

# **Cuyahoga Community College**

Cleveland, Ohio



## **Comprehensive Annual Financial Report**

For the Fiscal Years Ended June 30, 2012 and 2011





# Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditors' Report* of the Cuyahoga Community College, Cuyahoga County, prepared by Maloney + Novotny LLC, for the audit period July 1, 2011 through June 30, 2012. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

January 7, 2013





# **Comprehensive Annual Financial Report**

Fiscal Years Ended

June 30, 2012 and 2011

Cuyahoga Community College

Cleveland, Ohio

Prepared by

**Administration and Finance Division**

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# **Introductory Section**

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November 27, 2012

To the Board of Trustees and the Residents of Cuyahoga County:

We are pleased to provide you with the Comprehensive Annual Financial Report (CAFR) of Cuyahoga Community College (the College) for the fiscal years ended June 30, 2012 and 2011.

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

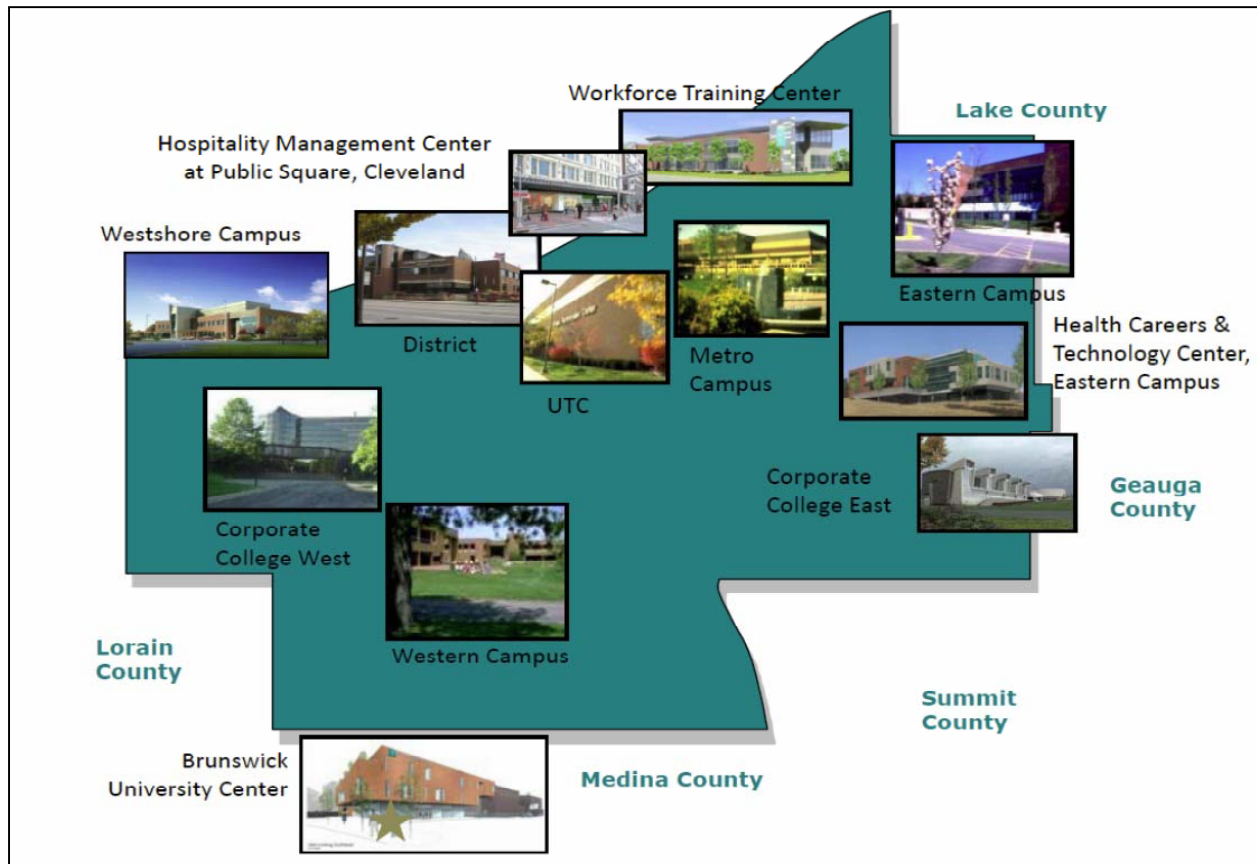
We acknowledge that management is responsible for the content of this report and establishing and maintaining internal controls, which ensure that assets are protected from loss, theft, or misuse, and ensure that adequate accounting data are compiled to allow for the preparation of financial statements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

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

The CAFR has been prepared in conformance with the financial reporting standards applicable to governmental entities set forth by the Governmental Accounting Standards Board in its authoritative pronouncements, as well as the financial reporting standards of the Government Finance Officer's Association. The College is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the US Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Audits are made by the State Auditor, or by an independent accounting firm at the direction of that officer, pursuant to Ohio law, and examinations or audits are made under certain federal program requirements. Annual financial reports are prepared by the College, and filed as required by Ohio Administrative Code Section 126:3-1 with the State Auditor no later than October thirty-first of each year.

*Administration and Finance*  
District Administrative Services  
700 Carnegie Avenue  
Cleveland, OH 44115-2878  
216-987-4761

# Profile of Cuyahoga Community College



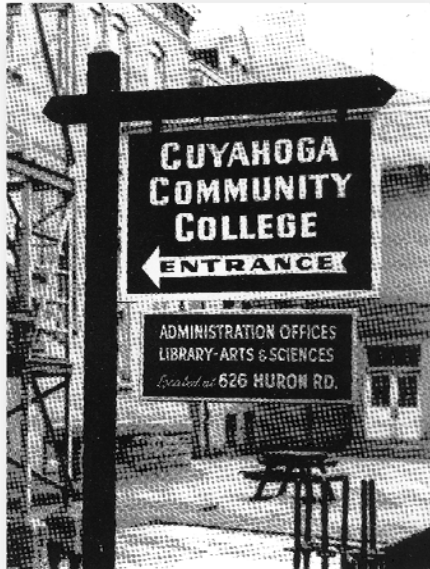
Cuyahoga Community College is an independent reporting entity within the criteria established by generally accepted accounting principles (GAAP) and the Governmental Accounting Standards Board (GASB). According to GASB Statement No. 14, the financial reporting entity consists of “a primary or special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

A nine member Board of Trustees governs the College. Six trustees are appointed by the Cuyahoga County Executive, subject to confirmation by the Cuyahoga County Council, and three by the Governor, all for five-year terms. The administrative direction of the College has been delegated by the Board of Trustees to the President and administrative staff. The administrative staff is appointed by the President subject to Board approval.

## History

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Cuyahoga Community College opened in 1963 and was Ohio's first community college. The College's mission is to provide high quality, accessible and affordable educational opportunities and services – including university transfer, technical and lifelong learning programs – that promote individual development and improve the overall quality of life in a multicultural community.



The College now serves more than 52,000 credit and non-credit students each year at four traditional campuses (Eastern, Western, Metropolitan (Metro) and Westshore), two Corporate College® locations (East and West), the Unified Technologies Center (UTC), the District Office downtown, the Hospitality Management Center at Public Square, the Brunswick University Center, the Institutional Advancement building, as well as 50+ off-campus sites, and through distance learning (online) options. The College offers the most online courses in the state of Ohio. College-wide operations include over three million square feet of building space and over 530 acres of grounds. For 49 years, Cuyahoga Community College has provided high quality, affordable education and programs to more than 900,000 members of our community.

Cuyahoga Community College offers a top quality education and flexible learning options at the lowest tuition in Northeast Ohio. The College also generates spending of about \$500 million annually in Northeast Ohio and sustains more than 25,000 jobs.

Based on Statewide academic enrollment figures, Cuyahoga Community College is the fourth largest higher education institution in Ohio, including the four-year institutions. It is the 32nd largest employer in Northeast Ohio (ranked by full-time equivalent positions as of May 2012).

In addition, more than 500,000 Northeast Ohio residents attend college-sponsored cultural, community and sports programs each year. The College is home to Tri-C JazzFest Cleveland, the nation's premier educational jazz festival. The College also partners with local organizations and groups to host popular cultural arts programs at Playhouse Square, campus theaters, and other sites throughout the County.

The College strives for continuous improvement and innovation as evidenced by the accreditations received, and advancement of programs and collaborative engagements formed throughout its history. The College culture will continue to foster employees who believe they can impact a person and the community. The County and State are enriched by receiving a broad spectrum of educated professionals, experiencing community cultural and athletic events and providing an enriched working environment.



TRI-C  
**JAZZFEST**  
CLEVELAND.

## The Community

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Cuyahoga Community College is located in a nine-county area known as Northeast Ohio, which has a population of 3.1 million, is headquarters to eleven Fortune 500 firms, and is ranked in the top 6 industrial markets in North America, with almost 10,000 manufacturing companies and more than 2,500 companies that actively participate in international business. Northeast Ohio is a leader in new technology and is home to some of the finest medical institutions in



the Country, including the world-renowned Cleveland Clinic and University Hospitals Health System. It is also the center of the nation's largest concentration of industrial and consumer markets; over 10-million people live within a 150-mile radius. Northeast Ohio is a regional center for the performing and visual arts. It is home to some of the most famous and prestigious performing arts, museums, and historical institutions in the world, including the Cleveland Orchestra, the Cleveland Museum of Art, the Rock and Roll Hall of Fame and Museum and the Great Lakes Science Center. Cleveland's theater district is the second largest performing arts center in the Country.

Distinctive demographic and economic factors that have an impact on the College's overall mission and strategies include: (1) the need to provide postsecondary education for a wide range of students, from students in need of developmental education, to honors students in both suburban and urban environments; (2) an urban environment characterized by high poverty rates and low educational attainment; (over 14 percent of County residents lack a high school diploma and only 62.8 percent of students in the Cleveland Metropolitan School District graduated from high school in the 2010-2011 school year); (3) a shift from traditional "rust-belt" manufacturing jobs to careers in healthcare, financial services, information technology, leisure and hospitality, and other high-growth sectors; and (4) a steady loss of population with an almost 9 percent decrease over the past decade.

Poverty and the lack of preparation for college are important factors. Even with low tuition and financial assistance, the availability of financial resources to students to support themselves while attending college along with a lack of educational goals, direction and college readiness, often inhibit students' pursuit of, and success in, post-secondary education.

The shift from low-skill jobs to jobs that require advanced skills and higher educational attainment requires the College to invest a significant amount of resources to develop and deliver employer-requested, career-focused training. Many of these programs are expensive to deliver.

Cuyahoga County is home to a large number of nationally recognized health care, medical education, medical research and medical technology institutions. The metropolitan area is served by over 50 hospitals; 23 of which are affiliated with medical schools, including the Case Western Reserve University School of Medicine. One of the College's distinctive features is its wide array of health careers programs to address the needs of this industry. Cuyahoga Community College ranks 10<sup>th</sup> in the nation for the number of associate degrees awarded in health careers and related professions. In Ohio, the College ranks 1st in the number of associate degrees conferred in nursing among two-year colleges.

## Types of Services

Cuyahoga Community College offers associate degrees, certificate programs and the first two years of a baccalaureate degree. Students can choose from more than 1,000 credit courses in more than 140 career and technical programs and liberal arts curricula. More than 800 distance learning courses and more than 130 courses at various locations throughout the community, and more than 600 non-credit workforce and professional development courses are offered each year.



Cuyahoga Community College offers five associate degrees: Associate of Arts, Associate of Science, Associate of Applied Business, Associate of Applied Science, and Associate of Technical Studies. The College is fully accredited by the Higher Learning Commission, a Commission of the North Central Association of Colleges and Schools. The College received its most recent re-accreditation in 2010-11, with the next comprehensive evaluation scheduled for 2017-18. In addition, a number of the

College's career programs are accredited or approved by appropriate specialized associations or agencies.

As of fall 2011, the College offered 69 two-year technical programs leading to an associate degree. Of these programs, 43 lead to an Associate of Applied Science degree and 26 lead to an Associate of Applied Business degree. The College also offers 56 certificate programs. Short-term professional certificates are offered in 20 program areas and 26 program areas have one-year certificates of proficiency programs. The College also offers 10 post-degree professional certificate programs and a variety of non-credit courses, support services and special programs designed to meet the needs of a diverse student body and the community at large. The College also has 55 formal articulation and transfer agreements with higher education institutions, including both public and private four-year institutions in Ohio and a number of other states.

Cuyahoga Community College Degree Requirements				
Degree	1000 Level	2000 Level	Minimum GPA	Minimum Tri-C Credits
	Semester Credits	Semester Credits		
AA & AS	60	20	2.00	20
AAB	60	20	2.00	20
AAS	60	20	2.00	20
ATS	60		2.00	20

## Economic Environment Analysis

Unlike many institutions of higher education, Cuyahoga Community College receives a significant portion of its funding from local sources. In fiscal year 2012, 29.2 percent of the College's annual revenue came from two tax levies. Also, 80.1 percent of the College's fiscal year 2012 credit student attendees were Cuyahoga County residents. For these reasons, the economic environment in Cuyahoga County and Northeast Ohio has a significant impact on the fiscal year 2012 budget.

In order to accurately project revenue, the College must keep abreast of housing market trends and tax collectability rates. The College passed a levy in November 2009, which increased millage from 1.6 to 1.9, and is expected to generate \$14 million annually. However, several recent developments have significantly reduced the projected revenues the College will receive from its two levies. Cuyahoga County reduced assessed housing valuations by 8 percent and the

estimated collectability rate from 96 percent to 95 percent. In addition, the State's 2012-2013 biennium budget accelerates the planned phase out of the Commercial Activity Tax (CAT) and the College is no longer receiving Public Utility Personal Property tax reimbursements. Cuyahoga Community College must prepare for decreases in revenues for future years.

Like most areas of the United States, Cuyahoga County experienced significant increases in unemployment in recent years, followed by a slow rebound of the job market. The County unemployment rate increased from 7.1 percent in December 2008 to 9.0 percent in December 2010. As of June 2012, the unemployment rate in Cuyahoga County had declined to 7.9 percent which ranked 32<sup>nd</sup> out of all Ohio counties. In addition, Cuyahoga County continues to experience significant reductions in population, from 1,330,428 in 2005 to 1,280,122 in 2010. As projected by the Ohio Department of Development, Cuyahoga County's population decreased in 2011 to 1,270,294.

The State of Ohio as a whole is experiencing similar issues to Cuyahoga County. Ohio's June 2012 unemployment rate was 7.2 percent, down from 8.9 percent in June 2011. The reduction in Ohio's unemployment rate and the corresponding job gains occurred in several service industries. The leisure and hospitality sectors saw employment gains in food and drink services. Employment in manufacturing showed modest signs of growth, specifically in two durable goods

Select Ohio Unemployment Rates by County					
June 2012					
Rank	County	Rate	Rank	County	Rate
1	Pike County	13.0%	45	Defiance County	7.7%
5	Adams County	10.6%	50	Champaign County	7.5%
10	Coshocton County	10.0%	55	Hamilton County	7.2%
15	Monroe County	9.1%	60	Summit County	7.1%
20	Athens County	8.7%	65	Morrow County	7.0%
25	Richland County	8.3%	70	Licking County	6.7%
30	Montgomery County	8.1%	75	Franklin County	6.5%
32	Cuyahoga County	7.9%	80	Medina County	6.3%
35	Preble County	7.9%	85	Union County	5.7%
40	Williams County	7.8%	88	Mercer County	4.6%

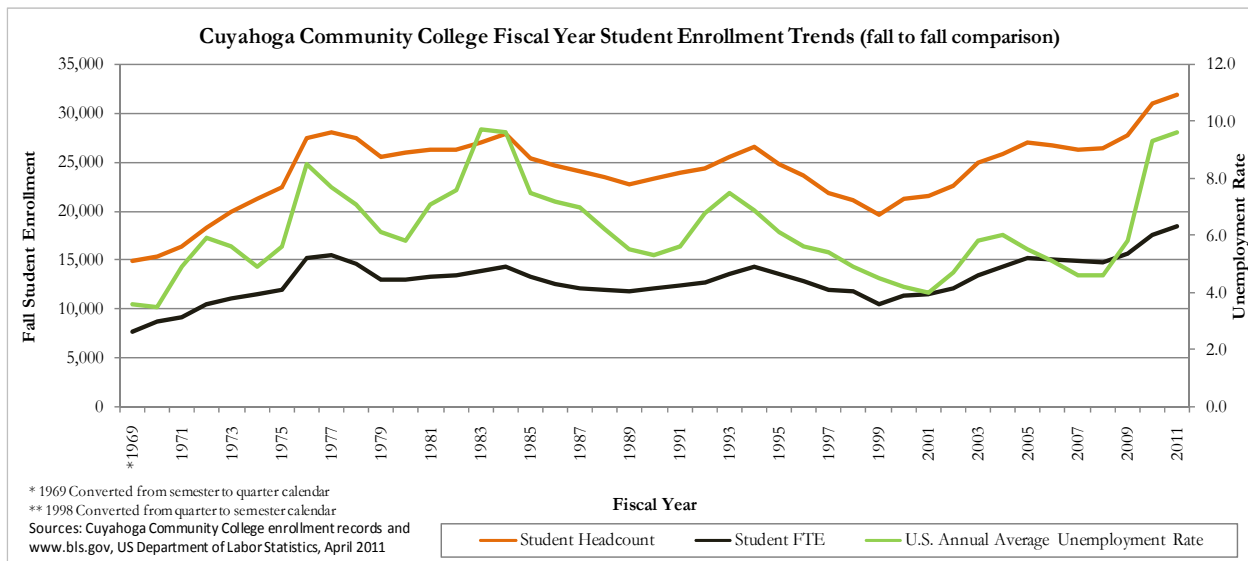
Source: Ohio Labor Market Information

industries - fabricated metal products and machinery. Ohio home foreclosure filings declined by 16 percent from 2010 to 2011. However, for the fifth year in a row, Cuyahoga County had the most foreclosures compared to all other Ohio counties.

State support for colleges and universities has continued to decline. In the current 2012-2013 biennium State budget, total State support for higher education in 2012 is down 10.5 percent from 2011. This reduction is a result of the State grappling with the loss of \$8 billion in federal stimulus dollars that helped balance the 2010-2011 biennium State budget. With a full economic recovery predicted to take several years, it is unlikely that State support for higher education will increase rapidly over the next several years. For fiscal year 2013, State support is projected to increase by 1 percent compared to fiscal year 2012. If Higher Education funding compounded at 3 percent each fiscal year, State funding for Higher Education would not return to fiscal year 2011 levels until fiscal year 2016.

As in the past, the College's enrollment has shown a direct correlation to the unemployment rate, with Spring 2012 enrollments declining 5.2 percent from Spring 2011. Displaced workers who were seeking to expand their current knowledge base/skill set, or looking for training in new fields, are now returning to the work force. Enrollment is projected to continue to decline in the near future, as the economy slowly recovers. The decreases in enrollment, State support, and tax revenues have impacted the College's financial condition, with the College experiencing a slight reduction in net assets in fiscal year 2012.





While these economic factors pose significant challenges for the College, they also provide the opportunity to review and change our educational delivery models and campus operations. By focusing on innovation, efficiencies, collaborations, and improved reporting and metrics, Cuyahoga Community College will be able to meet demands for quality, affordable higher education while maintaining fiscal health.

## Long Term Strategic Financial and Operational Planning

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



The College has Board approved policies to govern all aspects of its operations. To govern financial operations and decisions, the College has policies and procedures in the following areas: Finance, Investment, Debt, and Procurement. These policies provide guidance for planning of resources and fiscal integrity. The College’s Long-Range Plan strives to forecast the revenue and expenses for future periods in order to control expenses and yield a balanced budget. The Long-Range Plan

models the College’s performance based on different revenue and expense scenarios. Fiscal accountability is achieved through the measurement of the College’s budget performance against its annual plan and trend analysis.

