

- Net tuition decreased by $328,000 due to a decline in enrollment of 270 FTE students, offset in part by increases in full-time tuition ($108) and part-time tuition ($9).
- Local sponsor appropriations of $2,580,000 include additional funding of $263,000 for the College due to the impact of COVID-19.
- Capital appropriations were $4,213,000 in 2020, an increase of $2,503,000 from the prior year. This is the cost of new capital projects at the College that were funded by the County and the State.

Capital Assets

The primary cost of campus facilities is shared by the County and the State. Pursuant to State Education Law relative to community colleges, title to real property rests in and is held by the local sponsor (the County) in trust for the use and purpose of the College. The College has a stewardship responsibility as such assets are integral to the operations of the College; therefore, the College capitalizes and depreciates all campus facility activity.

The overall increase in capital assets amounted to $9,289,000 and is offset by depreciation expense of $2,351,000.

Capital Assets
As of August 31 2021, 2020, and 2019

	2021	2020	2019
Land	**$ 713,000**	$ 713,000	$ 713,000
Construction in progress	**496,000**	4,868,000	1,013,000
Buildings, infrastructure, and improvements	**73,086,000**	60,645,000	60,287,000
Furniture, fixtures, and equipment	**9,677,000**	8,457,000	7,992,000
	83,972,000	74,683,000	70,005,000
Less accumulated depreciation	**45,808,000**	43,457,000	41,563,000
	$ 38,164,000	$ 31,226,000	$ 28,442,000

Economic Factors That May Affect the Future

The College's student enrollment declined 18.3% from 2019-20 levels due to the global COVID-19 pandemic and its impact on higher education institutions. This was consistent with student enrollments at other New York State community colleges during the same period. During this year, the College moved to virtual learning modalities as well as intensive laboratory programs with reduced capacity and increased frequency. Federal, State and local support for the College was affirmed through ongoing commitments to community college education. In 2020-21, the College's HEERF allocation was increased by $14.7 million. This allocation is in addition to the $2.2 million awarded in fiscal year 2019-20. New York State implemented a funding level floor to ensure stable State support level of no less than the amount provided in fiscal year 2019-20. Support from Schenectady County, excluding COVID-19 relief funds received in 2019-20, increased by 2% in the current year. The College continued its focus on student retention and support services in the current year through a Federal Title III grant that provides resources for student success initiatives. Altogether, this support will continue to provide the College with stable financial resources to offset the COVID-19 pandemic's impact on the College for 2022 and 2023.

During 2020-21, the College completed a build-out of a new confectionary arts kitchen and laboratory space at the Mill Lane Artisan District location. This new lab is the foundation of a new chocolate confectionary program being offered at the College starting in September of 2021. New transfer agreements with four-year partner institutions both in and out of New York State were finalized which permits additional educational opportunities for our transfer students.

In 2020-21, the College finalized its new five-year strategic plan, "Many Voices, One Call" which reflects a collective effort by members of the College community and supporters to create a comprehensive plan to move the College forward. This plan has at its foundation four pillars of success that helps outline how the College can fully realize its objectives, while positively impacting the lives of thousands of students.

Negotiations on renewal of collective bargaining agreements with the College's labor groups were placed on hold until the last half of the fiscal year. During that time, the College and County resumed negotiations with the Civil Service Employees Association (CSEA), reaching an agreement in early FY 2021-22. Negotiations with the remaining units began at the beginning of 2021-22 and continued into 2022.

Contact for the College's Financial Management

This financial report is designed to provide the College community, oversight agencies, and County taxpayers with a general overview of the College's finances and demonstrate the College's accountability for the money it receives. If you have any questions about this report or need additional information, contact Patrick C. Ryan, Vice President of Administration, 78 Washington Avenue, Schenectady, New York 12305 or by e-mail at ryanpc@sunysccc.edu.

Balance Sheets

August 31,	2021	2020
Assets		
Current assets:		
Cash	$ 11,452,223	$ 9,821,296
Accounts and other receivables, net (Note 3)	199,976	266,041
Due from federal, state, and other governments	2,338,102	2,364,764
Prepaid expenses	73,959	120,577
	14,064,260	12,572,678
Noncurrent assets:		
Net pension asset (Note 6)	1,858,253	-
Capital assets, net (Note 4)	38,163,775	31,226,319
Total assets	54,086,288	43,798,997
Deferred outflows of resources		
Deferred outflows of resources related to pensions (Note 6)	5,704,700	4,691,241
Deferred outflows of resources related to OPEB (Note 8)	7,480,565	7,560,127
Total deferred outflows of resources	13,185,265	12,251,368
Total assets and deferred outflows of resources	$ 67,271,553	$ 56,050,365
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities	$ 4,541,475	$ 4,423,263
Unearned revenue	3,611,023	3,263,153
Due to related entities	359,315	384,824
	8,511,813	8,071,240
Noncurrent liabilities:		
Net pension liability (Note 6)	21,372	5,771,508
Total OPEB liability (Note 8)	50,602,443	51,138,736
Total liabilities	59,135,628	64,981,484
Deferred inflows of resources		
New York State tuition assistance	292,382	25,433
Deferred inflows of resources related to pensions (Note 6)	8,425,063	399,574
Deferred inflows of resources related to OPEB (Note 8)	8,937,536	7,594,816
Total deferred inflows of resources	17,654,981	8,019,823
Net position		
Net investment in capital assets	38,163,775	31,226,319
Unrestricted (deficit)	(47,682,831)	(48,177,261)
Total net position	(9,519,056)	(16,950,942)
Total liabilities, deferred inflows of resources, and net position	$ 67,271,553	$ 56,050,365

See accompanying notes.

Statements of Revenues, Expenses, and Changes in Net Position

For the years ended August 31,	2021	2020
Operating revenues:		
Tuition and fees	$ 9,065,209	$ 11,545,895
Less scholarship allowances	4,642,497	6,672,816
Net tuition and fees	4,422,712	4,873,079
Federal grants and contracts	3,832,630	3,969,775
State and local grants and contracts	2,209,926	2,581,430
Other revenues	891,910	397,158
Total operating revenues	11,357,178	11,821,442
Operating expenses:		
Instruction	8,859,799	11,538,073
Academic support	5,805,954	7,036,271
Student services	2,113,457	2,688,428
Institutional support	8,528,764	9,326,966
Operations and maintenance	4,914,984	4,360,037
Student aid	2,598,970	1,920,505
Depreciation	2,351,241	1,894,105
Total operating expenses	35,173,169	38,764,385
Operating loss	(23,815,991)	(26,942,943)
Non-operating revenues:		
County appropriations - local sponsor	2,363,471	2,580,287
Other counties' appropriations	2,237,438	1,999,201
State appropriations	7,715,591	9,303,420
Federal and state financial aid	5,269,084	7,852,996
Federal non-operating grants	5,593,208	704,675
Interest income	155	1,727
Total non-operating revenues	23,178,947	22,442,306
Loss before capital appropriations	(637,044)	(4,500,637)
Capital appropriations	8,068,930	4,212,891
Change in net position	7,431,886	(287,746)
Net position - beginning of year	(16,950,942)	(16,663,196)
Net position - end of year	$ (9,519,056)	$ (16,950,942)

See accompanying notes.