## Budget Process

The College’s Board of Trustees adopts a budget for each fiscal year based on the long-range plan and the College goals. The linking of the College goals to measurable objectives is critical in responding effectively to the needs of the community. Under the direction of the President, major budget units are required to submit a comprehensive budget package to the College’s

Office of Systems, Budget & Management Support, including a full-time staffing plan, enrollment plan, and equipment requests.

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

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

As part of the budgeting process, allocations for capital projects are also reviewed. Proposed capital projects are assessed against the Academic and Facility Master Plan and Space Utilization Study approved by the Board of Trustees. Annually, the President and relevant staff review and prioritize project requests against resources available through internal funds, State capital appropriations, or financing.



Every other year, the College prepares and updates its six-year capital improvement program. This provides the basis for a State capital appropriation request submitted to the Ohio Board of Regents. The request identifies the projects proposed to be financed with State appropriations

and the purpose, priority, amount, and source of funds for these projects. The Regents and the General Assembly may approve, modify or decline aspects of the College's requested capital appropriation programs. Recently funded projects include the Police and Fire Academy Center of Excellence and roof repairs at the Western Campus.

The Board of Trustees annually reviews operating budgets for the College. The Board adopts the annual budget based on the recommendation of the President and Treasurer. The Board may, if appropriate, modify the budgets during the year to reflect revised expenditure or revenue projections for that fiscal year.

## Financial Reporting

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

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

## Audit & Advisory Services

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

## Strategic Focus Areas

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Cuyahoga Community College developed its 2009-2014 Strategic Plan on the basis of the Chancellor's *Strategic Plan for Higher Education: 2008-2017*, feedback received through the Academic Quality Improvement Program (AQIP) Systems Portfolio and the Systems Appraisal Feedback Report, and information gathered through a rigorous planning process involving representatives from throughout the College. Four strategic focus areas have been identified for the College to achieve its desired goals. The budget for fiscal year 2012 was developed according to these four strategic focus areas, allowing the College to align the institutional budget with the College mission and student success. These include:

- ✿ **Student Success** - We will enable our students to succeed in accomplishing their educational and career goals by providing them with a high quality education, as evidenced by data. The College will provide a supportive teaching and learning environment, accompanied by an effective array of support services.
- ✿ **Broadening our Reach** - We will increase enrollment in the College by motivating individuals to expand their educational aspirations and by facilitating their participation.
- ✿ **One College Culture** – The College will continue to evolve a one college culture that focuses on providing students with a consistent, quality educational experience. To produce quality performance, we will embrace individual accountability, data-driven decision-making, and change.
- ✿ **Measuring Effectiveness** - We will enhance College-wide communications, operational processes, and internal, external and student customer service through the use of evidence-based decision making and “best practices”.

We believe that these focus areas will allow us to serve our students while achieving the goals set forth by the Chancellor and Governor for higher education. These focus areas are also integrated with the nine AQIP categories and Cuyahoga Community College's strengths and opportunities in each area.

In order to achieve success in these focus areas, the College has implemented several initiatives, a few of which are described here.

## Academic & Facility Master Plan Implementation

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Construction and building for Cuyahoga Community College occurred primarily in the 1960's and early 70's. The College's 10-Year Academic and Facilities Master Plan is geared to enhance the success, learning and experiences of all our students. Over the next ten years, this Plan will keep the College as one of the top learning environments in the nation. Strategic initiatives in the Capital Program are now focused on implementing Phase I of this Plan as well as completing the projects that were funded in previous budget periods. The College used proceeds from a \$121 million bond issue to complete construction of the new Westshore Campus, Recreation/Wellness

Renovations, the Center for Creative Arts and the Advanced Technology Training Center at Metro Campus, and the Campus Health Careers and Technology Center and Natatorium/Wellness Center at Eastern Campus, resulting in increased access and services for students. The College also issued \$10.6 million of certificates of participation to fund the construction of the Brunswick University Center.

## Academic Quality Improvement Program (AQIP)

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In April of 2004, the College made the commitment to the Academic Quality Improvement Program (AQIP) for re-accreditation through the Higher Learning Commission. AQIP is a continuous improvement model and is an alternative to the traditional ten-year self study for reaccreditation through the Higher Learning Commission. There are nine categories of college processes and systems for which AQIP asks: 1) how do we know if these processes are working, and 2) how can we improve these processes to be more efficient and effective in support of student learning. The College submitted its second AQIP Systems Portfolio in June 2012 and had its first Quality Check-Up Visit in September 2009. In 2011, the College's accreditation by the North Central Association of Colleges and Schools was reaffirmed and the Westshore Campus was accredited as a full campus.



Academic  
Quality Improvement  
Program

The Higher Learning Commission **NCA**

## Achieving the Dream

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The College was selected in 2005 to participate in Achieving the Dream (ATD), the national multi-year initiative created to help more community college students succeed in their educational goals. Results of the ATD initiatives have been tracked over the course of the three-year program, with students in the ATD cohorts experiencing higher levels of student success, as measured by retention rate, credits earned, and grade point average compared to students not enrolled in the initiative. Even though the ATD funding is no longer available for Ohio

institutions, the College has received the ATD-Development Education Initiative (ATD-DEI) funding from the Bill and Melinda Gates Foundation to continue the work of improving remedial education. The College has also been selected as an ATD Leader College and continues to implement strategic goals to improve student success.

## Strategic Alliances

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In the 2008-2017 Strategic Plan for Higher Education, the Governor has called for all State-supported higher education institutions to implement efficiency measures and collaborations in order to reduce spending. Cuyahoga Community College is working to meet the State's expectations through various measures, including several partnerships and strategic alliances.

Cuyahoga Community College is one of fifteen colleges across the country selected to participate in the Walmart PRESS (Persistence, Retention and Student Success) for Completion grant program. The overall goal of this grant is to broaden engagement among faculty and staff to improve student learning outcomes. The College's focus for the grant is to create work teams in four high-impact disciplines (Math, English, Biology and Business) designed to engage faculty and staff by expanding dialogue College-wide. Fall 2012 is the planning phase for the work teams to examine initiatives and determine a plan for implementation in Spring 2013. The second year will focus on refining the initiative(s) and preparing them for broad implementation. This grant will measure success in terms of engagement, including types of strategies used, feedback, and metrics on participant.

The College is among 26 State-wide colleges and universities expanding its relationship with the Ellucian Company to create a collaboration of public and private institutions. The Ohio Banners User Group Collaboration will work to align with the University System of Ohio's goal of meeting the needs of a thriving 21<sup>st</sup> century economy by enhancing collaboration among its members to realize greater cost effectiveness. The group will mutually focus on shared services as an opportunity to produce more efficient results in areas such as student access and success, accountability and increased performance standards. The Ellucian Company will provide dedicated resources, delivering business analysis and development skills to support the 26 campuses in their efforts to accomplish these goals.

Now with over 5,000 members, the College's new Alumni and Friends organization is primed to be a premier student resource over the next year. Creating a dedicated and active group of supporters within the community will create new streams of scholarship support, directly helping students complete their educational goals. This new group will also provide networking resources so students can put their education into action in businesses, hospitals, governments, nonprofits – anywhere our Friends and Alumni are in the community.

This year the administration worked with the area Regional Transit Authority (RTA) to provide students with easy access to low cost public transportation. The UPass program lets students purchase a 16 ½ week pass for only \$180. It is estimated that 1,200 students will take advantage of this low cost program during Fall Semester, helping these students get to campus easily, on time, and without worrying about parking. Recognizing that students needed other options, the College has, in conjunction with RTA, developed a discounted monthly pass as well. Students can buy a monthly pass for only \$45, instead of the normal \$85 cost.

The College was selected by the U.S. Department of Health and Human Services to lead a group of 17 Midwestern community colleges that will offer health information technology (HIT) training to move the nation toward a system of electronic medical records. This initiative is part of a nationwide effort to meet requirements of the HITECH Act, which mandates that every U.S. citizen have an electronic medical record by 2014. The College and the other community

colleges in the Midwestern Consortium will use federal grant funds to provide training to current and future healthcare workers who will integrate electronic health record information systems at hospitals, doctor's offices and other medical facilities throughout the nation.

Barnes & Noble bookstores at the College offer campus-specific selections of textbooks in a wide variety of formats – new, used, rental, digital, digital rental, loose-leaf or custom books – to help our students save on the cost of textbooks and higher quality merchandise and apparel. The College's Barnes & Noble bookstores project that over the next two years nearly 50 percent of required titles will be available with a rental option and 25 percent of required titles will be available with a digital option. Students choosing to rent a textbook can save up to 50 percent off the new print price, and students choosing to purchase or rent an e-Textbook can save up to 60 percent off the new print price. These savings are in addition to the 25 percent savings students received when purchasing used textbooks. Expanding textbooks options has increased satisfaction, service and savings that meet the needs of our students.

The College has partnered with Tiffin University, Cleveland State University, and Franklin University to provide educational opportunities to students at the Brunswick University Center. Students can take first and second year college courses with the College, as well as other certificate programs, and then transition to Tiffin University, Cleveland State University, or Franklin University to complete Bachelor's and Master's degrees, all at one convenient location. The Brunswick University Center opened to the community in January of 2011.

In order to optimize the utilization of our enterprise resource planning (ERP) software and secure the utmost value from its capital investment, the College has negotiated a strategic partnership agreement with the Ellucian Company, which offers significant cost savings of nearly \$3.75 million on software and maintenance over the ten year contract period. This partnership is the first of its kind in the Country and provides a methodology for alignment of people; redefines process and technology; commits to continuous process improvement; and gives the College input on new product development as well as a seat on Ellucian's Advisory Committee. This new innovative partnership with the Ellucian Company will place the College as a nationwide leader in the community college computing world and better align us with the College's mission and the Governor's Strategic Plan.

## Accomplishments

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

- The College completed three major construction projects on time and on budget: a Natatorium/Wellness Center at the Eastern Campus; Student Service Center Renovations at the Eastern Campus; and Environmental Remediation at the Metro Campus.
- In the spring of 2011, Dr. Jerry Sue Thornton was appointed co-chair of the 21st Century Commission on the Future of Community Colleges, a national task force convened by the American Association of Community Colleges. The challenges of the 21st Century demand unprecedented vision, ingenuity, courage, and focus from community colleges and their partners in the education, policy, business, and philanthropic arenas. The

Commission created a comprehensive document with recommendations for the future priorities of these essential institutions, and guidance on how to achieve these goals.

- The College reached another important benchmark as it became the only community college to be accredited by the Commission on Accreditation for Law Enforcement (CALEA), and one of only 62 higher education institutions nationally. CALEA awarded the College's Public Safety Forces its Advanced Law Enforcement accreditation after conducting a rigorous two year investigation that required meeting 480 specific criteria.
- The College's Police Academy ranked number 1 in the State of Ohio with the highest Ohio Peace Officer Training Commission exam scores in 2011-2012. The scores averaged 93.2 percent.

## Awards and Acknowledgements

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### Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Cuyahoga Community College for its comprehensive annual financial report for the fiscal year ended June 30, 2011. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal regulations.

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

In addition, the GFOA presented a Distinguished Budget Presentation Award to Cuyahoga Community College, Ohio for its annual budget for the fiscal year beginning July 1, 2011. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

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

Finally, the GFOA has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to Cuyahoga Community College for its Popular Annual Financial Report for the fiscal year ended June 30, 2011. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

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

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

**Acknowledgements**

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

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

Respectfully submitted,



Dr. Craig Foltin, CPA  
Executive Vice President/Treasurer  
Administration & Finance



Michael Abouserhal, CPA  
Vice President  
Finance & Business Services



Michael L. Johnson, CPA, CMA, CFM  
Executive Director  
Accounting & Financial Operations



# Certificate of Achievement for Excellence in Financial Reporting

Presented to  
Cuyahoga Community College  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Linda C. Danson*

President

*Jeffrey R. Enos*

Executive Director

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# CUYAHOGA COMMUNITY COLLEGE

## MISSION

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



**Cuyahoga  
Community  
College**



## VISION

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

## VALUES

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



# CUYAHOGA COMMUNITY COLLEGE PRESIDENT & BOARD OF TRUSTEES



*President*  
**Jerry Sue Thornton, Ph.D.**



*County Executive Appointment*  
*Term Ends: 03/26/17*  
**Megan O'Bryan**



*Chairman*  
*County Executive Appointment*  
*Term Ends: 1/16/15*  
**Jerry L. Kelsheimer**



*Governor Appointment*  
*Term Ends: 10/12/13*  
**Patricia Kennedy-Scott**



*Vice Chairman*  
*County Executive Appointment*  
*Term Ends: 1/16/15*  
**Nadine H. Feighan**



*Governor Appointment*  
*Term Ends: 10/12/17*  
**Andrew E. Randall**



*County Executive Appointment*  
*Term Ends: 05/30/16*  
**Dr. Harry Graham**



*Governor Appointment*  
*Term Ends: 10/12/17*  
**Bruce D. Murphy**



*County Executive Appointment*  
*Term Ends: 02/27/17*  
**Victor A. Ruiz**



*County Executive Appointment*  
*Term Ends: 04/25/16*  
**David W. Whitehead**

# Cuyahoga Community College

## College Administration

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Dr. Craig Foltin, CPA, *Executive Vice President/Treasurer, Administration & Finance*

Dr. Belinda Miles, *Executive Vice President, Academic & Student Affairs*

Susan Muha, *Executive Vice President, Workforce & Economic Development*

Dr. Paul Gasparro, *Campus President, College Vice President, Eastern Campus*

Dr. Michael Schoop, *Campus President, College Vice President, Metropolitan Campus*

Dr. Patricia Rowell, *Campus President, College Vice President, Western Campus*

Dr. J. Michael Thomson, *Campus President, College Vice President, Westshore Campus*

Gerard Hourigan, *Vice President, Information Technology Services*

Peter MacEwan, *Vice President, Facilities Development*

Rebecca Ruppert McMahon, *Vice President, Office of General Counsel and Legal Services*

Judith McMullen, *Vice President, Office of Human Resources*

Alan Moran, *Vice President, Marketing and Communications*

Michael Abouserhal, CPA, *Vice President, Finance and Business Services*

Dr. JaNice Marshall, *Vice President, College Pathways and Community Connections*

Dr. Patricia Reid, *Vice President, Healthcare Education Initiatives*

Dr. Sandy Robinson, *Vice President, Academic Affairs*

Gloria Moosmann, *Vice President, Resource Development and Executive Director, Foundation*

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

Karen Miller, *Vice President, Enrollment Management and Student Affairs*

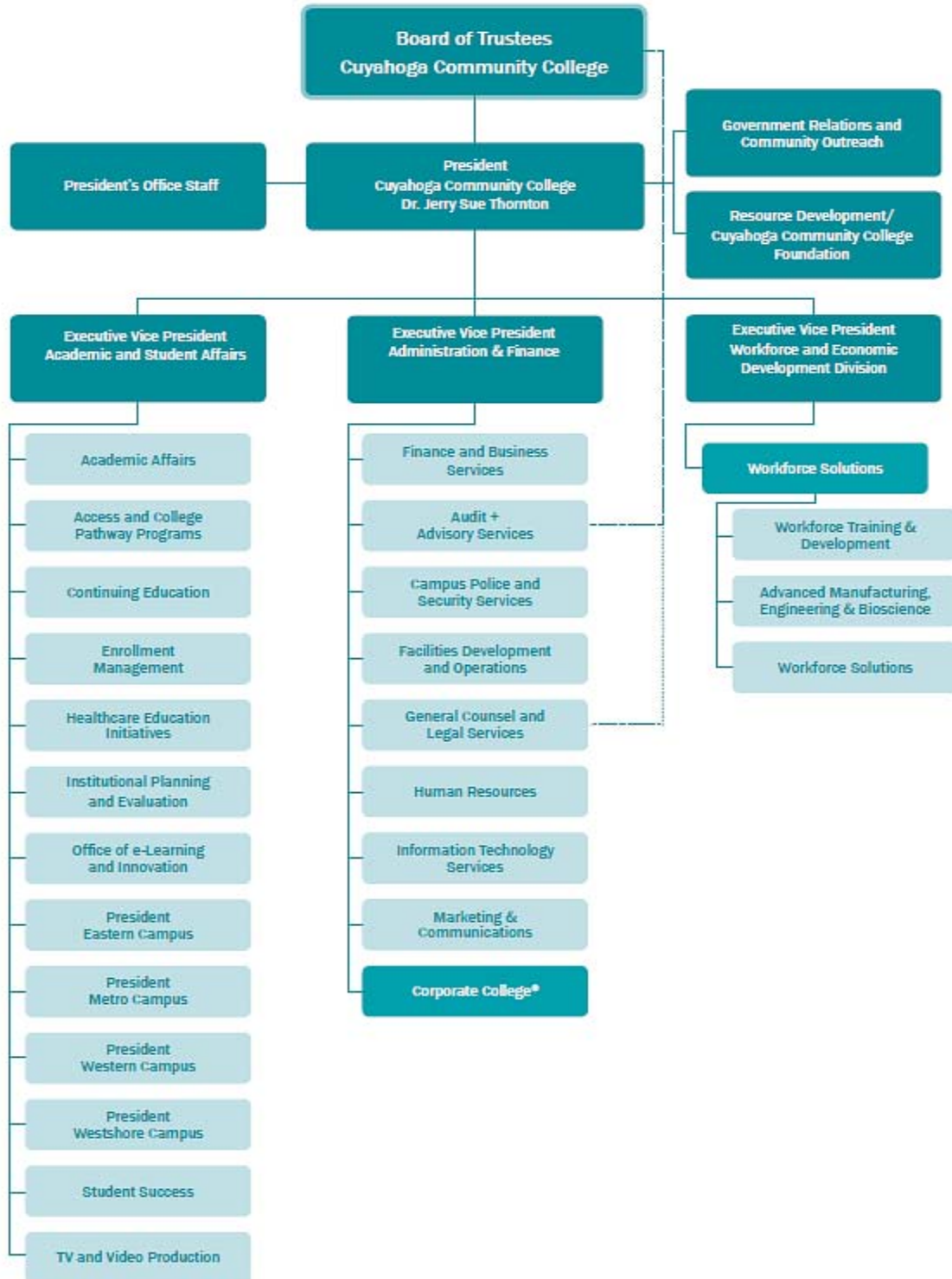
Dr. Jennifer Spielvogel, *Vice President, Institutional Planning and Effectiveness*

Chief Clayton Harris, *Vice President, Public Safety and Security*

# Cuyahoga Community College

## Organizational Chart

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# Financial Section

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## INDEPENDENT AUDITORS' REPORT

Board of Trustees  
Cuyahoga Community College  
Cleveland, Ohio

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of Cuyahoga Community College (the "College") as of and for the years ended June 30, 2012 and 2011, which collectively comprise the College's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the College's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities and the discretely presented component unit of the College at June 30, 2012 and 2011, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis on pages 2 - 12 is not a required part of the basic financial statements but is supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

In addition, the introductory and statistical sections listed in the table of contents are presented for purposes of additional analysis and are not required parts of the basic financial statements. That information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 27, 2012 on our consideration of the College's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



Cleveland, Ohio  
November 27, 2012

**Cuyahoga Community College**  
*Cuyahoga County, Ohio*  
*Management's Discussion and Analysis*  
*For the Fiscal Years Ended June 30, 2012 and 2011*  
*Unaudited*

The management's discussion and analysis of Cuyahoga Community College (the College) provides an overview of the College's financial position and activities for the fiscal year ended June 30, 2012, with comparative information for the years ended June 30, 2011 and June 30, 2010. The intent of this discussion and analysis is to look at the College's financial performance as a whole. Readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the College's financial performance.

**FINANCIAL HIGHLIGHTS**

The College uses performance metrics to monitor fiscal health and to determine financial policies for future periods. Senate Bill 6 requires the College to submit quarterly financial statements to the Ohio Board of Regents (OBOR) which are used to calculate primary reserve, viability, and net income ratios. These ratios are assigned scores that are combined into a composite score, which helps OBOR determine if the College should be placed in fiscal watch and be subject to State oversight. The College's targets for these ratios are set to achieve a composite score of at least 3.0, which exceed minimum standards and indicate sound fiscal health. The College also calculates debt burden, debt service and return on net assets ratios. These ratios are recommended by the National Association of College and University Business Officers (NACUBO) and are set to achieve a Moody's A1 bond rating.

The College's performance metrics relative to its self-imposed targets are shown in the table below:

	<b>College Performance Metrics</b>			
	<b>Target</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
Primary Reserve Ratio	>40%	32.3%	36.1%	34.2%
Viability Ratio	>60%	59.0%	63.1%	52.8%
Net Income Ratio	3.0%	-0.5%	8.4%	2.7%
Debt Burden Ratio	<7%	6.3%	6.1%	5.9%
Debt Service Coverage Ratio	>3.13x	1.42x	3.03x	1.94x
Return on Net Assets Ratio	>4.43%	-0.5%	9.0%	2.8%

- **Primary Reserve Ratio:** Provides a snapshot of the financial strength and flexibility by indicating how long the College could function using its expendable reserves without relying on additional net assets.
- **Viability Ratio:** Measures the financial health at a point in time. The ratio measures the availability of expendable net assets to cover debt.
- **Net Income Ratio:** Measures the financial performance in a given year.
- **Debt Burden Ratio:** Measures debt affordability by examining dependence on borrowed funds as a source of financing its mission and the relative cost of borrowing to overall expenditures.

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- **Debt Service Coverage Ratio:** Measures the excess of income over adjusted expenses available to cover annual debt service payments.
- **Return on Net Assets Ratio:** Determines whether the College is financially better off than in previous years by measuring total economic return. The ratio is based on the level and change in total net assets, regardless of asset classification.

As of June 30, 2012, the College's financial position remains strong with total assets of \$609.9 million. The College experienced a reduction in overall net assets, which indicates the economic pressures being felt in the current higher education financial environment. Nevertheless, the College sets targets that are conservative and designed to exceed minimum requirements. Therefore, not achieving targets isn't a sign of financial weakness, but a reflection of the higher standards set by the College. Explanations of the various account balances and their changes are included in this discussion and analysis below.

Financial highlights for fiscal year 2012 include:

- In May 2012, the College refunded \$21.9 million of the Series A Receipt Bonds for the new Series D Receipt Bonds. The receipt bonds were refunded without extending the repayment schedule. The College was able to take advantage of lower interest rates, providing the College with \$3.1 million in gross debt savings equating to a present value savings of \$2.6 million over the next twenty years.
- The College purchased the Visiting Nurse Association (VNA) building off East 22<sup>nd</sup> Street in October of 2011. The purchase of the building, renamed Institutional Advancement, allowed the College to save \$542,000 in annual lease expenses and will yield a \$440,000 positive cash flow in the first years of ownership.
- State revenues for the College, including State grants, appropriations, and capital appropriations, have declined approximately 24 percent in fiscal year 2012. The decline is due to the State addressing their financial difficulties through a variety of program and funding cuts. The College expects State revenues to continue to make up smaller percentages of total revenues, as the State recovers from the economic downturn of the recent past.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is an introduction to Cuyahoga Community College's basic financial statements, which include entity-wide financial statements prepared in accordance with the accrual basis of accounting and the notes to the basic financial statements. The annual financial statements are prepared in accordance with Governmental Accounting Standards Board ("GASB") Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, as amended by GASB Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*. In accordance with GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, which amends GASB Statement No. 14, the Foundation qualifies as a discretely presented component unit of the College.

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

**FINANCIAL ANALYSIS OF THE COLLEGE AS A WHOLE**

*Statement of Net Assets*

The Statement of Net Assets presents information on all of the College's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the College is improving or deteriorating, when considered along with non-financial indicators such as enrollment levels and the conditions of the facilities. Condensed information from the College's statements of net assets is as follows:

Table 1  
**Net Assets**  
*(in Thousands)*

	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>Assets</b>			
Current Assets	\$199,916	\$219,971	\$212,552
Non-current Assets:			
Capital Assets, Net	362,955	337,936	295,355
Other	47,054	64,388	90,871
<i>Total Non-current Assets</i>	<u>410,009</u>	<u>402,324</u>	<u>386,226</u>
<i>Total Assets</i>	<u>609,925</u>	<u>622,295</u>	<u>598,778</u>
<b>Liabilities</b>			
Current Liabilities	138,573	143,171	140,009
Non-current Liabilities	163,661	169,865	177,371
<i>Total Liabilities</i>	<u>302,234</u>	<u>313,036</u>	<u>317,380</u>
<b>Net Assets</b>			
Invested in Capital Assets, Net of Related Debt	209,467	199,797	186,530
Restricted - Expendable	3,956	2,760	2,528
Unrestricted	94,268	106,702	92,340
<i>Total Net Assets</i>	<u>\$307,691</u>	<u>\$309,259</u>	<u>\$281,398</u>

*Assets*

Total 2012 assets decreased \$12.4 million (2.0%) from 2011 principally due to the following factors:

- Cash and cash equivalents decreased \$23.8 million, mainly due to revenue declines associated with property taxes and the timing of receipts. Restricted cash and cash equivalents increased by \$8.4 million, due to the College preparing to spend down the proceeds of the 2009 Series C Bond issue

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for approved capital construction projects and the conversion of long term investments into liquid cash investments.

- Restricted receivables increased by \$1.5 million, due to the 10,000 Small Businesses grant the College was awarded from Goldman Sachs.
- Investments, current and noncurrent, increased approximately \$10.0 million due to a continued focus on investing available cash balances to help provide additional interest income.
- Capital assets, net of accumulated depreciation, increased \$25.0 million due to the completion of major capital projects and acquisitions, including the new Institutional Advancement building, the purchase of additional land at the Westshore Campus and the addition of a natatorium and wellness center at the Eastern Campus.

Total 2011 assets increased \$23.5 million (3.9%) from 2010 principally due to the following factors:

- Cash and cash equivalents decreased \$16.1 million, mainly due to available balances of \$13.8 million being transferred to unrestricted investments; to provide more interest income for the College while still maintaining adequate liquid cash balances. Restricted cash and cash equivalents decreased \$28.9 million, due to the College spending the proceeds of our 2009 Series C Bond issue for approved capital construction projects.
- Property taxes receivable increased \$6.7 million due to the passage of Issue 4 in November 2009, which included a 0.30 mill increase to 1.9 mills. Collections from this increase began in January 2011.
- Accounts receivable increased \$1.6 million mainly due to an increase in tuition and fees for the fall 2011 semester.
- Capital assets, net of accumulated depreciation, increased \$42.6 million due to the completion of major capital projects, including the new Westshore Campus, the Brunswick University Center and the Eastern Campus Health Careers and Technology Center.

*Liabilities*

Total 2012 liabilities decreased \$10.8 million (3.5%) from 2011 principally due to the following factors:

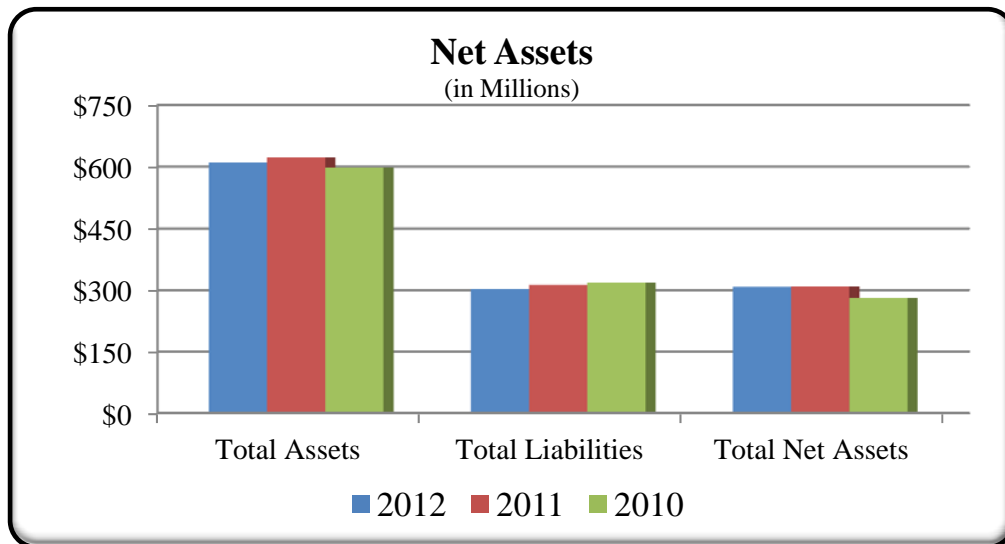
- Accounts payable and accrued liabilities decreased by \$6.9 million, due to reduced outstanding capital projects at the end of 2012.
- Deferred revenue increased by \$2.6 million due to an increase in tuition and fee rates for the fall semester of 2012.
- The current and noncurrent capital lease obligations decreased by \$1.3 million due to the College entering into three new capital leases for \$6.5 million, offset by \$7.8 million of principal payments.

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Total 2011 liabilities decreased \$4.3 million (1.4%) from 2010 principally due to the following factors:

- The general receipt bonds and certificates of participation decreased \$5.4 million due to annual debt payments and no new debt issued in fiscal year 2011.
- Capital lease obligations decreased \$700,000 due to the College entering into five new capital leases in 2011 totaling \$6.4 million, offset by \$7.1 million of principal payments in the ordinary course of business. New leases were for computer and telecommunications equipment, a school bus and energy efficiency improvements.
- Claims and other liabilities decreased \$765,000, mainly due to decreases in worker's compensation and disability insurance liabilities.

Net assets decreased from \$309.3 million to \$307.7 million during the year ended June 30, 2012. Net assets increased from \$281.4 million to \$309.3 million during the year ended June 30, 2011.



***Statement of Revenues, Expenses and Changes in Net Assets***

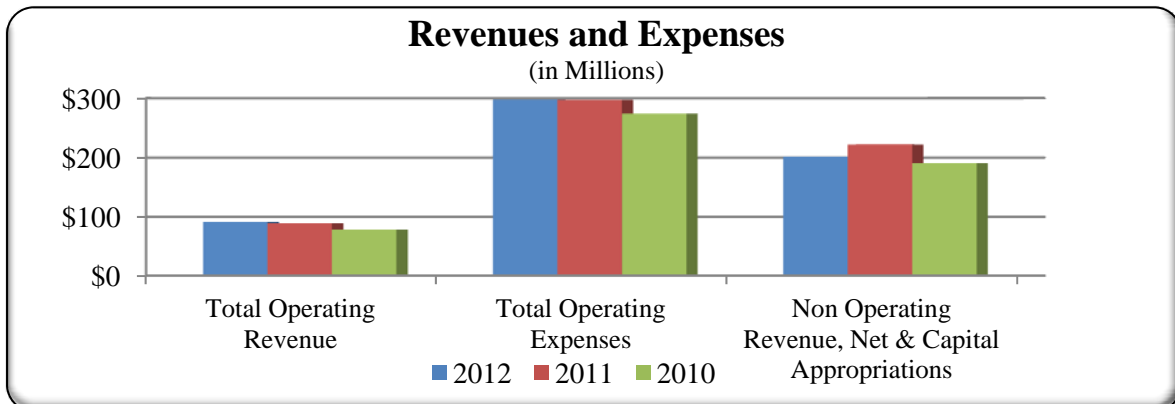
The Statement of Revenues, Expenses and Changes in Net Assets presents the revenues earned and expenses incurred during the year. Activities are reported as either operating or non-operating. As a public institution, the College is dependent on State assistance. This dependency contributes toward an operating deficit because the financial reporting model classifies State appropriations as non-operating revenues. Summarized revenues, expenses, and changes in net assets for the years ended June 30, 2012, 2011 and 2010 are as follows:



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Table 2  
**Change in Net Assets**  
*(in Thousands)*

	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>Operating Revenues</b>			
Net Tuition and Fees	\$41,911	\$42,000	\$40,906
Grants and Contracts	22,335	21,577	13,097
Auxiliary Enterprises	16,529	16,863	15,551
Other	9,772	8,638	7,833
<i>Total Operating Revenue</i>	<u>90,547</u>	<u>89,078</u>	<u>77,387</u>
<b>Operating Expenses</b>			
Educational and General	260,529	260,057	239,213
Depreciation	21,566	21,267	20,165
Auxiliary Enterprises	15,473	16,143	14,512
<i>Total Operating Expenses</i>	<u>297,568</u>	<u>297,467</u>	<u>273,890</u>
<i>Net Operating Loss</i>	<u>(207,021)</u>	<u>(208,389)</u>	<u>(196,503)</u>
<b>Non-operating Revenues (Expenses)</b>			
State Appropriations	56,217	61,610	61,257
Property Taxes	87,092	94,645	81,327
Grants and Contracts	59,547	63,122	48,568
Investment Income, Net	1,139	7,831	2,933
Other Expenses, Net	(2,410)	(5,365)	(3,572)
<i>Total Non-operating Revenues (Expenses)</i>	<u>201,585</u>	<u>221,843</u>	<u>190,513</u>
<i>Income (Loss) before State Capital Appropriations</i>	(5,436)	13,454	(5,990)
State Capital Appropriations	3,868	14,407	13,613
<i>Increase (Decrease) in Net Assets</i>	(1,568)	27,861	7,623
<i>Net Assets Beginning of Year</i>	<u>309,259</u>	<u>281,398</u>	<u>273,775</u>
<i>Net Assets End of Year</i>	<u>\$307,691</u>	<u>\$309,259</u>	<u>\$281,398</u>



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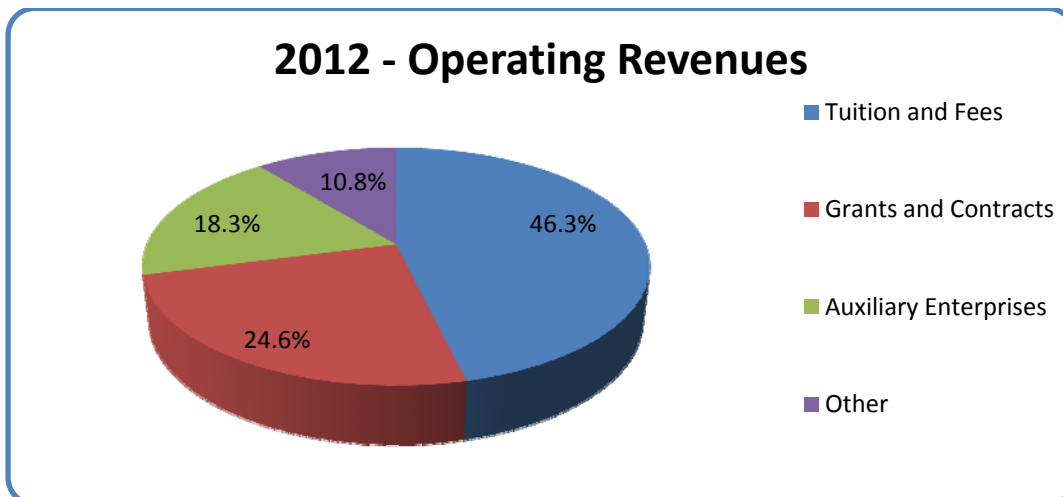
*Operating Revenues*

Total 2012 operating revenues increased \$1.5 million (1.7%) from 2011 principally due to the following factors:

- Grants and contracts increased \$758,000, primarily as a result of increased federal grant awards, including the Health Information Technology and Adult Basic Literacy Education consortiums, as well as new grants including the H-1B Technical Skills federal grant and the 10,000 Small Businesses private grant from Goldman Sachs. The increase in federal and private grant awards is partially offset by decreases in State grant revenues, including the elimination or reduction of the Clean Ohio, Residential Building Training and Bioscience Workforce Training grants.
- Other revenues increased by \$1.1 million due to increased sales and service revenues from customized and non-credit training in 2012.

Total 2011 operating revenues increased \$11.7 million (15.1%) from 2010 principally due to the following factors:

- Student tuition and fees increased \$1.1 million as a result of increased enrollment over 2010 and an increase in tuition charges beginning in Fall 2010.
- Grants and contracts increased \$8.5 million, primarily as a result of increased federal grant awards including the Health Information Technology and Adult Basic Literacy Education consortiums, as well as a Clean Ohio State grant.
- Auxiliary enterprises, consisting of book centers, parking facilities, and food service, increased \$1.3 million as a result of increased enrollment and utilization of the services, and additional services offered at the new Westshore Campus.



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*Operating Expenses*

Total 2012 operating expenses increased \$101,000 (0.03%) from 2011 principally due to the following factors:

- Public service expenses increased by \$4.1 million due to expanded programs, including the Summer Pathways programs with Cleveland Metropolitan School District, the Health Information Technology consortium and the Adult Basic Literacy Education consortium.
- Institutional Support expenses increased by \$1.4 million due to an increased focus on marketing and program education.
- Operation and Maintenance of Plant expenses decreased by \$924,000 due to energy conservation efforts and reduced consumption resulting from mild temperatures.
- Student Aid expenses decreased by \$5.5 million, due to declining enrollment and decreased federal funding of student aid programs.

Total 2011 operating expenses increased \$23.6 million (8.6%) from 2010 principally due to the following factors:

- Instructional and Departmental Research expenses increased \$5.2 million, due to increased class offerings at the Westshore Campus, Brunswick University Center and the Eastern Campus Health Careers and Technology Center.
- Student aid expenses increased approximately \$10.2 million, due to financial aid and scholarship awards from the increased student base.
- Depreciation expense increased \$1.1 million related to projects being completed and placed into service, namely the Westshore Campus, the Brunswick University Center and the Eastern Campus Health Careers and Technology Center.
- Auxiliary enterprises increased \$1.6 million due to bookstore management fees that resulted from increased revenue.

*Non-operating Revenues (Expenses)*

Total 2012 non-operating revenues (expenses) decreased \$20.3 million (9.1%) from 2011 principally due to the following factors:

- State appropriations decreased by \$5.4 million. The State balanced the 2012-2013 biennium budget by reducing funding for a variety of programs and agencies, including higher education. The College's State appropriations decreased by 8.8 percent in 2012.
- Property tax revenue decreased by \$7.6 million, due to an increase in delinquencies and foreclosures experienced in Cuyahoga County as well as continued declines in assessed tax values and the availability of property tax collections at fiscal year end.
- The College received \$3.6 million, classified as a gain on the sale of assets, for land sold to the Ohio Department of Transportation for use on the new Innerbelt Bridge project in 2012.

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- Investment income, net, decreased by \$6.7 million, due to a decline in market conditions which increased unrealized losses for fiscal year 2012.

Total 2011 non-operating revenues (expenses) increased \$31.3 million (16.5%) from 2010 principally due to the following factors:

- Property tax revenue increased \$13.3 million due to the increase of 0.3 mills by the passage of Issue 4 in November 2009 and property tax revenue recognition according to generally accepted accounting standards. The College began receiving the increased millage in January 2011.
- Grants and contracts increased \$14.6 million. Federal grants and contracts increased as a result of increased enrollment; increased eligibility due to current economic conditions and more students receiving federal aid.
- Investment income, net, increased by \$4.9 million due to the transfer of funds from stagnant cash balances to various investments throughout the fiscal year. Improved market conditions and better investment options also helped to increase the College's investment income.

*State Capital Appropriations*

Total 2012 capital appropriations from the State of Ohio decreased \$10.5 million from 2011. The College receives capital dollars from the State of Ohio for joint projects that are approved as a part of the State's biennial budget process. Funding is predominantly based on the respective institution's enrollment, size, and age of facilities. The last round of College and University State Capital Appropriations was during the biennium of 2008-2009, where the College received approximately \$60 million in appropriations. The projects funded during the 2008-2009 biennium are nearly complete, which caused capital appropriations revenues to decline in 2012.