Statements of Cash Flows

For the years ended August 31,	2021	2020
Operating activities:		
Tuition and fees, net	$ 4,310,568	$ 4,800,447
Federal, state, and local grants and contracts	6,298,415	6,785,929
Payments to employees for services and benefits	(20,272,853)	(21,970,953)
Payments to vendors and suppliers	(9,495,645)	(10,052,995)
Student aid	(2,598,970)	(1,920,505)
Other	926,686	374,717
Net operating activities	(20,831,799)	(21,983,360)
Non-capital financing activities:		
State appropriations	8,181,314	8,844,686
County appropriations	4,597,731	4,541,478
Federal and state financial aid	5,571,885	7,375,773
Federal non-operating grant	5,331,408	704,675
Net non-capital financing activities	23,682,338	21,466,612
Capital and related financing activities:		
Purchases of capital assets	(1,219,767)	(465,575)
Investing activities:		
Interest income	155	1,727
Net change in cash	1,630,927	(980,596)
Cash - beginning of year	9,821,296	10,801,892
Cash - end of year	$ 11,452,223	$ 9,821,296
Reconciliation of net operating loss to net cash flows used in operating activities:		
Operating loss	$ (23,815,991)	$ (26,942,943)
Adjustments to reconcile operating loss to net cash flows from operating activities:		
Depreciation	2,351,241	1,894,105
Net pension activity	(596,359)	1,283,111
Net OPEB activity	885,989	1,530,929
Changes in other assets and liabilities:		
Accounts and other receivables	66,065	(86,016)
Due from federal, state, and other governments	(209,935)	426,743
Prepaid expenses	46,618	(37,644)
Accounts payable and accrued liabilities	118,212	149,432
Unearned revenue	347,870	(230,186)
Due to related entities	(25,509)	29,109
Net operating activities	$ (20,831,799)	$ (21,983,360)
Non-cash transaction:		
Construction costs funded by State and County	$ 8,068,930	$ 4,212,891

See accompanying notes.

Balance Sheets
Component Units

	May 31, 2021	August 31, 2021	May 31, 2020	August 31, 2020
	Association	**Foundation**	Association	Foundation
Assets				
Current assets:				
Cash	$ 198,143	$ 651,135	$ 306,348	$ 858,767
Contributions and other receivables, net	64,306	211,518	148,806	212,701
Bookstore inventory	133,091	-	247,443	-
Prepaid expenses	72,181	-	128,220	-
	467,721	862,653	830,817	1,071,468
Noncurrent assets:				
Contributions and other receivables, net	-	108,521	15,000	213,273
Property and equipment, net	726,482	-	729,558	-
Investments	1,031,330	10,385,664	858,194	8,573,685
Other assets	-	-	-	4,950
	1,757,812	10,494,185	1,602,752	8,791,908
Total assets	$ 2,225,533	$ 11,356,838	$ 2,433,569	$ 9,863,376
Liabilities and Net Assets				
Liabilities:				
Current liabilities:				
Due to College	$ -	$ 33,980	$ -	$ 41,145
Accounts payable and accrued liabilities	167,365	15,694	131,643	7,006
Deferred revenue	15,000	-	15,000	44,675
Agency funds	-	260,871	-	269,470
	182,365	310,545	146,643	362,296
Noncurrent liabilities:				
Deferred revenue	-	-	15,000	-
Deferred compensation agreement	512,661	-	386,916	-
	512,661	-	401,916	-
Total liabilities	695,026	310,545	548,559	362,296
Net assets:				
Without donor restrictions	1,530,507	2,591,143	1,885,010	2,693,495
With donor restrictions	-	8,455,150	-	6,807,585
Total net assets	1,530,507	11,046,293	1,885,010	9,501,080
Total liabilities and net assets	$ 2,225,533	$ 11,356,838	$ 2,433,569	$ 9,863,376

See accompanying notes.

Statements of Activities
Component Units

For the years ended	May 31, 2021	August 31, 2021	May 31, 2020	August 31, 2020
	Association	**Foundation**	Association	Foundation
Changes in net assets without donor restrictions:				
Revenue and other support:				
Sales and services	**$ 905,664**	**$ -**	$ 1,443,672	$ -
Student fees and related services	**61,355**	**-**	62,564	-
Contributions - in-kind	**-**	**188,050**	-	179,287
Contributions - public support	**-**	**42,884**	-	36,065
Contributions - SUNY grant	**65,150**	**-**	80,374	-
Special events	**-**	**74,211**	-	69,211
Investment income, net	**47,450**	**550,542**	28,087	278,785
Other income	**34,389**	**2,694**	72,209	2,333
Net assets released from restriction	**-**	**944,860**	-	240,845
Total revenue and other support without donor restrictions	**1,114,008**	**1,803,241**	1,686,906	806,526
Expenses:				
Cost of sales	**676,964**	**-**	1,085,139	-
Scholarships	**-**	**243,579**	-	212,203
Program service	**115,150**	**1,252,771**	85,474	288,622
Operating	**676,397**	**-**	695,031	-
Management and general	**-**	**152,944**	-	94,203
Fundraising	**-**	**256,299**	-	257,293
Total expenses	**1,468,511**	**1,905,593**	1,865,644	852,321
Change in net assets without donor restrictions	**(354,503)**	**(102,352)**	(178,738)	(45,795)
Changes in net assets with donor restrictions:				
Contributions - public support	**-**	**1,340,969**	-	504,022
Investment income, net	**-**	**1,251,456**	-	535,258
Net assets released from restriction	**-**	**(944,860)**	-	(240,845)
Change in net assets with donor restrictions	**-**	**1,647,565**	-	798,435
Change in net assets	**(354,503)**	**1,545,213**	(178,738)	752,640
Net assets - beginning	**1,885,010**	**9,501,080**	2,063,748	8,748,440
Net assets - ending	**$ 1,530,507**	**$ 11,046,293**	$ 1,885,010	$ 9,501,080

See accompanying notes.

Notes to Financial Statements

1. Summary of Significant Accounting Policies

Reporting Entity

Schenectady County Community College (the College) is a locally sponsored, two-year community college founded in 1969. The College is part of a statewide system of two-year institutions designed to provide technical, para-professional, and university parallel education. The College is one of thirty community colleges within the State University of New York (SUNY). SUNY community colleges are financed by New York State (the State), student tuition, and a local government sponsor. The County of Schenectady, New York (the County) is the College's local sponsor. The College is included in the financial statements of the County as a discretely presented component unit.

Basis of Presentation

The financial statements of the College have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the College's accounting policies are described below.

Discretely Presented Component Units

In evaluating how to define the College for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the College's reporting entity is based on several criteria set forth in accounting guidance including legal standing, fiscal dependency, and financial accountability.

Based on the application of these criteria, the following is a brief review of the entities included in the reporting entity as discretely presented component units.

- The Faculty-Student Association of Schenectady County Community College, Inc. (the Association) was established in 1969 to operate, manage, and promote educational activities and relationships between and among students, faculty, and staff of the College. The Association operates campus-based food services, child care services, and the College Store. The Association is financially dependent on student enrollment of the College in order to maintain operations. The Association reports on a June 1 through May 31 fiscal year; accordingly, all balances in the accompanying financial statements related to the Association are as of and for the years ended May 31, 2021 and 2020.

- Schenectady County Community College Foundation, Inc. (the Foundation) was established in 1972 for the purpose of maintaining endowments and other donor-restricted contributions for student scholarships and programs for the College. The Foundation provides financial assistance to the College in the form of grants and/or program contributions. The Foundation maintains the same fiscal year as the College.

The financial statements of these component units have been presented in accordance with the display requirements of the Financial Accounting Standards Board (FASB). Significant footnote disclosure information of the component units is contained in Note 13.

Measurement Focus

The College reports as a special-purpose government engaged in business-type activities, as defined by GASB Statement No. 35. Business-type activities are those that are financed in whole or in part by fees charged to external parties for goods or services. The College's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred regardless of when the related cash flows take place. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

The College's policy for defining operating activities in the statements of revenues, expenses, and changes in net position are those that generally result from exchange transactions such as receipts for services and payments made to purchase those goods or services. Certain other transactions are reported as non-operating activities and include the College's appropriations from the State and County, certain federal and state grants, and interest income.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Net Position

- *Net investment in capital assets* – consists of capital assets, net of accumulated depreciation, reduced by outstanding balances of any related debt obligations attributable to the acquisition, construction, or improvement of those assets.
- *Restricted* – consists of assets reduced by liabilities and deferred inflows of resources related to those assets if their use is subject to externally imposed stipulations. Restrictions are imposed by external organizations such as federal and state laws or by third parties providing funds to the College. The College currently has no restricted resources meeting this definition.
- *Unrestricted* – the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of the above restrictions and are available for general use by the College.

The College has a policy of generally using restricted net position, when available, prior to unrestricted amounts.