**CAPITAL ASSETS AND LONG TERM OBLIGATIONS**

Table 3  
 Capital Assets at June 30, 2012  
 (Net of Depreciation)  
 (in Thousands)

	<b>2012</b>	<b>2011</b>	<b>2010</b>
Land	\$23,911	\$21,386	\$21,386
Construction in Progress	21,495	25,733	41,200
Buildings	174,292	175,339	127,806
Building Improvements	106,680	80,207	66,389
Improvements other than Buildings	8,600	9,608	10,874
Library Books	617	590	586
Moveable Equipment	27,360	25,073	27,114
<b>Total</b>	<b>\$362,955</b>	<b>\$337,936</b>	<b>\$295,355</b>

**Cuyahoga Community College**  
*Cuyahoga County, Ohio*  
*Management's Discussion and Analysis*  
*For the Fiscal Years Ended June 30, 2012 and 2011*  
*Unaudited*

The College's net capital assets increased \$25.0 million in fiscal year 2012, mainly due to the completion of major construction projects including the Natatorium and Wellness Center at Eastern Campus and the purchase of the Visiting Nurse Association building on East 22<sup>nd</sup> Street, which the College has renamed the Institutional Advancement building. During fiscal year 2012, the College's capital asset additions totaled \$46.6 million and depreciation expense was \$21.6 million. Additional information on the College's capital assets may be found in Note 4 of the financial statements.

Table 4  
 Outstanding Long-term Obligations at June 30, 2012  
*(in Thousands)*

	<b>2012</b>	<b>2011</b>	<b>2010</b>
General Receipt Bonds	\$134,015	\$139,092	\$143,919
Certificates of Participation	8,814	9,392	9,956
Capital Leases	23,738	25,025	25,724
Compensated Absences	8,158	8,235	8,143
Claims and Other Liabilities	3,883	3,687	4,452
Total	\$178,608	\$185,431	\$192,194

The College's debt, which is all capital related, is comprised of 2002 Series A General Receipts Bonds (*Aa2 rated Moody's Investors Services*), 2009 Series C General Receipts (*Aa2 rated Moody's Investor Services, AA- rated Standard and Poor's*), 2012 Series D General Receipts (*Aa2 rated Moody's Investor Services, AA- rated Standard and Poor's*), Certificates of Participation (*A+ rated Standard and Poor's*), and capital lease obligations. The 2002 Series A General Receipt Bonds were issued for the purpose of constructing Corporate College facilities and the 2009 Series C General Receipt Bonds were issued for the purpose of various construction projects and to retire Tax Anticipation Notes. The 2012 Series D General Receipt Bonds were issued to refund the 2002 Series A Bonds and secure a lower interest rate. The Certificates of Participation were issued to acquire, construct and furnish the Brunswick University Center. Capital lease obligations decreased due to the College entering into three new capital leases in 2012 totaling \$6.5 million, offset by \$7.8 million of principal payments in the ordinary course of business. Additional information on the College's debt may be found in Notes 12 and 13 of the financial statements.

**ECONOMIC FACTORS THAT WILL AFFECT THE FUTURE**

State appropriations, property taxes, student tuition and fees, and federal grants and contracts comprise the College's principal revenue sources and support its operational needs and abilities to expand programs and pursue other initiatives. The viability of each of these four revenue components is highly dependent on variables external to the College such as enrollment trends, local and state economic conditions, federal, state and local legislative actions, County voter sentiment and others. The College's ability to manage fluctuations within these revenue sources, as well as potential increases in costs of energy and employee benefits, as well as cost increases due to increased enrollment, will be vital to its continued success. The College's management utilizes performance metrics which are indicators of financial strength that enable the College to balance fiduciary responsibility and achieve the mission, vision and values.

**Cuyahoga Community College**  
*Cuyahoga County, Ohio*  
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The Ohio economy has followed the pattern set by the U.S. economy, emphasized by a deep downturn (2007-2009) followed by a shallow recovery (2010-present). The 2010-2011 State biennium budget included the largest shortfall in State history, approximately \$8 billion. To balance the 2012-2013 budget, the Governor's "Jobs Budget" relied heavily on reforms and cuts to State agencies, with no income tax increases. These cuts directly affected the College, with Higher Education losing approximately \$260 million. The one-time funding from the American Recovery and Reinvestment Act (ARRA), which injected millions into Ohio education spending, is also now over. All categories of State revenues declined for the College in fiscal year 2012. Until the economy stabilizes, the College will continue to see declining State revenues.

Cuyahoga County is experiencing uncertain times, just like the State. The County reappraised property values early in 2012 and the result was a preliminary decrease in property values of 8 percent throughout the County. Lower property values, high delinquency rates and the elimination of the CAT tax reimbursement will decrease the amount of property taxes received by the College in the near future. The College was able to partially mitigate the loss in property tax revenue by increasing the millage of our last levy by 0.3 mills.

Enrollment trends at the College tend to mirror unemployment trends, when unemployment is high so is enrollment and vice versa. The economy has started to add jobs over the last year and the College's enrollment has fallen in response. Enrollment peaked in fall semester 2010 at 31,684 students, and in fall semester 2012, enrollment has decreased by 5 percent to 30,001 students. Comparing fall semester 2011 to fall semester 2012, the College is projecting a 3.8 percent decrease, which is significantly less of an enrollment decrease than other Ohio universities and colleges are currently experiencing. The College implemented an aggressive marketing plan in Summer and Fall of 2012, to help boost enrollment numbers, and it appears to have helped to reduce enrollment declines. In recent years, the College has expanded into the Westshore Campus and the Brunswick University Center, which has added the challenge of controlling rising costs while expanding educational access to the community. For the fiscal year 2012 budget, the College has instituted a number of budgetary measures including strategic hiring practices, increasing tuition rates in the fall semester 2012 and improving efficiencies in course scheduling based on data and run rates. The College is also moving forward with the College's Academic and Facilities Master Plan, including the new Advanced Technology Training Center at Metro Campus and the Police and Fire Academy Center of Excellence at Western Campus.

#### **CONTACTING THE COLLEGE'S FINANCIAL MANAGEMENT**

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

**Cuyahoga Community College**

*Cuyahoga County, Ohio*

*Statements of Net Assets*

*June 30, 2012 and 2011*

	2012 Cuyahoga Community College	2011 Cuyahoga Community College	2012 Component Unit CCC Foundation	2011 Component Unit CCC Foundation
<b>Current Assets:</b>				
Cash and Cash Equivalents (Note 2 and 17)	\$11,020,662	\$34,786,462	\$0	\$326,182
Investments (Note 2)	66,590,290	61,964,731	0	0
Property Taxes Receivable (Note 8)	86,154,186	87,606,550	0	0
Accounts Receivables, Net (Note 3 and 17)	26,322,773	27,391,672	5,244,406	2,114,618
Restricted Receivables (Note 3)	5,626,792	4,127,823	0	0
Other Assets (Note 3 and 17)	4,200,816	4,093,798	409,641	75,000
<i>Total Current Assets</i>	<u>199,915,519</u>	<u>219,971,036</u>	<u>5,654,047</u>	<u>2,515,800</u>
<b>Noncurrent Assets:</b>				
Restricted Cash and Cash Equivalents (Note 1 and 17)	13,447,929	5,020,289	1,435,191	1,146,830
Restricted Investments (Notes 1 and 17)	0	31,048,078	26,345,456	24,692,680
Investments (Note 2)	32,167,272	26,827,177	0	0
Other Assets (Note 3)	1,439,350	1,491,910	0	0
Capital Assets, Not Being Depreciated (Note 4)	45,405,826	47,118,958	0	0
Capital Assets, Net of Depreciation (Note 4)	317,549,014	290,817,010	0	0
<i>Total Noncurrent Assets</i>	<u>410,009,391</u>	<u>402,323,422</u>	<u>27,780,647</u>	<u>25,839,510</u>
<i>Total Assets</i>	<u>609,924,910</u>	<u>622,294,458</u>	<u>33,434,694</u>	<u>28,355,310</u>
<b>Current Liabilities:</b>				
Accounts Payable and Accrued Liabilities (Note 7 and 17)	17,908,721	24,821,333	2,122,634	647,225
Liabilities Payable from Restricted Assets (Note 7)	1,108,920	2,162,483	0	0
Deferred Property Tax Revenue (Note 8)	78,183,686	76,758,550	0	0
Deferred Revenue (Note 1)	26,424,591	23,862,512	0	0
Capital Lease Obligations - current portion (Note 12)	6,548,048	7,636,322	0	0
General Receipt Bonds - current portion (Note 13)	5,045,000	4,885,000	0	0
Certificates of Participation - current portion (Note 13)	600,000	580,000	0	0
Claims and Other Liabilities - current portion (Note 15)	1,729,732	1,427,029	0	0
Compensated Absences - current portion (Note 11)	1,024,126	1,037,767	0	0
<i>Total Current Liabilities</i>	<u>138,572,824</u>	<u>143,170,996</u>	<u>2,122,634</u>	<u>647,225</u>
<b>Noncurrent Liabilities:</b>				
Capital Lease Obligations (Note 12)	17,189,801	17,388,310	0	0
General Receipt Bonds (Note 13)	128,970,414	134,206,603	0	0
Certificates of Participation (Note 13)	8,213,622	8,812,248	0	0
Claims and Other Liabilities (Note 15)	2,153,389	2,260,208	0	0
Compensated Absences (Note 11)	7,134,124	7,197,474	0	0
<i>Total Noncurrent Liabilities</i>	<u>163,661,350</u>	<u>169,864,843</u>	<u>0</u>	<u>0</u>
<i>Total Liabilities</i>	<u>302,234,174</u>	<u>313,035,839</u>	<u>2,122,634</u>	<u>647,225</u>
<b>Net Assets:</b>				
Invested in Capital Assets, Net of Related Debt	209,467,097	199,796,509	0	0
Restricted:				
Nonexpendable (Note 17)	0	0	2,049,799	2,045,799
Expendable (Note 1 and Note 17)	3,956,170	2,760,187	29,013,591	25,336,104
Unrestricted	94,267,469	106,701,923	248,670	326,182
<i>Total Net Assets</i>	<u>\$307,690,736</u>	<u>\$309,258,619</u>	<u>\$31,312,060</u>	<u>\$27,708,085</u>

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

**Cuyahoga Community College**  
*Cuyahoga County, Ohio*  
*Statements of Revenues, Expenses, and Changes in Net Assets*  
*For the Fiscal Years Ended June 30, 2012 and 2011*

	2012 Cuyahoga Community College	2011 Cuyahoga Community College	2012 Component Unit CCC Foundation	2011 Component Unit CCC Foundation
<b>Operating Revenues:</b>				
Student Tuition and Fees (Net of scholarship allowances of \$20,425,385 in 2012 and \$18,763,317 in 2011)	\$41,910,919	\$41,999,912	\$0	\$0
Federal Grants and Contracts	16,856,184	13,538,358	0	0
State Grants and Contracts	1,009,661	4,185,857	0	0
Local Grants and Contracts	0	34,973	0	0
Private Grants and Contracts	4,469,258	3,817,690	6,705,411	3,010,009
Sales and Services	7,197,602	6,367,684	0	0
Auxiliary Enterprises	16,528,653	16,863,102	0	0
Other Operating Revenues	2,575,164	2,270,329	1,343,011	1,890,755
<i>Total Operating Revenues</i>	<u>90,547,441</u>	<u>89,077,905</u>	<u>8,048,422</u>	<u>4,900,764</u>
<b>Operating Expenses:</b>				
Educational and General:				
Instruction and Departmental Research	88,809,845	87,056,495	0	0
Public Service	21,059,530	16,994,729	0	0
Academic Support	23,966,770	24,051,034	0	0
Student Services	21,429,435	21,712,796	0	0
Institutional Support	40,241,578	38,792,932	3,804,027	3,156,839
Operation and Maintenance of Plant	24,434,185	25,357,697	0	0
Student Aid	40,588,286	46,091,859	651,045	989,003
Depreciation	21,566,167	21,266,852	0	0
Auxiliary Enterprises	15,473,186	16,143,086	0	0
<i>Total Operating Expenses</i>	<u>297,568,982</u>	<u>297,467,480</u>	<u>4,455,072</u>	<u>4,145,842</u>
<i>Operating Income (Loss)</i>	<u>(207,021,541)</u>	<u>(208,389,575)</u>	<u>3,593,350</u>	<u>754,922</u>
<b>Non-Operating Revenues (Expenses):</b>				
State Appropriations	56,216,854	61,609,494	0	0
Property Taxes	87,091,897	94,644,927	0	0
Federal Grants and Contracts	59,547,535	63,334,855	0	0
State Grants and Contracts	180	(212,781)	0	0
Gain on Sale of Assets	3,597,635	0	0	0
Unrestricted Investment Income (Net of Investment Expenses of \$74,274 in 2012 and \$99,251 in 2011)	1,066,910	7,630,115	0	0
Restricted Investment Income	72,209	200,845	10,625	3,830,745
Interest on Capital Debt	(6,350,906)	(5,710,979)	0	0
Other Revenues (Expenses)	342,778	346,228	0	0
<i>Total Non-Operating Revenues (Expenses)</i>	<u>201,585,092</u>	<u>221,842,704</u>	<u>10,625</u>	<u>3,830,745</u>
<i>Income (Loss) Before State Capital Appropriations</i>	<u>(5,436,449)</u>	<u>13,453,129</u>	<u>3,603,975</u>	<u>4,585,667</u>
State Capital Appropriations	3,868,566	14,407,276	0	0
<i>Changes in Net Assets</i>	<u>(1,567,883)</u>	<u>27,860,405</u>	<u>3,603,975</u>	<u>4,585,667</u>
<i>Net Assets Beginning of Year</i>	<u>309,258,619</u>	<u>281,398,214</u>	<u>27,708,085</u>	<u>23,122,418</u>
<i>Net Assets End of Year</i>	<u>\$307,690,736</u>	<u>\$309,258,619</u>	<u>\$31,312,060</u>	<u>\$27,708,085</u>

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



**Cuyahoga Community College**  
*Cuyahoga County, Ohio*  
*Statements of Cash Flows*  
*For the Fiscal Years Ended June 30, 2012 and 2011*

	2012 Cuyahoga Community College	2011 Cuyahoga Community College
<b>Increase (Decrease) in Cash and Cash Equivalents</b>		
<b>Cash Flows from Operating Activities:</b>		
Student Tuition and Fees	\$42,196,079	\$39,781,647
Grants and Contracts	56,971,357	53,053,344
Sales and Services	9,772,766	8,800,514
Auxiliary Enterprises	16,588,227	16,631,055
Other Receipts	342,779	10,152
Employee and Related Payments	(167,246,391)	(165,304,369)
Supplier and Vendor Payments	(67,960,248)	(62,374,482)
Payments for Scholarships and Student Aid	(76,730,259)	(76,875,967)
Other Disbursements	(606,830)	(231,711)
<i>Net cash used for operating activities</i>	<u>(186,672,520)</u>	<u>(186,509,817)</u>
<b>Cash Flows from Noncapital Financing Activities:</b>		
Property Tax Receipts	89,969,397	88,722,427
State Appropriations	56,216,854	61,609,494
Grants and Contracts	59,547,715	60,293,806
<i>Net cash provided by noncapital financing activities</i>	<u>205,733,966</u>	<u>210,625,727</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>		
Proceeds from Capital Debt, Notes and Leases	28,448,000	6,404,913
Proceeds from Sale of Capital Assets	3,597,635	0
Capital Grants and Gifts Received	1,747,886	893,316
Purchases of Capital Assets	(48,580,290)	(49,488,117)
Principal paid on Capital Debt, Notes and Leases	(36,844,783)	(12,369,549)
Interest Paid on Capital Debt, Notes and Leases	(4,997,742)	(5,865,297)
<i>Net cash used for capital and related financing activities</i>	<u>(56,629,294)</u>	<u>(60,424,734)</u>
<b>Cash Flows from Investing Activities:</b>		
Proceeds from Sales and Maturities of Investments	68,359,749	116,540,398
Purchases of Investments	(47,589,090)	(126,279,095)
Investment Income	1,459,029	1,046,564
<i>Net cash provided by (used for) investing activities</i>	<u>22,229,688</u>	<u>(8,692,133)</u>
<i>Net Decrease in Cash and Cash Equivalents</i>	(15,338,160)	(45,000,957)
<i>Cash and Cash Equivalents - beginning of year</i>	<u>39,806,751</u>	<u>84,807,708</u>
<i>Cash and Cash Equivalents - end of year</i>	<u>\$24,468,591</u>	<u>\$39,806,751</u>

(continued)

**Cuyahoga Community College**  
*Cuyahoga County, Ohio*  
*Statements of Cash Flows (continued)*  
*For the Fiscal Years Ended June 30, 2012 and 2011*

	2012 Cuyahoga Community College	2011 Cuyahoga Community College
<b>Reconciliation of Operating Loss to Net Cash Used for Operating Activities:</b>		
Operating Loss	(\$207,021,541)	(\$208,389,575)
Adjustments:		
Depreciation expense	21,566,167	21,266,852
<i>(Increase) Decrease in Assets:</i>		
Receivables, net	(2,077,674)	(2,244,688)
Other Assets	(107,018)	(769,734)
<i>Increase (Decrease) in Liabilities:</i>		
Accounts Payable and Accrued Liabilities	(1,713,426)	4,060,673
Deferred Revenue	2,562,079	238,605
Compensated Absences	(76,991)	92,500
Claims and Other Liabilities	195,884	(764,450)
<i>Net cash used for operating activities</i>	<u>(\$186,672,520)</u>	<u>(\$186,509,817)</u>
<b>Reconciliation of Cash and Cash Equivalents to the Statement of Net Assets:</b>		
Cash and Cash Equivalents	\$11,020,662	\$34,786,462
Restricted Cash and Cash Equivalents-Noncurrent	13,447,929	5,020,289
Total Cash and Cash Equivalents at Year End	<u>\$24,468,591</u>	<u>\$39,806,751</u>
<b>Non-Cash Activities:</b>		
State capital projects paid directly to vendors on College behalf	\$3,868,566	\$14,407,276
Capital gifts	10,000	0
Unrealized gain (loss) on investments	174,984	6,642,406

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

**Cuyahoga Community College**  
*Cuyahoga County, Ohio*  
*Notes to the Basic Financial Statements*  
*For The Years Ended June 30, 2012 and 2011*

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**Note 1 – Summary of Significant Accounting Policies**

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

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

Component units are legally separate organizations for which the College is financially accountable or for which the nature and significance of their relationship with the College are such that exclusion would cause the College’s financials to be misleading or incomplete. GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, requires the College to reflect the Cuyahoga Community College Foundation (the “Foundation”) as a discretely presented component unit in the financial statements based on the significance of the relationship with the College. The Foundation is a legally separate, nonprofit organization that reports under Financial Accounting Standards Board (FASB) standards, including FASB Statement No. 117, *Financial Reporting for Not-for-Profit Organizations*. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation’s financial information in the College’s financial reporting entity for these differences. The Foundation is a tax-exempt entity that acts primarily as a fund-raising organization that receives gifts and bequests, administers those resources, and distributes payments to or on behalf of the College for scholarships and programs. It is reported separately to emphasize that it is legally separate from the College. Complete financial statements may be obtained from the Foundation office at 700 Carnegie Avenue, Cleveland, Ohio 44115.

***Basis of Presentation***

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

***Basis of Accounting***

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

**Cuyahoga Community College**  
*Cuyahoga County, Ohio*  
*Notes to the Basic Financial Statements*  
*For The Years Ended June 30, 2012 and 2011*

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Non-exchange transactions, in which the College receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. Revenue from property taxes is recognized in the year for which the taxes are levied (see note 8). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the College must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the College on a reimbursement basis.

***Deferred Revenue*** Deferred revenue arises when assets are recognized before revenue recognition criteria has been satisfied.

Revenues and expenditures related to academic terms conducted over two fiscal years, such as summer sessions, are recognized in the fiscal year in which the program is predominantly conducted. Property taxes for which there is an enforceable legal claim as of June 30, 2012, but which were levied to finance fiscal year 2013 operations, have been recorded as deferred revenue. Grants and entitlements received before eligibility requirements are met are also recorded as deferred revenue.

***Expenses*** On the accrual basis of accounting, expenses are recognized when they are incurred.

***Cash Equivalents***

Cash equivalents are defined as highly liquid investments with a maturity of three months or less when purchased. STAROhio is an investment pool created pursuant to Ohio statutes and managed by the Treasurer of the State of Ohio. STAROhio is not registered with the Securities and Exchange Commission as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's net asset value per share, which is the price the investment could be sold for on the balance sheet date.

***Investments***

Investments are stated at fair value, based on published market quotations. The College does not invest in derivatives. Investments with maturities of less than one year are considered short term.

***Capital Assets***

Land, buildings and equipment are recorded at cost at the date of acquisition, or fair value at the date of donation in the case of gifts. Building improvements and improvements other than buildings are recorded at the aggregate cost of the construction of the improvement. Library books are purchased and recorded as a composite group of similar assets according to the limits below. When capital assets are sold or otherwise disposed of, the carrying value of such assets and any accumulated depreciation are removed from the statement of net assets. All depreciation is calculated using the straight-line method over the estimated useful life of the asset and is presented as a separate functional expense category. Expenditures for construction in progress are capitalized as incurred. Interest expense relating to construction is capitalized net of interest income earned on resources set aside for this purpose. For fiscal year 2012, total interest incurred amounted to \$7,445,116 of which \$1,094,210 was capitalized. For fiscal year 2011, total interest incurred amounted to \$7,839,745 of which \$2,128,766 was capitalized.

**Cuyahoga Community College**  
*Cuyahoga County, Ohio*  
*Notes to the Basic Financial Statements*  
*For The Years Ended June 30, 2012 and 2011*

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

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

***Compensated Absences***

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the College will compensate the employees for the benefits through paid time off or some other means. The College records a liability for all accumulated unused vacation when earned for all employees.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the College has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employee wage rates at year-end, taking into consideration any limits in the College's termination policy. The College records a liability for accumulated unused sick leave for employees after ten years of service with the College.

***Net Asset Classifications***

Net assets are classified into the following three categories:

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

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

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

The College first applies restricted resources when an expense is incurred for purposes which both restricted and unrestricted net assets are available.

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***Operating Revenues and Expenses***

All revenues from tuition, auxiliary enterprises and programmatic sources are considered to be operating revenues. Operating expenses include educational costs, auxiliary enterprises, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition, including State appropriations, property tax revenues, investment income, and interest on capital asset-related debt, are reported as non-operating revenues and expenses.

***Use of Estimates***

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

***Reclassifications***

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

***Scholarship Allowances***

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

***New Accounting Pronouncements***

For fiscal year 2012, the College has implemented Governmental Accounting Standard Board (GASB) Statement No. 60, "*Service Concession Arrangements*", GASB Statement No. 62 "*Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*" and GASB Statement No. 64 "*Derivative Instruments: Application of Hedge Accounting Termination Provisions*".

GASB Statement No. 60 improves financial reporting of service concession arrangements by establishing recognition, measurement, and disclosure requirements for both transferors and government operators. The implementation of this Statement did not result in any change in the College's financial statements

GASB Statement No. 62 enhances the usefulness of its Codification by incorporating guidance that previously could only be found in certain Financial Accounting Standards Board and American Institute of Certified Public Accountants ("AICPA") pronouncements. The implementation of this Statement did not result in any change to the College's financial statements.

GASB Statement No. 64 enhances comparability and improves financial reporting by clarifying the circumstances in which hedge accounting should continue when a swap counterparty, or a swap counterparty's credit support provider is replaced. The implementation of this Statement did not result in any change to the College's financial statements.

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***Restricted Net Assets***

Restricted net assets of the College whose use has been limited to a specific time period or purpose are available for the following uses at June 30:

	<b>2012</b>	<b>2011</b>
Instruction	\$319,603	\$529,192
Public Service	1,593,030	861,956
Academic Support	398,692	174,430
Student Services	204,153	27,957
Institutional Support	263	17,396
Student Aid	1,440,429	1,149,256
	<b>\$3,956,170</b>	<b>\$2,760,187</b>

***Restricted Cash and Cash Equivalents***

The College has unspent capital lease proceeds of \$5,209,416 and \$4,124,224 at June 30, 2012 and June 30, 2011, respectively, whose use has been externally restricted primarily for two significant energy efficiency building improvements and a communication system. The College has unspent debt proceeds of \$7,869,727 and \$531,431 whose use is restricted for various capital projects at June 30, 2012 and June 30, 2011, respectively. Also, \$368,786 and \$364,634 for June 30, 2012 and June 30, 2011, respectively, is restricted for other miscellaneous purposes.

***Restricted Investments***

Restricted investments at June 30, 2011 included \$30,713,369 whose use was restricted for various capital projects and \$334,709 representing miscellaneous other restricted investments. As of June 30, 2012, the College had no restricted investments.

***Bond Premiums and Discounts***

Bond premiums and discounts are deferred and amortized over the term of the bonds using the straight line method. Bond premiums are presented as an increase in the face amount of the applicable debt payable while discounts are presented as a decrease in the face amount of the debt payable.

***Deferred Loss on Refunding***

The difference between the reacquisition price (funds required to refund the old debt) of the refunded receipt bonds and the net carrying amount of the old debt, the deferred amount (loss) on refunding, is being amortized as a component of interest expense. This accounting loss is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, and presented net of general receipt bonds payable on the statement of net assets.

**Note 2 – Deposits and Investments**

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

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The College's investment policy is governed by State statutes and authorizes the College to invest in securities of the U.S. government or one of its agencies or instrumentalities: the Treasurer of State's pooled investment program (STAROhio); obligations of this State or any of its political subdivisions; certificates of deposit of any national bank located in Ohio; written repurchase agreements with any eligible Ohio financial institution that is a member of the federal reserve system or federal home loan bank; money market funds; bankers acceptances which are eligible for repurchase by the federal reserve system; other equity mutual fund investments; and various fixed income investments.

**Deposits** – Custodial credit risk is the risk that in the event of a failure of a depository financial institution or counterparty to a transaction, the College will be unable to recover the value of deposits or collateral securities that are in the possession of an outside party. The College's policy for deposits requires any balance not covered by depository insurance to be collateralized by the financial institution with eligible pledged securities. Of the June 30, 2012 and 2011 bank balances of \$24,224,446 and \$36,600,640, \$4,464,978 and \$3,479,688 were covered by federal depository insurance, and the remaining \$19,759,468 and \$33,120,952 were covered by pledged securities held by the financial institution's trust department or agent in the name of the College.

**Investments** As of June 30, 2012 and 2011, the College's investments were as follows:

	<b>2012 Maturity</b>			
	<b>Six Months</b>	<b>More Than Six</b>	<b>More Than</b>	<b>Total</b>
	<b>or Less</b>	<b>Months But Less</b>	<b>One Year</b>	
Treasury Notes	\$2,205,074	\$5,121,119	\$9,305,221	\$16,631,414
U.S. Agency Securities	1,717,691	383,816	3,968,322	6,069,829
Money Markets	5,918,560	0	0	5,918,560
Equity Mutual Funds	45,736,296	0	0	45,736,296
Taxable Bonds	7,882,725	680,722	5,386,348	13,949,795
Taxable Bond Funds	19,701,412	0	0	19,701,412
Mortgages	0	0	592,331	592,331
Alternative Investments	0	0	2,885,720	2,885,720
STAROhio	973,605	0	0	973,605
<b>Total</b>	<b>\$84,135,363</b>	<b>\$6,185,657</b>	<b>\$22,137,942</b>	<b>\$112,458,962</b>

	<b>2011 Maturity</b>			
	<b>Six Months</b>	<b>Months But Less</b>	<b>More Than</b>	<b>Total</b>
	<b>or Less</b>	<b>Than One Year</b>	<b>One Year</b>	
Treasury Notes	\$3,206,770	\$8,086,095	\$10,928,429	\$22,221,294
U.S. Agency Securities	0	852,573	7,755,595	8,608,168
Money Markets	4,661,001	0	0	4,661,001
Equity Mutual Funds	35,416,374	0	0	35,416,374
Taxable Bond Funds	20,557,948	0	0	20,557,948
Corporate Bonds	18,935,929	7,127,871	3,475,782	29,539,582
Alternative Investments	0	0	2,952,448	2,952,448
STAROhio	973,178	0	0	973,178
<b>Total</b>	<b>\$83,751,200</b>	<b>\$16,066,539</b>	<b>\$25,112,254</b>	<b>\$124,929,993</b>



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

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

<b>Investment</b>	<b>Rating Agency</b>	<b>Amount</b>	<b>2012 Rating</b>
STAROhio	Standard and Poor's	\$973,605	AAAm
Money Markets	Standard and Poor's	5,918,560	AAAm
U.S. Agency Securities	Moody's	6,069,829	Aaa
Taxable Bonds	Standard and Poor's	7,357,717	A-1+
Taxable Bonds	Moody's	6,592,078	Aa3 to Aaa
Taxable Bond Funds	Morningstar	7,725,100	5 Star
Taxable Bond Funds	Morningstar	10,662,856	4 Star
Taxable Bond Funds	Morningstar	1,313,456	3 Star

Note: Treasury notes are considered risk free. The equity mutual funds, alternative investments and mortgages are not rated.

**Concentration of Credit Risk** The College's investment policy requires the portfolio to be diversified. The following table is the College's allocation as of June 30:

<b>Investment</b>	<b>Percentage of Investments</b>	
	<b>2012</b>	<b>2011</b>
Equity Mutual Funds	40.66%	28.35%
Taxable Bond Funds	17.52	16.46
Treasury Notes	14.79	17.79
Taxable Bonds	12.40	23.64
U.S. Agency Securities	5.40	6.89
Money Markets	5.26	3.73

**Note 3 – Accounts Receivable and Other Assets**

Accounts receivable consists of the following as of June 30:

	<b>2012</b>	<b>2011</b>
Tuition and fees receivable	\$35,780,347	\$33,676,722
Allowance for doubtful accounts	(9,975,567)	(8,727,303)
	25,804,780	24,949,419
Grants receivable	175,935	1,953,339
Interest receivable	134,789	145,234
Other receivables	207,269	343,680
Totals	\$26,322,773	\$27,391,672

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All receivables are expected to be collected in full within one year except certain tuition and fees receivables. As such, the discounting for time value is immaterial. An allowance for doubtful accounts has been established based upon prior collection experience. The College has restricted receivables, primarily grant related, of \$5,626,792 and \$4,127,823 as of June 30, 2012 and 2011.

The College has \$4,200,816 and \$4,093,798 of other current assets as of June 30, 2012 and 2011. The majority of this amount, \$3,684,023 and \$3,529,080 respectively, represent prepaid payroll costs associated with the summer semester. The College has \$1,439,350 and \$1,491,910 of other noncurrent assets as of June 30, 2012 and 2011. The majority of this amount, \$1,249,742 and \$1,395,156 respectively, represent bond issuance costs.

**Note 4 – Capital Assets**

Capital asset activity for the years ended June 30, 2012 and 2011 was as follows:

	<b>Balance</b>			<b>Balance</b>
	<b>July 1, 2011</b>	<b>Additions</b>	<b>Disposals</b>	<b>June 30, 2012</b>
<b>Capital Assets Not Being Depreciated</b>				
Land	\$21,385,870	\$2,527,787	\$2,365	\$23,911,292
Construction in progress	25,733,088	(4,238,554)	0	21,494,534
<b>Total Capital Assets Not Being Depreciated</b>	<b>47,118,958</b>	<b>(1,710,767)</b>	<b>2,365</b>	<b>45,405,826</b>
<b>Capital Assets Being Depreciated</b>				
Buildings	271,087,761	5,795,265	0	276,883,026
Building improvements	156,219,511	33,155,745	0	189,375,256
Improvements other than buildings	40,167,288	185,847	0	40,353,135
Library books	920,648	183,464	128,677	975,435
Moveable equipment	107,014,994	8,977,850	7,777	115,985,067
<b>Total Capital Assets Being Depreciated</b>	<b>575,410,202</b>	<b>48,298,171</b>	<b>136,454</b>	<b>623,571,919</b>
<b>Less Accumulated Depreciation:</b>				
Buildings	95,748,941	6,842,143	0	102,591,084
Building improvements	76,012,553	6,682,845	0	82,695,398
Improvements other than buildings	30,559,223	1,193,580	0	31,752,803
Library books	331,104	155,751	128,677	358,178
Moveable equipment	81,941,371	6,691,848	7,777	88,625,442
<b>Total Accumulated Depreciation</b>	<b>284,593,192</b>	<b>21,566,167</b>	<b>136,454</b>	<b>306,022,905</b>
<b>Total Capital Assets Being Depreciated, Net</b>	<b>290,817,010</b>	<b>26,732,004</b>	<b>0</b>	<b>317,549,014</b>
<b>Total Capital Assets, net</b>	<b>\$337,935,968</b>	<b>\$25,021,237</b>	<b>\$2,365</b>	<b>\$362,954,840</b>

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	<b>Balance</b>			<b>Balance</b>
	<b>July 1, 2010</b>	<b>Additions</b>	<b>Disposals</b>	<b>June 30, 2011</b>
<b>Capital Assets Not Being Depreciated</b>				
Land	\$21,385,870	\$0	\$0	\$21,385,870
Construction in progress	41,200,506	(15,467,418)	0	25,733,088
Total Capital Assets Not Being Depreciated	<u>62,586,376</u>	<u>(15,467,418)</u>	<u>0</u>	<u>47,118,958</u>
<b>Capital Assets Being Depreciated</b>				
Buildings	217,451,891	53,635,870	0	271,087,761
Building improvements	135,028,570	21,190,941	0	156,219,511
Improvements other than buildings	40,134,963	32,325	0	40,167,288
Library books	929,289	158,921	167,562	920,648
Moveable equipment	102,839,156	4,296,988	121,150	107,014,994
Total Capital Assets Being Depreciated	<u>496,383,869</u>	<u>79,315,045</u>	<u>288,712</u>	<u>575,410,202</u>
<b>Less Accumulated Depreciation:</b>				
Buildings	89,645,497	6,103,444	0	95,748,941
Building improvements	68,639,940	7,372,613	0	76,012,553
Improvements other than buildings	29,261,338	1,297,885	0	30,559,223
Library books	343,256	155,410	167,562	331,104
Moveable equipment	75,725,021	6,337,500	121,150	81,941,371
Total Accumulated Depreciation	<u>263,615,052</u>	<u>21,266,852</u>	<u>288,712</u>	<u>284,593,192</u>
Total Capital Assets Being Depreciated, Net	<u>232,768,817</u>	<u>58,048,193</u>	<u>0</u>	<u>290,817,010</u>
Total Capital Assets, net	<u>\$295,355,193</u>	<u>\$42,580,775</u>	<u>\$0</u>	<u>\$337,935,968</u>

Construction in progress began fiscal year 2012 with 51 projects totaling \$25,733,088. During fiscal year 2012, the College had additional construction in progress expenditures of \$41,850,834, including \$41,170,176 for the 51 projects and \$680,658 for projects started during the year. There was also \$46,089,388 of construction in progress placed in service, leaving a total of \$21,494,534 as construction in progress at year end.

Construction in progress began fiscal year 2011 with 59 projects totaling \$41,200,506. During fiscal year 2011, the College had additional construction in progress expenditures of \$63,462,966, including \$59,610,853 for the 59 projects and \$3,852,113 for projects started during the year. There was also \$78,930,384 of construction in progress placed in service, leaving a total of \$25,733,088 as construction in progress at year end.

### **Note 5 – State Appropriations**

The College is a State-assisted institution of higher education that receives a student-based subsidy from the State of Ohio. This subsidy is determined annually based upon a formula determined by the State of Ohio. Of the \$56,216,854 student-based subsidy received in fiscal year 2012 from the State of Ohio, no American Recovery and Reinvestment Act (ARRA) stimulus monies were provided through the State of Ohio's Fiscal Stabilization Fund. Of the \$61,609,494 student-based subsidy received in fiscal year 2011, \$8,974,080 million was ARRA stimulus monies.

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In addition to the student subsidies, the State of Ohio provides funding for the construction of major academic plant facilities on the College's campuses. State funding is obtained from the issuance of revenue bonds by the Ohio Public Facilities Commission ("OPFC").

College facilities are not pledged as collateral for the revenue bonds. Instead, the bonds are supported by a pledge of monies in the Higher Education Bond Service Fund established in the custody of the Treasurer of the State of Ohio. If sufficient monies are not available from this fund, the Ohio Board of Regents may assess a special fee uniformly applicable to students in State-assisted institutions of higher education throughout the State.

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

**Note 6 – Operating Expenses by Natural Classification**

The College's operating expenses by natural classification were as follows for the years ended June 30, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
Salaries and wages	\$131,742,289	\$130,207,491
Employee Benefits	34,946,863	33,723,142
Utilities	4,805,311	4,994,947
Supplies	4,982,103	5,297,034
Travel	3,486,789	3,296,662
Outside Services	23,209,024	22,789,717
Maintenance and Repairs	6,302,439	5,724,871
Information and Communication	5,431,396	5,855,908
Depreciation and Equipment	22,273,443	22,140,698
Rent and Occupancy	9,205,025	8,955,692
Scholarships and Other Student Aid	45,751,580	48,671,607
Other	5,432,720	5,809,711
Total Operating Expenses	<u>\$297,568,982</u>	<u>\$297,467,480</u>

**Note 7 – Accounts Payable and Accrued Liabilities**

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

	<u>2012</u>	<u>2011</u>
Accounts payable	\$8,294,708	\$14,440,298
Accrued interest payable	2,643,194	2,745,213
Payroll and fringe liabilities	6,970,819	7,635,822
Total	<u>\$17,908,721</u>	<u>\$24,821,333</u>

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Liabilities payable from restricted assets, primarily grant related, of \$1,108,920 and \$2,162,483 as of June 30, 2012 and 2011 includes \$777,014 and \$1,562,181 of accounts payable and \$331,906 and \$600,302 of payroll and fringe liabilities for 2012 and 2011, respectively.

### **Note 8 – Property Taxes**

Property taxes are levied and assessed on a calendar year basis while the College's fiscal year runs from July through June. First half tax collections are received by the College in the second half of the fiscal year. Second half tax distributions occur in the first half of the following fiscal year.

Property taxes include amounts levied against all real and public utility located in Cuyahoga County. Real property tax revenue received in calendar 2012 represents collections of calendar year 2011 taxes. Real property taxes received in calendar year 2012 were levied after April 1, 2011, on the assessed value listed as of January 1, 2011, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar 2012 represents collections of calendar year 2011 taxes. Public utility real and tangible personal property taxes received in calendar year 2012 became a lien December 31, 2010, were levied after April 1, 2011 and are collected in 2012 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

House Bill 66, passed by the General Assembly and signed by the Governor in 2005, phased out the tax on the tangible personal property (TPP) of businesses, telephone and telecommunications companies, and railroads. To compensate for foregone revenue as the tangible personal property tax was phased out, the State began making distributions to the College from revenue generated by the commercial activities tax (CAT). The period of 2006-2010 was considered the hold-harmless period, with the College being fully reimbursed for revenue lost due to the phase out of TPP revenue. The State originally intended to reimburse the College in full for the tax revenue losses each year until fiscal year 2013. The 2011-2012 State biennial budget bill (HB 153) accelerated the phasing out of reimbursements paid to the College and other local taxing units for their loss of business tangible personal property tax revenue. The College will see the last reimbursement payment in fiscal year 2013, at a greatly reduced amount from the original reimbursement plan, and will have to budget for the loss of this tax revenue in the future.