Campus Facilities, Equipment, and Related Debt

The County and the State equally share the primary cost of capital assets. Pursuant to State Education Law relative to community colleges, title to real property rests in and is held by the local sponsor (the County) in trust for the uses and purposes of the College. The College has a stewardship responsibility since such assets are integral to the operations of the College; therefore, the College records all campus facility activity.

The College recognizes revenue for State and County capital contributions when the construction or acquisition cost is incurred, or the capital asset is purchased. Debt obligations incurred by the County and the State to finance the construction and acquisition of campus facilities and equipment are not recognized in the financial statements since the College is not obligated under any debt service arrangements for the County or State debt.

The Association and Foundation maintain their own title to capital assets as applicable and issue debt as needed for the acquisition or construction of capital assets.

Capital Assets

The College records capital assets at actual or estimated historical cost. Contributed assets are recorded at fair value at the time received. Depreciation is provided over estimated useful lives using the straight-line method. Maintenance and repairs are expensed as incurred; significant improvements are capitalized.

Capitalization thresholds for determining which asset purchases are added to capital accounts and the estimated useful lives of the College's capital assets are as follows:

	Capitalization Policy	Estimated Useful Life
Buildings and infrastructure	$ 5,000	15-40 years
Land improvements	$ 5,000	3-15 years
Furniture, fixtures, and equipment	$ 5,000	5-10 years

Compensated Absences

The College recognizes a liability for vacation time and additional salary related payments as benefits earned by employees based on the rendering of past service and the probability that the employees will be compensated. This includes vacation time that was earned but not used for which employees receive compensation in future periods.

In addition, the College recognizes a liability for vested sick leave and additional salary related payments for employees who are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments.

Unearned Revenue

Student tuition and related fees billed and received prior to the end of the fiscal year which relate to the following semester are considered unearned and recognized as revenue when earned in the subsequent fiscal year.

Deferred Outflows and Deferred Inflows of Resources

Pension and OPEB related items stem from variances between expected and actual results and are amortized ratably, with the exception of pension and OPEB contributions paid subsequent to the measurement date, which are recognized as a reduction to (increase in) the net pension (asset) liability or total OPEB liability in the subsequent year.

Deferred inflows of resources also include New York State Tuition Assistance Payments (TAP) received by the College on behalf of eligible students. TAP funds received prior to the College's year end have a time restriction as they are applicable to the following semester and are recognized as revenue when applied to the respective students' accounts.

Pensions

The College participates in the New York State Teachers' Retirement System (TRS) and the New York State and Local Employees' Retirement System (ERS) (the Systems) as mandated by State law. The Systems recognize benefit payments when due and payable in accordance with benefit terms; investment assets are reported at fair value. The College recognizes its proportionate share of net pension position, deferred outflows and deferred inflows of resources, pension expense (revenue), and information about and changes in the fiduciary net position on the same basis as reported by the respective defined benefit pension plans.

OPEB

The total OPEB liability, deferred outflows and deferred inflows of resources, and OPEB expense of the College's defined benefit healthcare plan (Note 8) have been measured on the same basis as reported by the plan. Benefit payments in the plan are recognized when due and payable in accordance with benefit terms.

Revenues

The State provides aid to the College based upon operating costs and a formula based on student full-time equivalents. The County also provides funding to the College in the form of a sponsor contribution which is appropriated annually by the County legislature as part of the County's budgeting function. Revenue is recognized in the accounting period earned. State and County appropriations are recognized when legally available for use. Revenues and expenses arising from non-exchange transactions are recognized when all eligibility requirements are met.

Grants to students for financial aid and scholarships through the Federal Pell Grant Program (PELL) and TAP are recorded as non-operating revenues from Federal and State sources and as either student aid expense or scholarship allowances offsetting tuition and fees revenue. For the years ended August 31, 2021 and 2020, approximately $4,193,000 and $6,124,000 was distributed to the College for PELL grants, and $1,076,000 and $1,729,000 for TAP awards, respectively.

Student tuition and fees are presented net of scholarships and financial aid applied to student accounts. Certain other scholarship amounts are paid directly to, or refunded to, the student and are generally reflected as expenses.

Reserve for Excess Student Revenue

State Education Law mandates that tuition revenue not exceed one-third of net operating costs. This mandate has been waived by the State. As a result, the College has not recognized a reserve for excess student revenue.

Interfund Transfers

The College uses fund accounting for the SUNY annual report which includes transactions between funds. Permanent transfers of funds include the transfer of expenditures and revenues to provide financing or other services between restricted and unrestricted current funds. These amounts have been eliminated in the basic financial statements.

Exempt Tax Status

The College is a unit of the State and is therefore generally exempt from income taxes under §115 of the Internal Revenue Code.

The component units are nonprofit organizations and accordingly, no provision for income taxes has been included in the accompanying financial statements.

2. Cash

Cash management is governed by State laws and as established by the College's written policies. Cash must be deposited in FDIC-insured commercial banks or trust companies authorized to do business within the State. The College is authorized to use demand accounts and certificates of deposit. Invested resources are limited to obligations of the United States Treasury and its agencies, repurchase agreements, and obligations of the State or its localities.

Collateral is required for demand and time deposits and certificates of deposit not covered by Federal Deposit Insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and school districts.

Custodial credit risk is the risk that, in the event of a bank failure, the College's deposits may not be returned to it. At August 31, 2021, the College's bank deposits were fully collateralized by FDIC coverage and securities held by the pledging institutions' trust departments or agents in the College's name.

3. Accounts and Other Receivables

	2021	2020
Student tuition and fees	$ 1,221,705	$ 1,346,213
Other	20,971	55,828
	1,242,676	1,402,041
Less allowance for doubtful accounts	1,042,700	1,136,000
	$ 199,976	$ 266,041

4. Capital Assets

2021	September 1, 2020	Additions	Retirements/ Reclassifications	August 31, 2021
Nondepreciable capital assets:				
Land	$ 713,209	$ -	$ -	$ 713,209
Construction in progress	4,867,983	338,830	(4,711,289)	495,524
Total nondepreciable capital assets	5,581,192	338,830	(4,711,289)	1,208,733
Depreciable capital assets:				
Buildings and infrastructure	59,931,778	7,730,100	4,711,289	72,373,167
Land improvements	713,140	-	-	713,140
Furniture, fixtures, and equipment	8,457,541	1,219,767	-	9,677,308
Total depreciable assets	69,102,459	8,949,867	4,711,289	82,763,615
Less accumulated depreciation:				
Buildings and infrastructure	36,592,141	1,542,412	-	38,134,553
Land improvements	563,213	31,553	-	594,766
Furniture, fixtures, and equipment	6,301,978	777,276	-	7,079,254
Total accumulated depreciation	43,457,332	2,351,241	-	45,808,573
Total depreciable assets, net	25,645,127	6,598,626	4,711,289	36,955,042
Net capital assets	$ 31,226,319	$ 6,937,456	$ -	$ 38,163,775

2020	September 1, 2019	Additions	Retirements/ Reclassifications	August 31, 2020
Nondepreciable capital assets:				
Land	$ 713,209	$ -	$ -	$ 713,209
Construction in progress	1,013,061	4,123,699	(268,777)	4,867,983
Total nondepreciable capital assets	1,726,270	4,123,699	(268,777)	5,581,192
Depreciable capital assets:				
Buildings and infrastructure	59,573,809	89,192	268,777	59,931,778
Land improvements	713,140	-	-	713,140
Furniture, fixtures, and equipment	7,991,966	465,575	-	8,457,541
Total depreciable assets	68,278,915	554,767	268,777	69,102,459
Less accumulated depreciation:				
Buildings and infrastructure	35,360,763	1,231,378	-	36,592,141
Land improvements	532,207	31,006	-	563,213
Furniture, fixtures, and equipment	5,670,257	631,721	-	6,301,978
Total accumulated depreciation	41,563,227	1,894,105	-	43,457,332
Total depreciable assets, net	26,715,688	(1,339,338)	-	25,645,127
Net capital assets	$ 28,441,958	$ 2,784,361	$ -	$ 31,226,319

5. Lease Obligations

The College leases real property under the terms of operating lease agreements. Future minimum lease payments due under noncancelable operating leases are approximately:

Years ending August 31,		
2022	$	684,000
2023		656,000
2024		403,000
2025		401,000
2026		399,000
2027-2028		558,000
	$	3,101,000

Rental expense for all operating leases was $818,000 and $834,000 for the years ended August 31, 2021 and 2020.