Cuyahoga County collects the taxes for the College. The County Fiscal Officer periodically advances to the College its portion of the taxes collected. The amount available to be advanced can vary based on the date the tax bills are sent. Accrued property taxes receivable includes real property and public utility real property and personal property taxes which are measurable as of June 30, 2012 and 2011 and for which there is an enforceable legal claim. The remaining portion of the receivable is offset by a credit to deferred revenue.

### **Note 9 - Defined Benefit Pension Plans**

#### ***Ohio Public Employees Retirement System***

Plan Description – The College participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan in which

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the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the member, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost-of-living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling 614-222-5601 or 800-222-7377.

**Funding Policy** – The Ohio Revised Code provides statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units and 18.1 percent of covered payroll for law and public safety employer units. For the fiscal years ended June 30, 2012 and 2011, the contribution rate for members in the state and local classification was 10 percent. For January 1, 2009 to December 31, 2009, the contribution rates for law enforcement and public safety members were 10.10 percent. For January 1, 2010 to December 31, 2010, the contribution rates for law enforcement and public safety members were 11.10 percent and 10.50 percent, respectively. From January 1, 2011 to December 31, 2011, the contribution rates for law enforcement and public safety members increased to 11.60 percent and 11.00 percent, respectively. Effective January 1, 2012, the contribution rates for law enforcement and public safety members increased to 12.10 and 11.50, respectively. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Pension Plan. For 2012, member and employer contribution rates were consistent across all three plans.

The College's 2012 and 2011 contribution rate was 14.0 percent, except for those plan members in law enforcement or public safety, for whom the College's contribution was 18.10 percent of covered payroll for 2011. Effective January 1, 2009 and January 1, 2010, the College's contribution rate for law enforcement members was 17.63 percent and 17.87 percent, respectively. The portion of employer contributions allocated to health care for members in the Traditional Plan was 5.5 percent from July 1, 2009 through February 28, 2010, 5.0 percent from March 1, 2010 to December 31, 2010, and 4.0 percent from January 1, 2011 to June 30, 2012. The portion of employer contributions allocated to health care for members in the Combined Plan was 4.73 percent from July 1, 2009 to February 28, 2010, 4.23 percent from March 1, 2010 to December 31, 2010 and 6.05 percent from January 1, 2011 to June 30, 2012. Employer contribution rates are actuarially determined.

The College's required contributions for pension obligations to the Traditional Pension and Combined Plans for the fiscal years ended June 30, 2012, 2011, and 2010 were \$9,106,261, \$8,839,768, and \$8,579,408 respectively; 91.5 percent has been contributed for fiscal year 2012, 100 percent has been contributed for fiscal year 2011 and fiscal year 2010. As of June 30, 2011, 80.4 percent had been contributed for fiscal year 2011 and 100 percent for fiscal years 2010 and 2009. Contributions to the Member-Directed Plan for fiscal year 2012 were \$372,604 made by the College and \$266,146 made by the plan members. Contributions to the Member-Directed Plan for fiscal year 2011 were \$306,742 made by the College and \$219,102 made by the plan members.

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***State Teachers Retirement System***

Plan Description - The College participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement plan. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio Web site at [www.strsoh.org](http://www.strsoh.org).

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on a member's lifetime contributions and earned interest matched by STRS Ohio funds times an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code.

A DB or Combined Plan member with five or more years credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy - For the fiscal years ended June 30, 2012 and June 30, 2011, plan members were required to contribute 10 percent of their annual covered salaries. The College was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations for each of the fiscal years. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The College's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2012, 2011, and 2010 were \$7,692,021, \$7,676,859, and \$7,317,183 respectively; 100 percent has been contributed for fiscal years 2012, 2011 and 2010. As of June 30, 2011, 100 percent has been contributed for fiscal years 2011, 2010 and 2009. Contributions to the DC and Combined Plans for fiscal year 2012 were \$556,954 made by the College and \$397,824 made by the plan members. Contributions to the DC and Combined Plans for fiscal year 2011 were \$449,482 made by the College and \$321,059 made by the plan members.

***Alternative Retirement Plan***

Plan Description - An Alternative Retirement Plan (ARP) was established by the College's Board of Trustees on February 5, 1999. The ARP is a defined contribution pension plan available to full-time administrative and professional staff in lieu of OPERS and STRS. For the employees who elected participation in ARP, prior employee contributions to STRS and OPERS were transferred from those plans and invested in individual accounts established with selected external investments managers. The ARP is self directed and is not maintained by the College.

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The ARP does not provide disability benefits, annual cost-of-living adjustments, postretirement health care benefits or death benefits to plan members and beneficiaries. Benefits are entirely dependent on the sum of contributions and investment returns earned by each participant's choice of investment options.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions. For the fiscal years ended June 30, 2012, 2011 and 2010, contributions equal to those required by STRS and OPERS are required to be made to the ARP; however, a portion (which may be revised pursuant to periodic actuarial studies) of the employer contribution must be contributed to STRS or OPERS to enhance the stability of those plans.

The College's required contributions for pension obligations to the plan for the fiscal years ended June 30, 2012, 2011, and 2010 were \$931,217, \$908,915, and \$798,210 respectively. 98.5 percent has been contributed for 2012 and 100 percent has been contributed for 2011 and 2010.

## **Note 10 - Postemployment Benefits**

### ***Ohio Public Employees Retirement System***

Plan Description – Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan – a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan—a defined contribution plan; and the Combined Plan—a cost-sharing, multiple-employer defined pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing multiple-employer defined benefit post-employment health care plan for qualifying members of both the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage. The plan includes a medical plan, a prescription drug program and Medicare Part B premium reimbursement.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not mandate, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling 614-222-5601 or 800-222-7377.

Funding Policy – The post-employment health care plan was established under, and is administered in accordance with, Internal Revenue Code 401 (h). The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-employment health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2012 and 2011, state and local government employers contributed at a rate of 14.0 percent of covered payroll, and public safety and law enforcement employers contributed 18.10 percent. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units and 18.1 percent of covered payroll for law and public safety employer units.



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Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 5.5 percent from July 1, 2009 through February 28, 2010, 5.0 percent from March 1, 2010 to December 31, 2010, and 4.0 percent from January 1, 2011 to June 30, 2012. The portion of employer contributions allocated to health care for members in the Combined Plan was 4.73 percent from July 1, 2009 to February 28, 2010, 4.23 percent from March 1, 2010 to December 31, 2010 and 6.05 percent from January 1, 2011 to June 30, 2012.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provide, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the post-employment health care plan.

The College's contributions allocated to fund post-employment health care benefits for the fiscal years ended June 30, 2012, 2011, and 2010 were \$3,935,206, \$3,134,719, and \$3,338,499 respectively; 91.5 percent has been contributed for fiscal year 2012 and 100 percent has been contributed for fiscal years 2011 and 2010. As of June 30, 2011, 80.4 percent had been contributed for fiscal year 2011 and 100 percent had been contributed for fiscal years 2010 and 2009.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004 was effective January 1, 2007. Member and employer contribution rates increased on January 1 of each year from 2006 to 2008. Rates for law enforcement and public safety employers increased over a six year period beginning on January 1, 2006, with a final rate increase on January 1, 2011. These rate increases allowed additional funds to be allocated to the health care plan.

#### ***State Teachers Retirement System***

Plan Description – The College contributes to the cost sharing multiple-employer defined benefit Health Plan administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS Ohio which may be obtained by visiting [www.strsoh.org](http://www.strsoh.org) or by calling (888) 227-7877.

Funding Policy – Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2011, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The College's contributions for health care for the fiscal years ended June 30, 2012, 2011, and 2010 were \$549,430, \$548,345, and \$516,212 respectively; 100 percent has been contributed for fiscal years 2012, 2011 and 2010. As of June 30, 2011, 100 percent had been contributed for fiscal years 2011, 2010 and 2009.

### **Note 11 - Other Employee Benefits**

#### ***Compensated Absences***

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

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Vacation - Full-time non-bargaining employees, administrators and professionals are granted 20 days of vacation on July 1<sup>st</sup> of each fiscal year. All other full-time, non-bargaining employees earn vacation based upon length of service, up to 20 days annually. Bargaining unit full-time employees accrue vacation based on years of service that is granted based on their respective collective bargaining agreements. Teachers are not eligible for vacation days. Unused vacation time up to 45 days can be carried into the new fiscal year. Accumulated unused vacation is paid in full to employees upon termination of employment or retirement. All part-time bargaining support staff, working at least 500 hours in the fiscal year, receive an annual vacation payout based on years of service and hours worked.

Sick - Full-time non-bargaining, administrators and professionals are granted 15 sick days on July 1<sup>st</sup> of each fiscal year. All other full-time bargaining and non-bargaining employees accrue sick time monthly, up to 15 days per year. Teachers are granted 15 sick days at the beginning of each academic year. Sick time may be accumulated up to 180 days and carried into the new fiscal year. All employees with 10 years of service will be paid for unused sick time, at one fourth of the accumulated amount, up to 45 days at retirement. Administrators, professionals, and full-time College employees in Service Employees International Union No. 1199 bargaining members can be paid for unused sick time, at one fourth of the accumulated amount, up to 30 days upon separation of employment.

***Healthcare Benefits***

The College has elected to provide a comprehensive medical benefits package to full-time employees through either a self-insured plan (see Note 15) or fully-insured programs. This package provides a choice of comprehensive medical plans, prescription and dental plans, and is administered by Mercer Health and Benefits, LLC located in Cleveland, Ohio. The College also provides life insurance for its employees.

***Retiree Death Benefits***

The College offers death benefits to eligible retirees. Retiree death benefits are the only post employment benefit (OPEB) that the College provides separately from the statewide pension plans.

**Plan Description**

Plan Name: Cuyahoga Community College Retiree Death Benefit Plan  
Administrators: Cuyahoga Community College Human Resources  
Type of Plan: Single Employer Defined Benefit OPEB plan  
Financial Report: No separate financial report is issued from the College’s annual financial report

An employee qualifies for this benefit only if they were a full-time employee for at least five years immediately prior to retirement from the College. The benefit to be paid to their beneficiary is \$2,000 for non-AFSCME employees and \$5,000 for AFSCME employees unless the AFSCME employee has a minimum of 35 sick leave days accumulated at retirement in which case the benefit to be paid is \$7,500. Cuyahoga Community College and its Board of Trustees may amend or terminate this benefit through Board action without prior notice.

	<b>2012</b>	<b>2011</b>	<b>2010</b>
Annual OPEB Expenses	\$20,000	\$26,000	\$20,000
Plan Assets	\$0	\$0	\$0
Present Value OPEB Obligations	\$1,036,000	\$971,000	\$915,000
Increase/(Decrease)	\$65,000	\$56,000	(\$26,000)

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The 2012 actuarial evaluation for the current retiree population is based on the following facts and assumptions:

- A. Current retiree population is 865 with a total death benefit of \$1,891,000.
- B. Mortality: 1994 GAR table.
- C. Interest Rate of 5.5 percent.
- D. The actuary used the aggregate cost method.

There are no employee contributions made into this plan and the College is funding the plan with a pay as you go methodology. There are no assets specifically reserved for the funding of this benefit but an accrued liability has been established for the Retiree Present Value currently as identified in Note 15.

**Note 12 – Lease Commitments**

**Capital Leases** – The College has entered into leases for building improvements and equipment. The College’s lease obligations meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13 “Accounting for Leases”, and have been recorded on the statements. The original amounts capitalized for the capital leases and the book values as of June 30, 2012 and 2011 are as follows:

	<b>2012</b>	<b>2011</b>
Assets:		
Building Improvements	\$30,697,855	\$28,036,252
Equipment - Servers	4,438,089	2,942,967
Equipment - General	17,863,888	17,364,731
Construction In Progress	832,962	1,188,115
Subtotal of Assets	53,832,794	49,532,065
Less: Accumulated depreciation	(21,907,266)	(17,338,029)
Current Book Value	\$31,925,528	\$32,194,036

The following is a schedule of the future minimum lease payments required under the capital leases and the present value of the minimum lease payments as of June 30, 2012:

<b>Year Ending June 30,</b>	<b>Amount</b>
2013	\$7,249,039
2014	4,641,086
2015	3,999,649
2016	3,390,802
2017	2,987,444
2018-2020	3,711,641
Total Minimum Lease Payments	25,979,661
Less: Amount Representing Interest	(2,241,812)
Present Value of Minimum Lease Payments	\$23,737,849

During the year ended June 30, 2012, the College entered into three capital leases to finance the purchase of various computer and telecommunication equipment. Such property is capitalized at the present value of the minimum lease payments. The original capitalized cost of all such property under lease purchase agreements amounted to \$6,548,000.

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During the year ended June 30, 2011, the College entered into five capital leases to finance the purchase of various computer and telecommunication equipment, a school bus and energy efficiency improvements. Such property is capitalized at the present value of the minimum lease payments. The original capitalized cost of all such property under lease purchase agreements amounted to \$6,404,913.

**Operating Leases** – The College leases office space under non-cancelable operating leases. Future minimum rental payments under these operating leases with remaining terms in excess of one year as of June 30, 2012 are as follows:

<u>Year</u>	<u>Amount</u>
2013	\$473,103
2014	377,310
2015	381,502
2016	427,618
2017	427,618
2017-2020	<u>1,247,219</u>
Total	<u>\$3,334,370</u>

The College’s annual rent expense under current leases was \$703,640 for the year ended June 30, 2012 and \$947,386 for the year ended June 30, 2011.

On September 4, 2002, the College entered into a lease agreement to lease real estate to a third party. The lease is an operating lease which commenced on October 1, 2002. The lease is for a period of two years and has fixed monthly rentals of \$26,508. The lease provides for four additional two-year renewals at the option of the tenant. Rental for the first two renewals remains the same as the initial term, with increases going into effect for the third renewal term. Total rental revenue under this lease for fiscal years 2012 and 2011 was \$393,525.

On March 17, 2005 the College entered into a lease agreement to lease tower and ground space to a third party. The lease is an operating lease which is for a period of five-years and has fixed monthly rentals of \$1,800 for year one with an increase of three percent for rent paid over the preceding lease year. The lease provides for five additional, five-year terms increasing annually by three percent of the rent paid over the preceding lease year unless notified by the tenant. Rent revenue for this lease was \$26,014 and \$27,406 in fiscal years 2012 and 2011, respectively.

On December 21, 2007, the College entered into a lease agreement to lease certain space within each campus to a credit union. The lease is an operating lease which commenced on January 1, 2008. The original lease was for a period of three years and automatically expired on December 31, 2010. This lease was extended until December 31, 2013. Rent revenue for this lease was \$7,637 and \$7,338 in fiscal years 2012 and 2011, respectively.

On October 26, 2011, the College entered into a lease agreement to lease the third floor and portions of the first floor of the newly purchased Institutional Advancement building to a third party. The lease is an operating lease for the period of five years, with fixed annual rentals of \$210,225 for the first two years and \$193,425 for the final three years of the lease. Rent revenue for this lease was \$140,150 for fiscal year 2012.

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**Note 13 – Long-Term Obligations**

Changes in long-term obligations of the College during fiscal years 2012 and 2011 were as follows:

	<b>Principal Outstanding June 30, 2011</b>	<b>Additions</b>	<b>Deductions</b>	<b>Principal Outstanding June 30, 2012</b>	<b>Amount Due in One Year</b>
<b>General Receipt Bonds</b>					
2002 Series A Bonds	\$24,580,000	\$0	(\$24,230,000)	\$350,000	\$350,000
Premium on Bonds	631,709	0	(631,709)	0	0
Total Series A Bonds	<u>25,211,709</u>	<u>0</u>	<u>(24,861,709)</u>	<u>350,000</u>	<u>350,000</u>
2009 Series C Bonds	112,165,000	0	(4,200,000)	107,965,000	4,345,000
Premium on Bonds	1,714,894	0	(97,530)	1,617,364	0
Total Series C Bonds	<u>113,879,894</u>	<u>0</u>	<u>(4,297,530)</u>	<u>109,582,364</u>	<u>4,345,000</u>
2012 Series D Bonds	0	21,900,000	0	21,900,000	350,000
Accounting Loss	0	(521,606)	2,692	(518,914)	0
Premium on Bonds	0	2,715,980	(14,016)	2,701,964	0
Total Series C Bonds	<u>0</u>	<u>24,094,374</u>	<u>(11,324)</u>	<u>24,083,050</u>	<u>350,000</u>
<i>Total General Receipt Bonds</i>	<u>139,091,603</u>	<u>24,094,374</u>	<u>(29,170,563)</u>	<u>134,015,414</u>	<u>5,045,000</u>
<b>Certificates of Participation</b>					
2009 Certificates of Participation	9,410,000	0	(580,000)	8,830,000	600,000
Discount on Certificates	(17,752)	0	1,374	(16,378)	0
<i>Total Certificates of Participation</i>	<u>9,392,248</u>	<u>0</u>	<u>(578,626)</u>	<u>8,813,622</u>	<u>600,000</u>
<b>Other Long-Term Obligations</b>					
Capital Leases	25,024,632	6,548,000	(7,834,783)	23,737,849	6,548,048
Compensated Absences	8,235,241	956,726	(1,033,717)	8,158,250	1,024,126
Claims and Other Liabilities	3,687,237	8,632,913	(8,437,029)	3,883,121	1,729,732
<i>Total Other Long-Term Obligations</i>	<u>36,947,110</u>	<u>16,137,639</u>	<u>(17,305,529)</u>	<u>35,779,220</u>	<u>9,301,906</u>
<i>Total Long-Term Liabilities</i>	<u>\$185,430,961</u>	<u>\$40,232,013</u>	<u>(\$47,054,718)</u>	<u>\$178,608,256</u>	<u>\$14,946,906</u>

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	<b>Principal Outstanding June 30, 2010</b>	<b>Additions</b>	<b>Deductions</b>	<b>Principal Outstanding June 30, 2011</b>	<b>Amount Due in One Year</b>
<b>General Receipt Bonds</b>					
2002 Series A Bonds	\$25,235,000	\$0	(\$655,000)	\$24,580,000	\$685,000
Premium on Bonds	661,554	0	(29,845)	631,709	0
Total Series A Bonds	<u>25,896,554</u>	<u>0</u>	<u>(684,845)</u>	<u>25,211,709</u>	<u>685,000</u>
2009 Series C Bonds	116,210,000	0	(4,045,000)	112,165,000	4,200,000
Premium on Bonds	1,812,423	0	(97,529)	1,714,894	0
Total Series C Bonds	<u>118,022,423</u>	<u>0</u>	<u>(4,142,529)</u>	<u>113,879,894</u>	<u>4,200,000</u>
<i>Total General Receipt Bonds</i>	<u>143,918,977</u>	<u>0</u>	<u>(4,827,374)</u>	<u>139,091,603</u>	<u>4,885,000</u>
<b>Certificates of Participation</b>					
2009 Certificates of Participation	9,975,000	0	(565,000)	9,410,000	580,000
Discount on Certificates	(19,127)	0	1,375	(17,752)	0
<i>Total Certificates of Participation</i>	<u>9,955,873</u>	<u>0</u>	<u>(563,625)</u>	<u>9,392,248</u>	<u>580,000</u>
<b>Other Long-Term Obligations</b>					
Capital Leases	25,724,268	6,404,913	(7,104,549)	25,024,632	7,636,322
Compensated Absences	8,142,741	1,228,036	(1,135,536)	8,235,241	1,037,767
Claims and Other Liabilities	4,451,687	6,998,454	(7,762,904)	3,687,237	1,427,029
<i>Total Other Long-Term Obligations</i>	<u>38,318,696</u>	<u>14,631,403</u>	<u>(16,002,989)</u>	<u>36,947,110</u>	<u>10,101,118</u>
<i>Total Long-Term Liabilities</i>	<u>\$192,193,546</u>	<u>\$14,631,403</u>	<u>(\$21,393,988)</u>	<u>\$185,430,961</u>	<u>\$15,566,118</u>

**2002 Series A General Receipt Bonds**

On September 15, 2002, the College issued \$29,105,000 of Series A General Receipt Bonds for the purpose of constructing Corporate College facilities. The Series A General Receipt Bonds were refunded on May 23, 2012 with the issue of the Series D General Receipt Bonds. When the bonds were refunded, one final payment of \$350,000 was not refunded and will be paid in December 2012.

**2009 Series C General Receipt Bonds**

On April 2, 2009, the College issued \$121,090,000 of Series C General Receipt Bonds for the purpose of various capital projects and to retire the College's Series B Tax Anticipation Notes. The bond issue was comprised of \$50,290,000 in serial bonds and \$70,800,000 in term bonds. Interest payments, at rates ranging from 2.00 to 5.25 percent are payable on August 1 and February 1 of each year, until the principal amount is paid. The serial bonds were issued for a ten-year period with a final maturity date of August 1, 2019. The term bonds were issued for a ten-year period with a final maturity date of February 1, 2029. As of June 30, 2012 and June 30, 2011, the College has \$7,869,727 and \$31,244,799 of unspent bond and debt proceeds, respectively.

The term bonds are subject to mandatory sinking fund redemption pursuant to the terms of the Bond Legislation. The mandatory redemption is to occur on August 1 and February 1 in each of the years and in the amounts shown below as a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest.

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<u>Maturity Date</u>	<u>Mandatory Redemption Date</u>	<u>Principal</u>
August 1, 2020 (A)	February 1, 2020	\$2,370,000
	August 1, 2020	2,560,000
August 1, 2020 (B)	August 1, 2020	1,150,000
	February 1, 2021	3,000,000
August 1, 2021	August 1, 2021	3,180,000
	February 1, 2022	3,265,000
August 1, 2022	August 1, 2022	3,345,000
	February 1, 2023	3,430,000
August 1, 2023	August 1, 2023	3,510,000
	February 1, 2024	3,605,000
August 1, 2024	August 1, 2024	3,690,000
	February 1, 2025	3,785,000
August 1, 2025	August 1, 2025	3,875,000
	February 1, 2026	3,980,000
August 1, 2026	August 1, 2026	4,075,000
	February 1, 2027	4,180,000
August 1, 2027	August 1, 2027	4,285,000
	February 1, 2028	4,385,000
February 1, 2029	August 1, 2028	4,500,000
	February 1, 2029	4,630,000

***2012 Series D General Receipts Refunding Bonds***

On May 23, 2012, the College issued \$21,900,000 of Series D General Receipts Refunding Bonds to refund \$23,545,000 of 2002 Series A General Receipts Bonds maturing on and after June 1, 2013. The bond issue was comprised of \$8,605,000 in serial bonds and \$13,295,000 in term bonds. Interest payments, at rates ranging from 2.0 to 5.0 percent, are payable on February 1 and August 1 of each year, until the principal amount is paid. The serial bonds were issued for a ten year period with a final maturity date of August 1, 2022. The term bonds were issued for a ten year period with a final maturity date of August 1, 2032.

The net proceeds were placed in the Refunding Escrow Fund to be used to redeem the bonds being refunded on December 1, 2012. As a result, the refunded debt liability as of June 30, 2012 for those refunded bonds of \$23,545,000 is considered to be defeased and the liability for those bonds is not included in the financial statements. The College in effect reduced its aggregate debt service payments by \$3.73 million over the next twenty years and obtained an economic gain (difference between the present values of the old and new debt service payments discounted at the effective interest rate) of \$2.61 million.

The term bonds are subject to mandatory sinking fund redemption pursuant to the terms of the Bond Legislation. The mandatory redemption is to occur on February 1 and August 1 in each of the years and amounts shown below as a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest.

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<u>Maturity Date</u>	<u>Mandatory Redemption Date</u>	<u>Principal</u>
August 1, 2023	February 1, 2023	\$520,000
	August 1, 2023	535,000
August 1, 2024	February 1, 2024	545,000
	August 1, 2024	560,000
August 1, 2025	February 1, 2025	575,000
	August 1, 2025	590,000
August 1, 2026	February 1, 2026	600,000
	August 1, 2026	620,000
August 1, 2027	February 1, 2027	635,000
	August 1, 2027	650,000
August 1, 2028	February 1, 2028	665,000
	August 1, 2028	685,000
August 1, 2032	February 1, 2029	705,000
	August 1, 2029	715,000
	February 1, 2030	735,000
	August 1, 2030	750,000
	February 1, 2031	770,000
	August 1, 2031	795,000
	February 1, 2032	810,000
	August 1, 2032	835,000

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

Principal and interest requirements to retire the general receipt bonds are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$5,045,000	\$5,809,141	\$10,854,141
2014	5,235,000	5,951,025	11,186,025
2015	5,430,000	5,764,050	11,194,050
2016	5,640,000	5,542,725	11,182,725
2018	5,880,000	5,305,150	11,185,150
2018-2022	33,905,000	22,060,294	55,965,294
2023-2027	43,165,000	12,802,688	55,967,688
2028-2032	25,080,000	2,424,238	27,504,238
2033	835,000	20,875	855,875
Total	<u>\$130,215,000</u>	<u>\$65,680,186</u>	<u>\$195,895,186</u>



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***2009 Certificates of Participation***

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

Principal and interest requirements to retire the certificates of participation are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$600,000	\$355,015	\$955,015
2014	620,000	337,015	957,015
2015	640,000	316,865	956,865
2016	660,000	294,465	954,465
2017	685,000	271,365	956,365
2018-2022	3,845,000	926,563	4,771,563
2023-2024	1,780,000	125,560	1,905,560
Total	<u>\$8,830,000</u>	<u>\$2,626,848</u>	<u>\$11,456,848</u>

**Note 14 - Contingencies**

***Grants***

The College received financial assistance from Federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the College. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the College at June 30, 2012.

***Litigation***

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

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***Pollution Remediation***

In accordance with GASB Statement No. 49, “Accounting and Financial Reporting for Pollution Remediation Obligations,” the College is required to recognize and disclose estimated costs for cleanup of pollution that the College may have an obligation to remediate. Pursuant to this accounting pronouncement, the College recorded a liability of \$371,249 for pollution remediation as of June 30, 2011. The pollution remediation liability is estimated by reviewing the current status of known polluted sites and developing estimates of cleanup costs. These estimates are subject to change due to improvements in technology, inflation, changes in the scope of work and the pursuit of reimbursement from other responsible parties. There was no outstanding pollution remediation liability as of June 30, 2012.

**Note 15 – Risk Management**

***Property and Liability***

The College is exposed to various risks of loss related to torts; theft of, damage to, and destruction of property; errors and omissions; injuries to third parties; automobile damage; commercial crime; and athletic injuries. As a risk transfer technique, the College contracted with various insurance underwriters in fiscal years 2012 and 2011 for specific types of insurance. Insurance policies in place during fiscal year 2012 include the following:

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

Settled claims have not exceeded this commercial coverage in any of the past three years and there have been no reductions in insurance coverage from the prior year.

***Self Insurance***

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

On September 1, 2008, the College was approved for self-insured status by the Bureau of Workers’ Compensation and began to administer its own workers’ compensation program. Liabilities are reported when an employee injury has occurred, it is probable that a claim will be filed under the program, and the

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amount of the claim can be reasonably estimated. The College utilizes the services of a third party administrator to review, process, and pay employee claims. The College also maintains excess insurance coverage that will pay a portion of claims that exceed \$400,000 per occurrence for all employees.

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

Changes in the reported liabilities (included in claims and other liabilities on the statements of net assets) during the past three fiscal years resulted from the following:

	<b>Healthcare</b>			<b>Worker's Compensation</b>		
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Liability at the beginning of year	\$916,113	\$934,525	\$1,046,092	\$503,622	\$802,384	\$1,074,954
Current year claims, net of changes in estimates	8,058,963	7,467,312	7,283,040	425,438	(215,293)	(22,751)
Claim payments	<u>(7,995,381)</u>	<u>(7,485,724)</u>	<u>(7,394,607)</u>	<u>(209,862)</u>	<u>(83,469)</u>	<u>(249,819)</u>
Liability at end of year	<u>\$979,695</u>	<u>\$916,113</u>	<u>\$934,525</u>	<u>\$719,198</u>	<u>\$503,622</u>	<u>\$802,384</u>
	<b>Disability</b>			<b>Retiree Death</b>		
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Liability at the beginning of year	\$1,060,500	\$1,598,000	\$2,020,000	\$971,000	\$915,000	\$941,000
Current year claims, net of changes in estimates	21,523	(371,789)	(170,555)	87,000	84,000	(6,000)
Claim payments	<u>(208,023)</u>	<u>(165,711)</u>	<u>(251,445)</u>	<u>(22,000)</u>	<u>(28,000)</u>	<u>(20,000)</u>
Liability at end of year	<u>\$874,000</u>	<u>\$1,060,500</u>	<u>\$1,598,000</u>	<u>\$1,036,000</u>	<u>\$971,000</u>	<u>\$915,000</u>

Self-insured liabilities amounted to \$3,608,893 and \$3,451,235 at June 30, 2012 and 2011, respectively. Other miscellaneous liabilities amounted to \$274,228 and \$236,002, as June 30, 2012 and 2011, respectively.

**Note 16 - Contractual Commitments**

As of June 30, 2012 and 2011, the College had \$8,146,858 and \$13,008,182 in various contractual purchase commitments outstanding, respectively.

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**Note 17 - Discretely Presented Component Unit**

**1. DESCRIPTION OF ORGANIZATION**

The Cuyahoga Community College Foundation (the "Foundation") was incorporated in August 1973 as a tax-exempt, not-for-profit corporation under Section 501(c)(3) of the Internal Revenue Code for the purpose of collecting donations from individuals, corporations, and foundations to be distributed as scholarships to persons attending Cuyahoga Community College (the "College"), and to be used for other purposes benefiting the College. The Foundation is a component unit of Cuyahoga Community College. As of June 30, 2012, the Foundation's tax years from 2008 and thereafter remain subject to examination by the Internal Revenue Service, as well as various State taxing authorities.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

*Unrestricted* - Net assets are under the discretionary control of the Board of Directors (the "Board"), are free from any and all donor restrictions, and include amounts designated by the Board for specified purposes.

*Temporarily Restricted* - Net assets are restricted by the donor for a specific purpose (generally scholarships or educational development programs) or use in a future time period. The income on these net assets is either temporarily restricted or unrestricted based on the intentions of the donor.

*Permanently Restricted* - Net assets are subject to the donor's restriction that the principal remain invested in perpetuity. The income on these net assets may also be restricted by the donor and is generally used for scholarships or educational development programs.

When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of revenues, expenses and changes in net assets as net assets released from restrictions.

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

***Cash and Cash Equivalents***—Cash and cash equivalents include cash in checking accounts and short-term investments with an original maturity of three months or less. Substantially all of the Foundation's cash and cash equivalents are composed of investments in money market funds. At times, cash on hand may exceed federally insured limits.

***Investments***—Investments of the unrestricted, temporarily restricted, and permanently restricted funds are pooled for making investment transactions and are carried at fair value with any realized or unrealized gains and losses reported in the statement of activities. Interest and dividend income, as well as realized and unrealized gains and losses, is allocated proportionally each month

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***Contributions Receivable***—Contributions received, including unconditional promises to give, are recognized as revenue by net asset class when the donor’s commitment is received. Unconditional promises are recognized at the estimated present value of the future cash flows, net of allowances. Promises made that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Foundation reports the support as unrestricted. Conditional promises are recorded when donor stipulations are substantially met. It is the Foundation’s policy that an initial minimum balance of \$25,000 be required to establish an endowment fund. The policy allows for an annual review to determine if the accumulation of contributions and interest meet the minimum principal balance requirements.

***Beneficial Interest in Remainder Trust***—The Foundation is the beneficiary of a charitable remainder unitrust for which the Foundation is not the trustee. The Foundation recognizes the present value of the estimated future benefits to be received when the trust assets are distributed as temporarily restricted contribution revenue and as a receivable.

***Contributions and Special Events***—Contributions, including bequests, special gifts and other donations, are recorded as revenue when received or by pledge when an unconditional pledge is made. All contributions and gifts are considered to be available for unrestricted use unless specifically restricted by the donor. Noncash bequests, gifts, and donations, if any, would be recorded at the fair value of the asset at the date of donation. Special Event revenue is primarily generated through the annual Presidential Scholarship Luncheon (temporarily restricted) and through parking receipts generated from special events (unrestricted).

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

***Annuities Payable***—The Foundation is obligated under an annuity contract, whereby a donor has contributed cash to the Foundation with the agreement that the donor shall be the sole recipient of quarterly annuity payments. These quarterly payments, currently totaling \$750 per year, shall terminate on the last payment date preceding the death of the donor. The discount rate used to estimate the obligation in fiscal years 2012 and 2011 is 3.0%.

### 3. INVESTMENTS

For investment purposes, assets of the various unrestricted, temporarily restricted and permanently restricted classifications are pooled. Realized and unrealized gains and losses and investment income are allocated to unrestricted assets except when the donor specifies that income is to be temporarily or permanently restricted.

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<b>Description</b>	<b>2012</b>	<b>2011</b>
Mutual Funds	\$ 20,001,723	\$ 16,901,610
Common Trust Funds	4,805,683	7,791,070
Alternative Investments	1,538,050	0
Total	<u>\$ 26,345,456</u>	<u>\$ 24,692,680</u>

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

**4. CONTRIBUTIONS RECEIVABLE**

Contributions receivable (pledges) are accounted for in accordance with generally accepted accounting principles. The recorded value of contributions receivable is the present value of estimated future cash receipts using a discount rate of 4.75% for fiscal years 2012 and 2011. Management has determined that any allowance for uncollectible promises to give would be immaterial. Amounts due are as follows:

	<b>2012</b>	<b>2011</b>
Less than one year	\$ 4,107,785	\$ 1,829,886
One to five years	1,141,194	201,000
Six to ten years	75,000	30,000
Totals	5,323,979	2,060,886
Unamortized Discount	(87,391)	(24,726)
Total	<u>\$ 5,236,588</u>	<u>\$ 2,036,160</u>

**5. BENEFICIAL INTEREST IN REMAINDER TRUST**

The beneficial interest in a charitable remainder unitrust at the end of June 30, 2012 totaled \$372,641 representing the estimated portion of the trust for which the Foundation is the designated beneficiary. The Foundation had no beneficial interest in any remainder trust in fiscal year 2011.

**6. RELATED PARTY TRANSACTIONS**

The College made contributions to the Foundation during the years ended June 30, 2012 and 2011 of \$343,685 and \$233,583 primarily from parking receipts generated from special events. The amounts owed to the Foundation as of June 30, 2012 and 2011 are \$7,600 and \$78,428 which are reported as due from related party on the statements of financial position.

The Foundation recognizes contributed services received from the College when those services (a) create or enhance non-financial assets, or (b) require specialized skills, are provided by College employees possessing those skills, and would typically need to be purchased if not provided by the donation. The Foundation recognized \$177,832 and \$227,713 of contributed services as contribution revenue and as administrative and general, and fundraising expenses in 2012 and 2011.

The Foundation received grants restricted for educational development programs at the College from various donors of \$4,028,944 and \$1,850,186 in 2012 and 2011, respectively. These grants are classified as temporarily

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restricted until the College meets certain conditions. The undistributed amounts for which the College has met the conditions are \$2,117,673 and \$642,011 as of June 30, 2012 and 2011, respectively, which are reported as due to related party on the statements of financial position.

**7. NET ASSETS**

Net assets are restricted primarily for scholarships and educational purposes. Net assets were released from restriction for the following purposes during the years ended June 30:

	<u>2012</u>	<u>2011</u>
Scholarships	\$ 368,945	\$ 861,703
Educational Development	3,199,457	2,455,688
Special Events	144,417	275,732
Other	59,143	50,195
Totals	<u>\$ 3,771,962</u>	<u>\$ 3,643,318</u>

Temporarily restricted net assets are those whose use by the Foundation has been limited by donors to a specific time period or purpose. Temporarily restricted net assets are available for the following purposes at June 30:

	<u>2012</u>	<u>2011</u>
Scholarships	\$ 25,108,946	\$ 22,175,171
Educational Development	2,844,812	1,728,861
Special Events	1,059,833	1,432,072
Totals	<u>\$ 29,013,591</u>	<u>\$ 25,336,104</u>

Permanently restricted net assets are held in perpetuity and whose use by the Foundation has been limited by donor agreements that stipulate that realized gains relating to those permanently restricted investments shall become part of the principal of those permanently restricted funds. Income from those permanently restricted investments shall be used for the following purposes at June 30:

	<u>2012</u>	<u>2011</u>
Scholarships	\$ 1,549,799	\$ 1,545,799
Educational Development	500,000	500,000
Totals	<u>\$ 2,049,799</u>	<u>\$ 2,045,799</u>

**8. INVESTMENT OBJECTIVES AND ENDOWMENT FUNDS**

The Foundation places great importance on risk reduction through asset allocation and style diversification. Investment results are measured using a rolling five to seven year period or a full market cycle. The following are the investment performance objectives, in order of importance, for the portfolio:

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- To generate a minimum annual real rate of return of approximately 5.0% after deducting for advisory, money management, custodial fees, and total transaction costs.
- To obtain a total return on the portfolio, net of all investment related fees, that exceeds the total return of the policy benchmark.
- Performance will be evaluated versus achievement of spending policy and comparisons to a similar set of investments.

The goals of the strategic asset allocation policy are to establish a long-term asset allocation plan for the Foundation's portfolio that is consistent with objectives and guidelines contained in this policy and carried out in an efficient manner. To that end, this policy establishes an acceptable range, defined to be any percentage above a minimum and below a maximum percentage of the portfolio allocated to a particular asset class, and a target percentage, defined to be the percentage goal for the investment of the portfolio in that asset class.

Market value fluctuations and operational needs may cause variations from the strategic asset allocation policy ranges stated in this policy. Depending upon market conditions, the percentage allocation to each asset class may vary as much as plus or minus 5.0%. The Foundation does not deem it acceptable to time the market with tactical allocation shifts. Asset mixes and the possibilities for rebalancing are considered on a monthly basis. The intention of this policy is to avoid short-term judgments that introduce significant unplanned risk.

Distributions from endowment funds are spent in compliance with the donor's restrictions applicable to the funds being distributed. The Foundation classifies as permanently restricted net assets (a) the original value of the gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund that is not classified as permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the College in a manner consistent with the standard of prudence prescribed by the Uniform Prudent Management of Institutional Funds Act (UPMIFA). In accordance with UPMIFA, the College considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the Foundation and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the College



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7. The investment policies of the Foundation

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration. When donor endowment deficits exist, they are classified as a reduction of unrestricted net assets. There were no deficits of this nature in fiscal years 2012 and 2011.