6. Pension Plans

Plan Descriptions

The College participates in the following cost-sharing, multiple employer, public employee retirement systems:

- TRS is administered by the New York State Teachers' Retirement Board and provides benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. TRS issues a publicly available financial report that contains financial statements and required supplementary information. This report may be obtained from the New York State Teachers' Retirement System at www.nystrs.org.

- ERS provides retirement benefits as well as death and disability benefits. New York State Retirement and Social Security Law governs obligations of employers and employees to contribute and provide benefits to employees. ERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained from the New York State and Local Retirement System at www.osc.state.ny.us/retire.

Benefits: The Systems provide retirement, disability, and death benefits for eligible members, including automatic cost of living adjustments. In general, retirement benefits are determined based on an employee's individual circumstances using a pension factor, an age factor, and final average salary. The benefits vary depending on the individual's employment tier. Pension factors are determined based on tier and an employee's years of service, among other factors.

Contribution Requirements: No employee contribution is required for those hired prior to July 1976. The Systems require employee contributions of 3% of salary for the first 10 years of service for those employees who joined the Systems from July 1976 through December 2009. Participants hired on or after January 1, 2010 through March 31, 2012 are required to contribute 3.5% (TRS) or 3% (ERS) of compensation throughout their active membership in the Systems. Participants hired on or after April 1, 2012 are required to contribute a percentage ranging from 3% to 6% each year, based on their level of compensation. Pursuant to Article 11 of Education Law, an actuarially determined contribution rate is established annually for TRS by the New York State Teachers' Retirement Board. This rate was 9.53% and 8.86% for 2021 and 2020, respectively. For ERS, the Comptroller annually certifies the rates used, expressed as a percentage of the wages of participants, to compute the contributions required to be made by the College to the pension accumulation fund. These rates ranged from 10.7% - 18.3% for 2021 and 9.7% - 19.8% for 2020.

A liability is accrued based on the College's legally required contributions for employee services rendered. The amount outstanding and payable to TRS as of August 31, 2021 and 2020 was $309,962 and $298,627, respectively. The amount outstanding and payable to ERS as of August 31, 2021 and 2020 was $344,510 and $323,360, respectively.

Net Pension Position, Pension Expense, and Deferred Outflows and Deferred Inflows of Resources

The College reported a net pension asset of $1,858,253 as of August 31, 2021, and a net pension liability of $329,870 as of August 31, 2020 for its proportionate share of the TRS net pension position. A liability of $21,372 and $5,441,638 as of August 31, 2021 and 2020 was recognized for its proportionate share of the ERS net pension position.

The TRS net pension position was measured as of June 30, 2021 and the total pension liability was determined by an actuarial valuation as of June 30, 2020, with update procedures applied to roll forward the net pension position to June 30, 2021 (measurement date of June 30, 2020, with an actuarial valuation as of June 30, 2019 for the August 31, 2020 net pension position). The College's proportion of the net pension position was based on the ratio of its actuarially determined employer contribution to TRS's total actuarially determined employer contributions for the fiscal year ended on the measurement date. At June 30, 2021, the College's proportion was 0.010723%, a decrease of 0.001215 from its proportion measured at June 30, 2020.

The ERS net pension position was measured as of March 31, 2021, and the total pension liability was determined by an actuarial valuation as of April 1, 2020, with update procedures applied to roll forward the net pension position to March 31, 2021 (measurement date of March 31, 2020 with an actuarial valuation as of April 1, 2019 for the August 31, 2020 net pension position). The College's proportion of the net pension position was based on the ratio of its actuarially determined employer contribution to ERS's total actuarially determined employer contributions for the fiscal year ended on the measurement date. Since the College's required contributions are included with the County's, the County has provided the College its proportion, determined on the basis of total covered payroll of the College, the County, and the County's other reporting entities over the total payroll of all entities. At March 31, 2021, the College's proportion was 0.0214626%, an increase of 0.0009131 from its proportion measured at March 31, 2020.

For the year ended August 31, 2021, the College recognized net pension expense of $415,920 (income from TRS of $94,419 and expense from ERS of $510,339). For the year ended August 31, 2020, net pension expense was $2,208,306 (expense from TRS of $450,692 and from ERS of $1,757,614).

The College reported deferred outflows and deferred inflows of resources as follows:

	TRS		**ERS**	
August 31, 2021	**Deferred Outflows of Resources**	**Deferred Inflows of Resources**	**Deferred Outflows of Resources**	**Deferred Inflows of Resources**
Differences between expected and actual experience	**$ 256,140**	**$ 9,654**	**$ 261,000**	**$ -**
Changes of assumptions	**611,218**	**108,238**	**3,929,460**	**74,111**
Net difference between projected and actual earnings on pension plan investments	**-**	**1,944,854**	**-**	**6,139,044**
Changes in proportion and differences between College contributions and proportionate share of contributions	**100,857**	**51,743**	**65,008**	**97,419**
Contributions subsequent to the measurement date	**136,507**	**-**	**344,510**	**-**
	$ 1,104,722	**$ 2,114,489**	**$ 4,599,978**	**$ 6,310,574**

	TRS		ERS	
August 31, 2020	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 289,032	$ 16,905	$ 320,262	$ -
Changes of assumptions	417,209	148,713	109,569	94,611
Net difference between projected and actual earnings on pension plan investments	215,434	-	2,789,648	-
Changes in proportion and differences between College contributions and proportionate share of contributions	88,443	70,525	19,178	68,820
Contributions subsequent to the measurement date	119,106	-	323,360	-
	$ 1,129,224	$ 236,143	$ 3,562,017	$ 163,431

Contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending August 31, 2022. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years ending August 31,	TRS	ERS
2022	$ (227,670)	$ (379,646)
2023	(267,318)	(148,103)
2024	(352,585)	(341,535)
2025	(458,639)	(1,185,822)
2026	93,133	-
Thereafter	66,805	-
	$ (1,146,274)	$ (2,055,106)

Actuarial Assumptions

For TRS, the actuarial assumptions used in the June 30, 2020 valuation, with update procedures used to roll forward the total pension liability to June 30, 2021, were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2020. These assumptions are:

Inflation – 2.4% (2.2% for 2020)
Salary increases – Based on TRS member experience, dependent on age and gender, ranging from 1.95% - 5.18% (1.90% - 4.72% for 2020)
Projected Cost of Living Adjustments (COLA) – 1.3% annually
Investment rate of return – 6.95% compounded annually, net of investment expense, including inflation (7.1% for 2020)
Mortality – Based on TRS member experience, with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2020 (Society of Actuaries' Scale MP-2019 for 2020)
Discount rate – 6.95% (7.1% for 2020)

The long-term expected rate of return on TRS pension plan investments was determined in accordance with Actuarial Standard of Practice No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations.* Consideration was given to expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for each major asset class as well as historical investment data and plan performance.

For ERS, the actuarial assumptions used in the April 1, 2020 valuation, with update procedures used to roll forward the total pension liability to March 31, 2021, were based on the results of an actuarial experience study for the period April 1, 2015 to March 31, 2020. These assumptions are:

Inflation – 2.7% (2.5% for 2020)
Salary increases – 4.4% (4.2% for 2020)
COLA – 1.4% annually (1.3% for 2020)
Investment rate of return – 5.9% compounded annually, net of investment expense, including inflation (6.8% for 2020)
Mortality – Society of Actuaries' Scale MP-2020 (Society of Actuaries' Scale MP-2018 for 2020)
Discount rate – 5.9% (6.8% for 2020)

The long-term expected rate of return on ERS pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected return, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Investment Asset Allocation

Best estimates of arithmetic real rates of return (net of long-term inflation assumptions) for each major asset class and the Systems' target asset allocations as of the applicable valuation dates are summarized as follows:

	TRS		ERS	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equities	33%	6.8%	32%	4.1%
Global and international equities	20%	7.1%-7.6%	15%	6.3%
Private equities	8%	10.0%	10%	6.8%
Real estate	11%	6.5%	9%	5.0%
Domestic fixed income securities	16%	1.3%	23%	-
Global bonds	2%	0.8%	-	-
Bonds and mortgages	7%	3.3%	-	-
Cash equivalents	1%	(0.2%)	1%	0.5%
Other	2%	3.8%-5.9%	10%	3.6%-6.0%
	100%		100%	

Discount Rate

The discount rate projection of cash flows assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the College's proportionate share of its net pension position calculated using the discount rate of 6.95% (TRS) and 5.9% (ERS) and the impact of using a discount rate that is 1% higher or lower than the current rate.

	1.0% Decrease	At Current Discount Rate	1.0% Increase
College's proportionate share of the TRS net pension asset (liability)	$ 194,997	$ 1,858,253	$ 3,256,099
College's proportionate share of the ERS net pension asset (liability)	$ (5,931,797)	$ (21,372)	$ 5,429,425

7. Pension Plans – TIAA-CREF

The Teachers Insurance and Annuity Association – College Retirement Equities Fund (TIAA-CREF) is a State University Optional Retirement Plan (ORP). TIAA-CREF is a multiple-employer, defined contribution plan administered by a separate board of trustees. TIAA-CREF provides benefits through annuity contracts and provides retirement and death benefits to those employees who elect to participate in the ORP. Benefits are determined by the amount of individual accumulations and the retirement income option selected. All benefits generally vest after the completion of one year of service if the employee is retained thereafter. Employees who joined TIAA-CREF after July 27, 1976 and have less than ten years of service or membership are required to contribute 3% of their salaries. Employees hired on or after April 1, 2012 are required to contribute a percentage ranging from 3% to 6% each year, based upon their annual compensation. Employer contributions range from 8% to 15% depending upon when the employee was hired. Employee contributions are deducted from their salaries and remitted on a current basis to TIAA-CREF. Employer contributions for the years ended August 31, 2021 and 2020 were $539,517 and $585,787, respectively.

8. OPEB

Plan Description

The County administers the Schenectady County Retiree Medical Plan (the Plan) as a single-employer defined benefit postemployment benefit plan, through which College retirees receive benefits. The Plan provides for continuation of medical insurance benefits for substantially all employees and their spouses upon retirement. The Plan can be amended by the County subject to collective bargaining and employment agreements.

Eligibility for benefits is met by employees who retire from the College with at least 10 years of service and are eligible for TRS, ERS, or ORP. The retiree's required contribution for medical benefits ranges from 0% to 50% dependent upon the retiree's years of service and applicable collective bargaining and employment agreements. The Plan has no assets, does not issue financial statements, and is not a trust.

At August 31, 2021, employees covered by the Plan include:

Active employees	186
Inactive employees or beneficiaries currently receiving benefits	149
Inactive employees entitled to but not yet receiving benefits	-
	335

Total OPEB Liability

The College's total OPEB liability of $50,602,443 was measured as of August 31, 2021 and was determined by an actuarial valuation as of January 1, 2020 rolled forward through an interim valuation. The College's total OPEB liability as of August 31, 2020 of $51,138,736 was measured as of August 31, 2020 and was determined by an actuarial valuation as of January 1, 2020.

The total OPEB liability was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Healthcare cost trend rates – based on a review of published national trend survey data and updated long-term rates based on the Society of Actuaries Getzen Long Term Healthcare Cost Trends Model v2021_b with a rate of 6.75% (6.50% in 2020) initially for pre-65 and 4.40% for post-65, reduced to an ultimate rate of 3.78% after 2075
Salary increases – 2%
Mortality – Sex Distinct Pub-2010 Public Retirement Plans Mortality Tables for employees and healthy retirees, adjusted for mortality improvements with Scale MP-2020 on a generational basis (previously Sex Distinct Pub-2010 Public Retirement Plans Mortality Tables for employees and healthy retirees, adjusted for mortality improvements with Scale MP-2019 on a generational basis)
Discount rate – 1.95% based on the Fidelity General Obligation 20-Year AA Municipal Bond Index as of the measurement date (previously 2.33%)
Inflation rate – 2.25%

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at August 31, 2019	$ 52,425,889
Changes for the year:	
Service cost	2,077,756
Interest	1,361,886
Changes of benefit terms	-
Differences between expected and actual experience	(4,047,504)
Changes of assumptions or other inputs	1,022,881
Benefit payments	(1,702,172)
Net changes	(1,287,153)
Balance at August 31, 2020	51,138,736
Changes for the year:	
Service cost	**2,058,505**
Interest	**1,218,889**
Changes of benefit terms	**(100,383)**
Differences between expected and actual experience	**(4,038,381)**
Changes of assumptions or other inputs	**2,093,895**
Benefit payments	**(1,768,818)**
Net changes	**(536,293)**
Balance at August 31, 2021	**$ 50,602,443**

The following presents the sensitivity of the College's total OPEB liability to changes in the discount rate, including what the College's total OPEB liability would be if it were calculated using a discount rate that is 1% higher or lower than the current discount rate:

	1.0% Decrease (0.95%)	Discount Rate (1.95%)	1.0% Increase (2.95%)
Total OPEB liability	$ (58,803,179)	$ (50,602,443)	$ (43,991,182)

The following presents the sensitivity of the College's total OPEB liability to changes in the healthcare cost trend rates, including what the College's total OPEB liability would be if it were calculated using trend rates that are 1% higher or lower than the current healthcare cost trend rates:

	1.0% Decrease (5.75% to 2.78%)	Healthcare Cost Trend Rates (6.75% to 3.78%)	1.0% Increase (7.75% to 4.78%)
Total OPEB liability	$ (43,453,493)	$ (50,602,443)	$ (59,695,258)

OPEB Expense and Deferred Outflows and Deferred Inflows of Resources

For the years ended August 31, 2021 and 2020, the College recognized OPEB expense of $2,654,807 and $3,233,101, respectively and reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

August 31, 2021	**Deferred Outflows of Resources**	**Deferred Inflows of Resources**
Differences between expected and actual experience	**$ -**	**$ 8,402,807**
Changes of assumptions or other inputs	**7,480,565**	**534,729**
	$ 7,480,565	**$ 8,937,536**
August 31, 2020		
Differences between expected and actual experience	$ -	$ 6,797,966
Changes of assumptions or other inputs	7,560,127	796,850
	$ 7,560,127	$ 7,594,816

Amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years ending August 31,		
2022	$	(522,204)
2023		(522,204)
2024		805,489
2025		(773,324)
2026		(394,220)
Thereafter		(50,508)
	$	(1,456,971)

9. Risk Management

General Liability

The College purchases commercial insurance for various risks of loss due to torts, theft, damage, errors and omissions, and natural disasters. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

10. Commitments and Contingencies

Grants

The College receives financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with the terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the College. Based on prior experience, management expects any such amounts to be immaterial.

Litigation

The College is involved in certain legal proceedings which, in the opinion of management, will not have a material adverse impact upon the financial position of the College.

11. Related Party Transactions

The College and its component units are involved in various transactions in the normal course of operations. Transactions occurring in 2021 and 2020 not described elsewhere include:

August 31, 2021	**College**	**Association**	**Foundation**
Accounts receivable	**$ 33,980**	**$ 359,315**	**$ -**
Accounts payable	**359,315**	**-**	**33,980**
Contributed services	**(188,050)**	**-**	**188,050**
Contributions (expense)	**749,669**	**(8,929)**	**(740,740)**
August 31, 2020			
Accounts receivable	$ 41,145	$ 384,824	$ -
Accounts payable	384,824	-	41,145
Contributed services	(179,287)	-	179,287
Contributions (expense)	168,718	(13,483)	(155,235)

12. Natural Classification of Expenses

2021	Personal Services	Equipment	Contractual	Employee Benefits	Depreciation	Total
Instruction	$ 5,346,037	$ 41,291	$ 403,192	$ 3,069,279	$ -	**$ 8,859,799**
Academic support	2,928,378	7,427	1,430,121	1,440,028	-	**5,805,954**
Student services	1,195,127	1,404	233,510	683,416	-	**2,113,457**
Institutional support	2,612,204	31,228	4,470,469	1,414,863	-	**8,528,764**
Operations and maintenance	1,193,026	5,190	3,076,946	639,822	-	**4,914,984**
Student aid	-	-	2,598,970	-	-	**2,598,970**
Depreciation - unallocated	-	-	-	-	2,351,241	**2,351,241**
	$ 13,274,772	$ 86,540	$ 12,213,208	$ 7,247,408	$ 2,351,241	**$ 35,173,169**

2020	Personal Services	Equipment	Contractual	Employee Benefits	Depreciation	Total
Instruction	$ 5,855,802	$ 32,730	$ 1,213,229	$ 4,436,312	$ -	$ 11,538,073
Academic support	3,305,131	25,746	1,593,701	2,111,693	-	7,036,271
Student services	1,414,580	968	468,943	803,937	-	2,688,428
Institutional support	3,030,704	2,912	4,376,482	1,916,868	-	9,326,966
Operations and maintenance	1,138,606	1,044	2,357,804	862,583	-	4,360,037
Student aid	-	-	1,920,505	-	-	1,920,505
Depreciation - unallocated	-	-	-	-	1,894,105	1,894,105
	$ 14,744,823	$ 63,400	$ 11,930,664	$ 10,131,393	$ 1,894,105	$ 38,764,385

13. Component Units

Discretely presented component unit information is comprised of the College’s Association and Foundation. Separately issued financial statements of the component units may be obtained from the College’s business office. The following disclosures relate to the component units in accordance with generally accepted accounting principles promulgated by FASB.

Contributions and Other Receivables

The Foundation records contributions, including unconditional promises to give, at fair value at the date received. Management establishes an allowance for uncollectible receivables based on a specific review of outstanding receivables, as well as past collection experience.

	2021		2020	
	Association	Foundation	Association	Foundation
Contributions receivable	**$ -**	**$ 375,408**	$ -	$ 515,608
Other receivables	**120,740**	**-**	198,029	-
	120,740	**375,408**	198,029	515,608
Less allowance for uncollectibles and unamortized discount	**56,434**	**55,369**	34,223	89,634
	64,306	**320,039**	163,806	425,974
Less current portion	**64,306**	**211,518**	148,806	212,701
Noncurrent amount	**$ -**	**$ 108,521**	$ 15,000	$ 213,273

Property and Equipment – Association

	2021	2020
Leasehold improvements	**$ 886,746**	$ 826,017
Furniture and equipment	**437,120**	435,410
	1,323,866	1,261,427
Less accumulated depreciation	**597,384**	531,869
	$ 726,482	$ 729,558

Investments

Investments for the Association and Foundation are as follows:

	2021		2020	
	Association	Foundation	Association	Foundation
Marketable securities				
Money market funds	$ -	$ 286,064	$ -	$ 380,164
Fixed income	-	2,829,689	-	2,640,211
Equities	-	7,261,255	-	5,553,310
Nonmarketable investments				
Mutual funds	1,031,330	-	858,194	-
Other	-	8,656	-	-
	$ 1,031,330	$ 10,377,008	$ 858,194	$ 8,573,685

Total investment returns for the Foundation are as follows:

	2021	2020
Dividends and interest, net	$ 82,506	$ 95,120
Net realized and unrealized gains	1,719,492	718,923
	$ 1,801,998	$ 814,043

The fair value of marketable securities is determined by quoted prices in active markets. Net asset value (NAV) per share (or its equivalent) as a practical expedient is used to determine the fair value of nonmarketable investments that (i) do not have a determinable fair value predicated upon quoted prices in active markets, and (ii) have the attributes of an investment company or prepare their financial statements consistent with the measurement principles of an investment company.

Deferred Compensation Agreement

The Association has entered into deferred compensation agreements with full time employees who are eligible to receive benefits. The agreements require a percentage of the employees' compensation to be paid into separate accounts for the benefit of each employee. The Association retains title to and beneficial ownership of the accounts until termination of employment, at which time the balance in the account is paid out to the employee in accordance with the agreements. These assets are subject to claims of the Association's general creditors in the event of bankruptcy. The deferred compensation obligation as of May 31, 2021 and 2020 totaled $512,661 and $386,916.

Net Assets with Donor Restrictions – Foundation

Net assets with donor restrictions are those whose use by the Foundation has been limited by donors to a specific time period or purpose, or that are subject to donor-imposed stipulations that they may be maintained in perpetuity.

Net assets with donor restrictions are available for the following purposes at August 31:

	2021	2020
Scholarships	$ 5,402,099	$ 4,475,573
Campus programs	3,049,867	1,832,154
Capital projects	3,184	499,858
	$ 8,455,150	$ 6,807,585

Under the New York State Prudent Management of Institutional Funds Act (NYPMIFA), the Board of Directors of the Foundation has substantial discretion to establish policies over endowment funds. The Board of Directors has chosen to preserve the historical dollar value of the corpus of the perpetual endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as net assets with donor restrictions (a) the original value of gifts donated to the perpetual endowment and (b) the original value of subsequent gifts to the perpetual endowment. Net appreciation of the invested assets is classified as net assets with donor restrictions until those amounts are appropriated for expenditure in a manner consistent with the standard of prudence prescribed by NYPMIFA.

Accumulated principal of donor-restricted perpetual endowment gifts totaling $5,862,033 and $4,831,441 as of August 31, 2021 and 2020 are included in net assets with donor restrictions, and the related earnings, once appropriated, are expendable to provide scholarships and support for campus programs.

14. Risks and Uncertainties Due to COVID-19

On January 31, 2020, the United States Secretary of Health and Human Services (HHS) declared a public health emergency related to the global spread of coronavirus COVID-19, and a pandemic was declared by the World Health Organization in February 2020. Efforts to fight the widespread disease included limiting or closing many businesses and resulted in a severe disruption of operations for organizations.

During March 2020, the College restricted access to campus and face-to-face student instruction and transitioned to virtual modalities for the remainder of the spring 2020 semester. Consequently, summer 2020 enrollments were impacted resulting in tuition and fee revenue reductions due to the pandemic uncertainty. During 2021, the College offered a combination of in-class and remote instruction in compliance with all government safety mandates. The College continues with the hybrid model of instruction into 2022.

In response to COVID-19, the College was awarded approximately $17,302,000 in certain Higher Education Emergency Relief Funding (HEERF), of which $5,593,000 and $705,000 are recognized as grant revenue in 2021 and 2020; the remaining amounts are expected to be recognized as grant revenue in 2022 as the conditions of HEERF funding are met.

The extent of the impact of COVID-19 on the College’s future operational and financial performance will depend on further developments, including the duration and spread of the outbreak and its impact on students, employees, and vendors, none of which can be predicted.

Required Supplementary Information
Schedule of the College's Proportionate Share of the Net Pension Position
New York State Teachers' Retirement System

As of the measurement date of June 30,	2021	2020	2019	2018	2017	2016	2015
College's proportion of the net pension position	0.010723%	0.011938%	0.011698%	0.012302%	0.011571%	0.013414%	0.013129%
College's proportionate share of the net pension asset (liability)	$ 1,858,253	$ (329,870)	$ 303,911	$ 222,449	$ 87,947	$ (143,673)	$ 1,363,638
College's covered payroll	$ 1,820,094	$ 2,026,196	$ 1,952,561	$ 2,003,827	$ 1,833,541	$ 2,069,970	$ 1,972,088
College's proportionate share of the net pension position as a percentage of its covered payroll	102.10%	16.28%	15.56%	11.10%	4.80%	6.94%	69.15%
Plan fiduciary net position as a percentage of the total pension liability	113.20%	97.80%	102.20%	101.53%	100.66%	99.01%	110.46%
The following is a summary of changes of assumptions:							
Inflation	2.4%	2.2%	2.2%	2.25%	2.5%	2.5%	3.0%
Salary increases (range)	1.95%-5.18%	1.90%-4.72%	1.90%-4.72%	1.90%-4.72%	1.90%-4.72%	1.90%-4.72%	4.0%-10.9%
Cost of living adjustments	1.3%	1.3%	1.3%	1.5%	1.5%	1.5%	1.625%
Investment rate of return	6.95%	7.1%	7.1%	7.25%	7.25%	7.5%	8.0%
Discount rate	6.95%	7.1%	7.1%	7.25%	7.25%	7.5%	8.0%
Society of Actuaries' mortality scale	MP-2020	MP-2019	MP-2018	MP-2014	MP-2014	MP-2014	AA

Data prior to 2015 is unavailable.

Required Supplementary Information
Schedule of College Contributions
New York State Teachers' Retirement System

For the years ended August 31,	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 173,455	$ 179,521	$ 207,362	$ 196,375	$ 214,891	$ 274,478	$ 345,707
Contribution in relation to the contractually required contribution	(173,455)	(179,521)	(207,362)	(196,375)	(214,891)	(274,478)	(345,707)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
College's covered payroll	$ 1,820,094	$ 2,026,196	$ 1,952,561	$ 2,003,827	$ 1,833,541	$ 2,069,970	$ 1,972,088
Contributions as a percentage of covered payroll	9.53%	8.86%	10.62%	9.80%	11.72%	13.26%	17.53%

Data prior to 2015 is unavailable.

Required Supplementary Information
Schedule of the College's Proportionate Share of the Net Pension Position
New York State and Local Employees' Retirement System

As of the measurement date of March 31,	2021	2020	2019	2018	2017	2016	2015
College's proportion of the net pension position	0.0214626%	0.0205495%	0.0214614%	0.0221441%	0.0221723%	0.0248170%	0.0218148%
College's proportionate share of the net pension liability	$ (21,372)	$ (5,441,638)	$ (1,520,606)	$ (714,682)	$ (2,083,362)	$ (3,917,635)	$ (736,959)
College's covered payroll	$ 5,873,267	$ 6,106,471	$ 5,950,821	$ 6,033,172	$ 5,840,829	$ 6,028,236	$ 5,348,887
College's proportionate share of the net pension position as a percentage of its covered payroll	0.36%	89.11%	25.55%	11.85%	35.67%	64.99%	13.78%
Plan fiduciary net position as a percentage of the total pension liability	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%

The following is a summary of changes of assumptions:

	2021	2020	2019	2018	2017	2016	2015
Inflation	2.7%	2.5%	2.5%	2.5%	2.5%	2.5%	2.7%
Salary increases	4.4%	4.2%	4.2%	3.8%	3.8%	3.8%	4.9%
Cost of living adjustments	1.4%	1.3%	1.3%	1.3%	1.3%	1.3%	1.4%
Investment rate of return	5.9%	6.8%	7.0%	7.0%	7.0%	7.0%	7.5%
Discount rate	5.9%	6.8%	7.0%	7.0%	7.0%	7.0%	7.5%
Society of Actuaries' mortality scale	MP-2020	MP-2018	MP-2018	MP-2014	MP-2014	MP-2014	MP-2014

Data prior to 2015 is unavailable.

Required Supplementary Information
Schedule of College Contributions
New York State and Local Employees' Retirement System

For the years ended August 31,	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 800,273	$ 780,036	$ 800,441	$ 853,752	$ 842,903	$ 944,922	$ 1,074,900
Contribution in relation to the contractually required contribution	(800,273)	(780,036)	(800,441)	(853,752)	(842,903)	(944,922)	(1,074,900)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
College's covered payroll	$ 5,873,267	$ 6,106,471	$ 5,950,821	$ 6,033,172	$ 5,840,829	$ 6,028,236	$ 5,348,887
Contributions as a percentage of covered payroll	13.63%	12.77%	13.45%	14.15%	14.43%	15.67%	20.10%

Data prior to 2015 is unavailable.

Required Supplementary Information
Schedule of Changes in the College's
Total OPEB Liability and Related Ratios

August 31,	2021	2020	2019	2018
Total OPEB liability - beginning	$ 51,138,736	$ 52,425,889	$ 40,838,358	$ 47,144,576
Changes for the year:				
Service cost	2,058,505	2,077,756	1,484,106	1,820,295
Interest	1,218,889	1,361,886	1,534,588	1,650,090
Changes of benefit terms	(100,383)	-	-	10,051
Differences between expected and actual experience	(4,038,381)	(4,047,504)	-	(6,770,213)
Changes of assumptions or other inputs	2,093,895	1,022,881	10,038,272	(1,583,213)
Benefit payments	(1,768,818)	(1,702,172)	(1,469,435)	(1,433,228)
Net change in total OPEB liability	(536,293)	(1,287,153)	11,587,531	(6,306,218)
Total OPEB liability - ending	$ 50,602,443	$ 51,138,736	$ 52,425,889	$ 40,838,358
Covered-employee payroll	$ 8,915,064	$ 9,485,982	$ 9,709,496	$ 9,873,843
Total OPEB liability as a percentage of covered-employee payroll	567.6%	539.1%	539.9%	413.6%

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Differences between expected and actual experience include the following; updates to healthcare trends in 2021, the impact of Congress' repeal of the Affordable Care Act's excise "Cadillac" taxes in 2020, and changes to the number of plans offered and reduced rates in 2018.

The following is a summary of changes of assumptions:

Healthcare cost trend rates	6.75%-3.78%	6.50%-3.78%	6.75%-3.78%	7.25%-3.89%
Inflation	2.25%	2.25%	2.25%	2.25%
Salary increases	2.00%	2.00%	2.00%	2.00%
Discount rate	1.95%	2.33%	2.63%	3.69%
Society of Actuaries' mortality scale	MP-2020	MP-2019	MP-2018	MP-2017

Data prior to 2018 is unavailable.

Supplementary Information
Reconciliation of Revenues, Expenses, and Fund Balance as Reflected in the Annual Report to the Audited Financial Statements

For the year ended August 31, 2021

	Revenues	Expenses
Totals by fund:		
Unrestricted current funds (per annual report)	$ 25,017,408	$ 24,233,348
Restricted current funds (per annual report)	14,161,214	14,161,214
Plant fund	8,068,930	-
Totals (all funds)	47,247,552	38,394,562
Adjustments to reconcile to financial statements:		
Scholarship allowances	(4,642,497)	(4,642,497)
GASB 75 OPEB adjustment	-	885,989
Depreciation	-	2,351,241
Expended for plant fund	-	(1,219,767)
GASB 68 net pension adjustments	-	(596,359)
Adjusted totals	$ 42,605,055	$ 35,173,169
Per audited financial statements:		
Operating revenues/expenses	$ 11,357,178	$ 35,173,169
Non-operating revenues/expenses	23,178,947	-
Capital appropriations	8,068,930	-
Totals per financial statements	$ 42,605,055	$ 35,173,169

	Annual Report	Unrestricted Current Fund	Reconciled Difference
Total unrestricted expenses	$ 24,233,348	$ 24,522,978	$ (289,630)
Total revenues - offset to expense plus costs not allowable for state aid	4,029,400	4,029,400	-
Net operating costs	$ 20,203,948	$ 20,493,578	$ (289,630)
Explanation of reconciling difference			
GASB 75 OPEB costs not included in annual report	$ 885,989		
GASB 68 pension costs not included in annual report	(596,359)		
	$ 289,630		

Net position/fund balance reconciliation:	Reported Amounts
Current unrestricted fund balance	$ 5,260,065
GASB 75 liability, deferred outflows and deferred inflows (per financial statements)	(52,059,414)
Net GASB 68 pension asset/liability, deferred outflows, and deferred inflows	(883,482)
Unrestricted net position (deficit) per financial statements	$ (47,682,831)

Supplementary Information
Schedule of State Operating Aid

For the year ended August 31, 2021

Total operating costs per Annual Report	$ 24,233,348			
Total revenues - offset to expense	4,029,400			
Costs not allowable for state aid	-			
Net operating costs	$ 20,203,948	@	40%	$ 8,081,579
Rental costs - physical space				$ 307,120
Funded FTE students - basic aid	Net FTE Allowable			
2017-2018 Actual	3,154.5	x .20 =	630.9	
2018-2019 Actual	2,669.9	x .30 =	801.0	
2019-2020 Actual	2,399.5	x .50 =	1,199.8	
2020-2021 Calculated FTE (20-30-50% rule)			2,631.7	
2020-2021 Funded FTE (greater of 20-30-50% rule or prior year actual)			2,631.7	
Funded FTE students - basic aid (rounded)	2,631.7	@	$ 2,947	7,755,620
Funded FTE aid and rental costs				$ 8,062,740
Total basic aid - lesser of net operating costs or funded FTEs, and rental costs funding				$ 8,062,740
Less reduction in 2020-2021 State Aid due to State Deficit Reduction Plan				(450,794)
Plus adjustment due to 2021-2022 State Aid floor				103,645
Total state aid recognized				$ 7,715,591

Supplementary Information
Schedule of State-Aidable FTE Tuition Reconciliation

For the year ended August 31, 2021

Calculated tuition based on State-aidable FTE per Annual Report:

	Headcount Credit Hours and FTE	Rate	Equated Tuition
Full-time Student Headcount			
Fall 2020 full-time students per end of term SDF	1,160.0	$ 2,304	$ 2,672,640
Spring 2021 full-time students per end of term SDF	858.0	2,304	1,976,832
Summer 2021 full-time students per end of term SDF	2.0	2,304	4,608
Total full-time headcount	2,020.0		
Total credit hours of full-time students	28,448.0		
Part-time Student Credit Hours			
Fall 2020 part-time credits per end of term SDF	16,688.0	192	3,204,096
Spring 2021 part-time credits per end of term SDF	9,313.0	192	1,788,096
Summer 2021 part-time credits per end of term SDF	3,760.0	192	721,920
Fall 2020 per Form 24	23.4	-	-
Spring 2021 per Form 24	26.1	-	-
Summer 2021 per Form 24	5.4	-	-
Total part-time credit hours	29,815.9		
Total credit hours	58,263.9		
Total non-credit FTEs	18.4		
Total State-aidable FTE	1,960.5		
Total calculated tuition based on headcount and credit hours			10,368,192

Reconciliation to Annual Report and Audited Financial Statements:

Less:	Bad debt expense charged to tuition	(574,010)
	Difference in tuition for discounted classes Excelsior	(44,932)
	Difference in tuition for discounted classes	(2,298,831)
Add:	Non-credit remedial tuition revenue collected	31
	Tuition revenue reported on annual report (lines 205-207)	7,450,450
Add:	Charges to non-resident students	318,349
	Service fees, including technology fee	1,201,730
	Student revenue - non State-aidable courses	94,680
	Tuition and fee revenue per audited financial statements	$ 9,065,209

Supplementary Information
Schedule of Expenditures of Federal Awards

For the year ended August 31, 2021

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Grantor Number	Expenditures
National Science Foundation			
Passed Through The Research Foundation for The State University of New York (part of the Research and Development Cluster):			
Education and Human Resources	47.076	76489/3/1136078	$ 16,000
U.S. Department of Education			
Direct Programs			
Student Financial Assistance Cluster:			
Federal Supplemental Educational Opportunity Grants	84.007	n/a	213,317
Federal Work-Study Program	84.033	n/a	9,463
Federal Pell Grant Program	84.063	n/a	4,193,165
Federal Direct Student Loans	84.268	n/a	2,838,942
Title IV Administration	84.XXX	n/a	6,055
Total Student Financial Assistance Cluster			7,260,942
COVID-19 - Education Stabilization Fund	84.425E	P425E200839-20A	1,672,593
COVID-19 - Education Stabilization Fund	84.425F	P425F200921-20A	3,589,479
COVID-19 - Education Stabilization Fund	84.425M	P425M200467-20B	331,136
			5,593,208
Higher Education Institutional Aid	84.031	n/a	510,713
TRIO Student Support Services (part of TRIO cluster)	84.042	n/a	274,357
Total U.S. Department of Education - Direct Programs			13,639,220
Passed Through New York State Education Department:			
Career and Technical Education -- Basic Grants to States	84.048	8000-21-6490	184,153
Career and Technical Education -- Basic Grants to States	84.048	8000-22-6490	12,146
Total U.S. Department of Education			13,835,519
U.S. Department of Health and Human Services			
Direct Program			
Health Profession Opportunity Grants	93.093	n/a	1,676
Health Profession Opportunity Grants	93.093	90FX0054-05	736,052
Health Profession Opportunity Grants	93.093	90FX0054-06	1,874,753
Total U.S. Department of Health and Human Services			2,612,481
Total Expenditures of Federal Awards			$ 16,464,000

[1] *includes subrecipient awards of $556,460*
[2] *includes subrecipient awards of $1,176,979*

See accompanying notes.

Notes to Schedule of Expenditures of Federal Awards

1. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) presents the activity of all federal award programs administered by Schenectady County Community College (the College), an entity as defined in Note 1 to the College's basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through from other governmental agencies and nonprofit organizations, are included on the Schedule.

Basis of Accounting

The federal programs are maintained on the accrual basis of accounting. The amounts reported as federal expenditures generally were obtained from the appropriate federal financial reports for the applicable programs and periods. The amounts reported in these financial reports are prepared from records maintained for each program, which are periodically reconciled to the College's financial reporting system.

Indirect Costs

Indirect costs and administrative allowances are set by New York State or Federal awarding agencies by contractual rates. As such, the College does not apply the 10% de minimis rate permitted by the Uniform Guidance.

2. Federal Direct Student Loans

Total student loans guaranteed by the U.S. Department of Education issued through the College under Federal Direct Student Loans Assistance Listing #84.268 for the year ended August 31, 2021 were as follows:

Direct Subsidized Loans	$ 1,056,459
Direct Unsubsidized Loans	1,666,329
Direct PLUS Loans	116,154
	$ 2,838,942

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INDEPENDENT AUDITORS' 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*

The Board of Trustees
Schenectady County Community College

We have audited the financial statements of Schenectady County Community College (the College) (a component unit of the County of Schenectady, New York) as of and for the year ended August 31, 2021, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated February 4, 2022. We conducted our audit 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. Our report includes a reference to another auditor who audited the financial statements of the Faculty-Student Association of Schenectady County Community College, Inc. (the Association), as described in our report on the College's financial statements. The financial statements of the Association and the Schenectady County Community College Foundation (the Foundation) were not audited in accordance with *Government Auditing Standards.*

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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we do not express an opinion on the effectiveness of the College's internal control.

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

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

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 College'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 College's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lumsden & McCormick, LLP

February 4, 2022

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

The Board of Trustees
Schenectady County Community College

Report on Compliance for Each Major Federal Program

We have audited Schenectady County Community College's (the College) (a component unit of the County of Schenectady, New York) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the College's major federal programs for the year ended August 31, 2021. The College's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2021.

Report on Internal Control Over Compliance

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

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

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

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

Lumsden & McCormick, LLP

February 4, 2022

Schedule of Findings and Questioned Costs

For the year ended August 31, 2021

Section I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	*Unmodified*
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

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

Identification of major programs:

Name of Federal Program or Cluster	Assistance Listing Number	Amount
Student Financial Assistance Cluster:		
Federal Supplemental Educational Opportunity Grants	84.007	$ 213,317
Federal Work-Study Program	84.033	9,463
Federal Pell Grant Program	84.063	4,193,165
Federal Direct Student Loans	84.268	2,838,942
Title IV Administration	84.XXX	6,055
Total Student Financial Assistance Cluster		7,260,942
COVID-19 – Education Stabilization Fund	84.425E	1,672,593
COVID-19 – Education Stabilization Fund	84.425F	3,589,479
COVID-19 – Education Stabilization Fund	84.425M	331,136
		5,593,208
		$ 12,854,150

Dollar threshold used to distinguish between type A and type B programs:	$750,000
Auditee qualified as low-risk auditee?	Yes

Section II. Financial Statement Findings

No matters were reported.

Section III. Federal Award Findings and Questioned Costs

No matters were reported.