The Foundation's endowment fund activity was as follows for the year ended June 30, 2012:

	<b><u>Temporarily Restricted</u></b>	<b><u>Permanently Restricted</u></b>	<b><u>Total</u></b>
Endowment net assets, beginning of year	\$ 22,175,171	\$ 2,045,799	\$ 24,220,970
Investment return:			
Investment income	565,152	0	565,152
Net depreciation (realized and unrealized)	<u>(655,842)</u>	<u>0</u>	<u>(655,842)</u>
Total investment return	(90,690)	0	(90,690)
Cash contributions and transfers	4,914,787	4,000	4,918,787
Appropriation of endowment assets for expenditure	<u>(1,890,322)</u>	<u>0</u>	<u>(1,890,322)</u>
Endowment net assets, end of year	<u>\$ 25,108,946</u>	<u>\$ 2,049,799</u>	<u>\$ 27,158,745</u>

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The Foundation's endowment fund activity was as follows for the year ended June 30, 2011:

	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>	<b>Total</b>
Endowment net assets, beginning of year	\$ 18,175,373	\$ 2,041,799	\$ 20,217,172
Investment return:			
Investment income	555,416	0	555,416
Net appreciation (realized and unrealized)	2,937,982	0	2,937,982
Total investment return	3,493,398	0	3,493,398
Cash contributions and transfers	1,654,489	4,000	1,658,489
Appropriation of endowment assets for expenditure	(1,148,089)	0	(1,148,089)
Endowment net assets, end of year	<u>\$ 22,175,171</u>	<u>\$ 2,045,799</u>	<u>\$ 24,220,970</u>

**9. FAIR VALUE MEASUREMENTS**

The carrying amounts of financial assets reported in the accompanying statement of financial position approximate their fair value. Generally accepted accounting principles provide a framework for measuring fair value, requires disclosure about fair value measurements, and establishes a three level hierarchy for disclosure to show the extent and the level of judgment used to estimate fair value measurements:

*Level 1* – Uses unadjusted quoted prices that are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

*Level 2* – Uses inputs other than Level 1 that are either directly or indirectly observable as of the reporting date through correlation with market data, including quoted prices for similar assets or liabilities in active markets and quoted prices in markets that are not active. Level 2 also includes assets and liabilities that are valued using models or other pricing methodologies that do not require significant judgment since the input assumptions used in the models, such as interest rates and volatility factors, are corroborated by readily observable data.

*Level 3* – Uses inputs that are unobservable and are supported by little or no market activity and reflect the use of significant management judgment. These values are generally determined using pricing models and market assumptions.

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The following tables set forth by level within the fair value hierarchy the Foundation's financial assets that were accounted for at a fair value on a recurring basis as of June 30, 2012 and 2011. The financial assets are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Foundation's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of fair value assets and their placement within the fair value hierarchy levels. The table does not include cash on hand or other assets and liabilities that are measured at historical cost or any basis other than fair value.

Financial assets consisted of the following at June 30, 2012:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments:				
Equity Mutual Funds:				
Domestic Large-Cap	\$ 2,824,504	\$ 0	\$ 0	\$ 2,824,504
Domestic Mid-Cap	1,844,874	0	0	1,844,874
Domestic Small-Cap	1,616,433	0	0	1,616,433
Global	1,442,490	0	0	1,442,490
International	3,632,228	0	0	3,632,228
Fixed Income Mutual Funds	8,641,194	0	0	8,641,194
Common Trust Funds:				
Domestic Large-Cap Equity	0	4,805,683	0	4,805,683
Alternative Investments	0	0	1,538,050	1,538,050
<b>Total Investments</b>	<u>\$ 20,001,723</u>	<u>\$ 4,805,683</u>	<u>\$ 1,538,050</u>	<u>\$ 26,345,456</u>
Beneficial Interest in Charitable				
Remainder Unitrust	0	0	372,641	372,641
<b>Total</b>	<u>\$ 20,001,723</u>	<u>\$ 4,805,683</u>	<u>\$ 1,910,691</u>	<u>\$ 26,718,097</u>

Financial assets consisted of the following at June 30, 2011:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Equity Mutual Funds:			
Domestic Large-Cap	\$ 1,049,875	\$ 0	\$ 1,049,875
Domestic Mid-Cap	1,729,828	0	1,729,828
Domestic Small-Cap	1,717,908	0	1,717,908
International	4,002,961	0	4,002,961
Fixed Income Mutual Funds	8,401,038	0	8,401,038
Common Trust Funds:			
Domestic Large-Cap Equity	0	7,148,234	7,148,234
Convertible Securities	0	642,836	642,836
<b>Total</b>	<u>\$ 16,901,610</u>	<u>\$ 7,791,070</u>	<u>\$ 24,692,680</u>

The Foundation did not have any Level 3 financial assets in fiscal year 2011.

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For the years ended June 30, 2012 and 2011, the changes in assets measured using significant unobservable inputs (Level 3) were as follows:

	<b>2012</b>	<b>2011</b>
Beginning Balance	\$ 0	\$ 0
Purchases	1,500,000	0
Contributions Received	372,641	0
Unrealized Gains	38,050	0
Ending Balance	\$ 1,910,691	\$ 0

***Equity Mutual Funds***—Equity mutual funds primarily invest in common stock of domestic and international corporations in a variety of industries. Quoted prices in active markets are used to value the equity mutual funds and therefore are classified as Level 1.

***Fixed Income Mutual Funds***—Fixed income mutual funds primarily invest in U.S. Treasuries and corporate bonds. Quoted prices in active markets are used to value the fixed income mutual funds and therefore are classified as Level 1.

***Common Trust Funds***—Common trust funds are valued based on their reported net asset value (NAV) by the trustee. The NAV of these funds are based on the market value of their underlying investments, adjusted for charges and expenses, and are classified as Level 2 of the fair value hierarchy.

***Alternative Investments***—Alternative investments do not have readily determined fair values as they are not listed on national exchanges or over-the-counter markets. Fair value has been determined based on the individual fund’s net asset valuation which is considered to be an unobservable input and classified as Level 3 of the fair value hierarchy. The fund’s annual financial statements are prepared in accordance with accounting principles generally accepted in the United States of America and the underlying investments are reported at fair value.

***Beneficial Interest in Charitable Remainder Unitrust***—The fair value of the beneficial interest in the charitable remainder unitrust is estimated at the present value of the projected proceeds that will be received from the trust. As such, the fair value of the beneficial interest is considered to be determined based on Level 3 inputs.

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# Statistical Section

Cuyahoga Community College implemented the provisions of Governmental Accounting Standards Board Statement No. 44, *Economic Condition Reporting: The Statistical Section*.

This Section of the Cuyahoga Community College Comprehensive Annual Financial Report presents detailed information as a context for further understanding of the information in the financial statements, note disclosures, and supplementary information.

## **Financial Trends**

These schedules contain trend information to help the reader understand how the College's financial performance and well-being have changed over time.

## **Revenue Capacity**

These schedules contain information to help the reader assess the College's most significant revenue sources.

## **Debt Capacity**

These schedules contain information to help the reader assess the affordability of the College's current levels of outstanding debt and the College's ability to issue additional debt in the future.

## **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the College's financial activities take place.

## **Operating Information**

These schedules contain service and capital asset data to help the reader understand how the information in the College's financial report relates to the services the government provides and the activities it performs.

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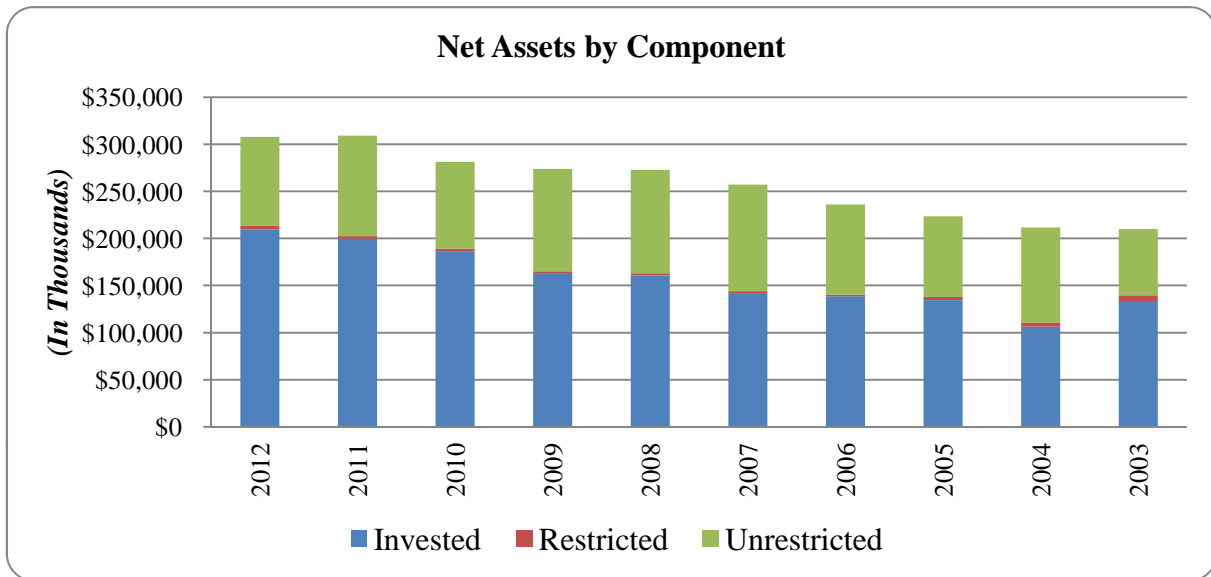


## Statistical Section

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**Cuyahoga Community College**  
*Schedule of Net Assets by Component*  
*Last Ten Fiscal Years (Dollars in Thousands)*

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Invested in Capital Assets				
Net of Related Debt	\$209,467	\$199,797	\$186,530	\$162,435
Restricted - Expendable	3,956	2,760	2,528	2,598
Unrestricted	<u>94,268</u>	<u>106,702</u>	<u>92,340</u>	<u>108,742</u>
Total Net Assets	<u>\$307,691</u>	<u>\$309,259</u>	<u>\$281,398</u>	<u>\$273,775</u>



**Source:** College Financial Audit Reports

<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>
\$160,745	\$142,011	\$138,709	\$134,521	\$106,332	\$132,483
2,315	2,123	1,634	3,465	4,529	6,977
109,729	113,117	95,800	85,665	100,782	70,488
<b>\$272,789</b>	<b>\$257,251</b>	<b>\$236,143</b>	<b>\$223,651</b>	<b>\$211,643</b>	<b>\$209,948</b>

**Cuyahoga Community College**  
*Schedule of Expenses by Program*  
*Last Ten Fiscal Years (Dollars in Thousands)*

	<b>2012</b>	<b>2011</b> <sup>(1)</sup>	<b>2010</b>	<b>2009</b>
Instruction and Department Research	\$88,810	\$87,056	\$81,905	\$77,391
Public Service	21,060	16,994	12,819	10,078
Academic Support	23,967	24,051	22,325	21,694
Student Services	21,429	21,713	21,180	19,950
Institutional Support	40,242	38,793	37,130	37,759
Operation and Maintenance of Plant	24,434	25,358	27,977	28,207
Student Aid	40,588	46,092	35,877	30,658
Scholarships and Fellowships	0	0	0	0
Depreciation	21,566	21,267	20,165	15,895
Auxiliary Enterprises	15,473	16,143	14,512	12,966
Total Operating Expenses	<u>297,569</u>	<u>297,467</u>	<u>273,890</u>	<u>254,598</u>
Interest on Capital Debt	6,351	5,711	3,375	3,028
Other	0	0	197	27
Total Nonoperating Expenses	<u>6,351</u>	<u>5,711</u>	<u>3,572</u>	<u>3,055</u>
Total Expenses	<u>\$303,920</u>	<u>\$303,178</u>	<u>\$277,462</u>	<u>\$257,653</u>

**Source:** College Financial Audit Reports

<sup>(1)</sup> In 2011, the College reclassified noncredit class expenses from public service to instruction and department research and eliminated direct loan revenues and expenses on the financial statements.

<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>
\$70,910	\$70,154	\$65,300	\$61,608	\$58,297	\$54,586
9,743	10,174	11,087	14,780	14,035	13,738
20,242	20,746	19,444	17,820	19,096	17,178
18,682	18,280	18,097	17,191	17,062	15,983
34,757	32,008	32,136	29,700	32,068	31,977
23,300	22,377	20,833	17,468	17,954	14,823
23,746	21,268	21,926	23,558	23,477	0
0	0	0	0	0	19,853
17,382	16,916	16,589	16,112	15,276	11,416
11,093	10,378	10,221	9,597	9,493	9,055
<u>229,855</u>	<u>222,301</u>	<u>215,633</u>	<u>207,834</u>	<u>206,758</u>	<u>188,609</u>
2,699	2,502	2,476	1,981	1,969	1,682
105	24	19	53	131	302
<u>2,804</u>	<u>2,526</u>	<u>2,495</u>	<u>2,034</u>	<u>2,100</u>	<u>1,984</u>
<u>\$232,659</u>	<u>\$224,827</u>	<u>\$218,128</u>	<u>\$209,868</u>	<u>\$208,858</u>	<u>\$190,593</u>

**Cuyahoga Community College**  
*Schedule of Revenues by Source*  
*Last Ten Fiscal Years (Dollars in Thousands)*

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Student Tuition and Fees	\$41,911	\$42,000	\$40,906	\$36,859
Federal Grants and Contracts	16,856	13,538	9,349	7,004
State Grants and Contracts	1,010	4,186	680	875
Local Grants and Contracts	0	35	1	48
Private Grants and Contracts	4,469	3,818	3,067	3,871
Sales and Services	7,197	6,368	6,117	5,989
Auxiliary Enterprises	16,529	16,863	15,551	13,349
Other Operating Revenues	2,575	2,270	1,716	1,990
Total Operating Revenues	<u>90,547</u>	<u>89,078</u>	<u>77,387</u>	<u>69,985</u>
State Appropriations	56,217	61,609	61,257	63,465
Property Taxes	87,092	94,645	81,327	81,012
Federal Grants and Contracts	59,547	63,335	48,740	32,394
State Grants and Contracts	0	(213)	(172)	8,706
Gain on Sale of Assets	3,598	0	0	0
Unrestricted Investment Income	1,067	7,630	2,547	(1,711)
Restricted Investment Income	72	201	386	195
Other Nonoperating Revenues	343	346	0	0
Total Nonoperating Revenues	<u>207,936</u>	<u>227,553</u>	<u>194,085</u>	<u>184,061</u>
Total Revenues	<u>\$298,483</u>	<u>\$316,631</u>	<u>\$271,472</u>	<u>\$254,046</u>

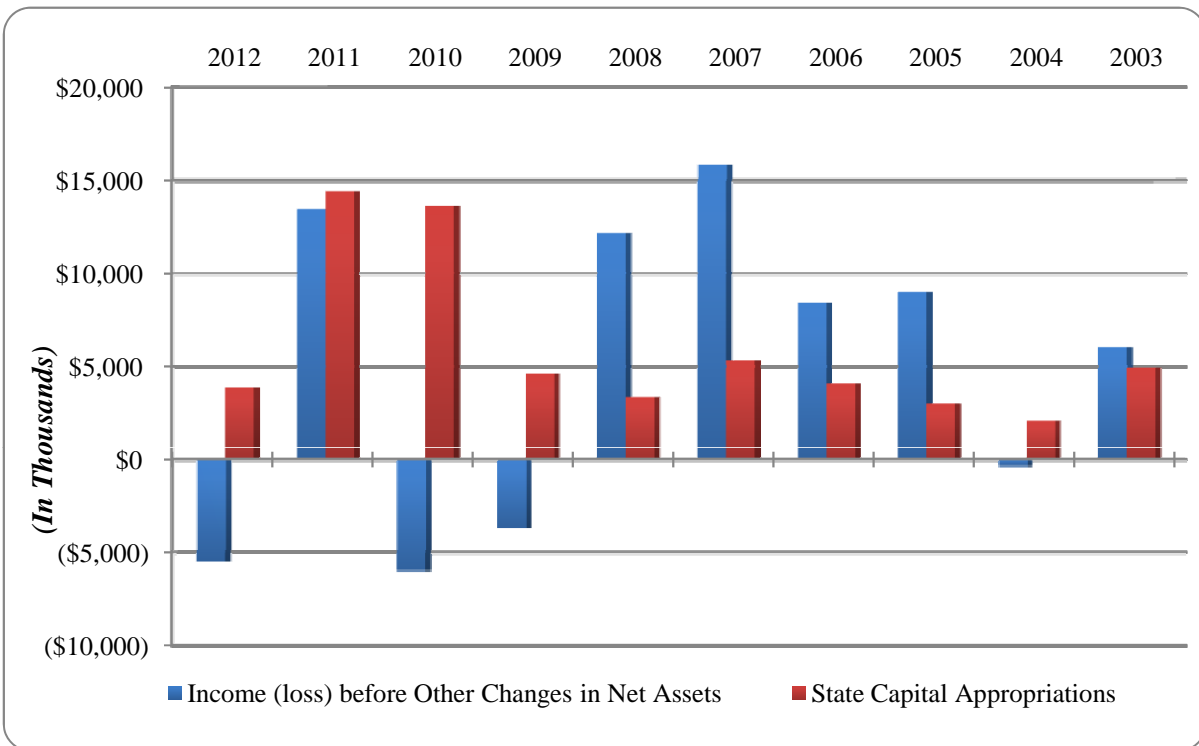
**Source:** College Financial Audit Reports

<sup>(1)</sup> In 2008, the College reclassified certain federal and state grants to nonoperating based upon updated guidance from GASB.

<b>2008<sup>(1)</sup></b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>
\$34,518	\$33,713	\$33,565	\$31,614	\$33,858	\$32,225
5,711	31,948	33,281	34,048	28,553	26,132
504	7,862	6,639	7,301	5,632	5,819
31	131	13	5	464	47
3,134	2,695	907	2,072	2,102	6,379
5,631	6,776	6,469	5,309	5,710	5,813
11,250	10,572	10,456	10,288	10,214	9,921
1,950	1,315	957	706	533	343
<u>62,729</u>	<u>95,012</u>	<u>92,287</u>	<u>91,343</u>	<u>87,066</u>	<u>86,679</u>
61,611	59,175	57,312	52,974	46,674	45,129
81,888	80,402	73,389	72,797	74,192	63,162
26,834	0	0	0	0	0
7,123	0	0	0	0	0
0	0	0	0	0	0
4,367	6,016	3,549	1,480	313	1,232
287	27	12	285	250	431
0	0	0	0	0	0
<u>182,110</u>	<u>145,620</u>	<u>134,262</u>	<u>127,536</u>	<u>121,429</u>	<u>109,954</u>
<u>\$244,839</u>	<u>\$240,632</u>	<u>\$226,549</u>	<u>\$218,879</u>	<u>\$208,495</u>	<u>\$196,633</u>

**Cuyahoga Community College**  
*Schedule of Other Changes in Net Assets*  
*Last Ten Fiscal Years (Dollars in Thousands)*

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Income (loss) before Other Changes in Net Assets	(\$5,436)	\$13,453	(\$5,990)	(\$3,606)
State Capital Appropriations	3,869	14,407	13,613	4,592
<b>Total Change in Net Assets</b>	<b><u>(\$1,567)</u></b>	<b><u>\$27,860</u></b>	<b><u>\$7,623</u></b>	<b><u>\$986</u></b>



**Source:** College Financial Audit Reports



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<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>
\$12,180	\$15,805	\$8,421	\$9,011	(\$363)	\$6,040
3,358	5,304	4,070	2,997	2,059	4,957
<u>\$15,538</u>	<u>\$21,109</u>	<u>\$12,491</u>	<u>\$12,008</u>	<u>\$1,696</u>	<u>\$10,997</u>

**Cuyahoga Community College**  
*Assessed and Estimated Actual Value of Taxable Property*  
*Last Ten Years (Dollars in Thousands)*

Collection Year	Real Property			Estimated Actual Value	Tangible Personal Property	
	Assessed Value				General Business	
	Residential/ Agricultural	Commercial/ Industrial	Total		Assessed Value	Estimated Actual Value
2012	\$20,303,527	\$8,795,069	\$29,098,596	\$83,138,846	\$0	\$0
2011	20,388,242	8,764,928	29,153,170	83,294,771	0	0
2010	20,379,863	8,559,342	28,939,205	82,683,443	0	0
2009	22,070,872	8,427,518	30,498,390	87,138,257	766,539	12,264,624
2008	21,973,357	8,441,851	30,415,208	86,900,594	1,456,445	11,651,560
2007	21,868,198	8,524,013	30,392,211	86,834,889	1,923,151	10,256,805
2006	19,556,454	7,841,892	27,398,346	78,280,989	2,390,326	9,561,304
2005	19,386,376	7,931,780	27,318,156	78,051,874	2,384,697	9,538,788
2004	19,186,925	7,652,432	26,839,357	76,683,877	2,508,313	10,033,252
2003	17,328,119	7,471,026	24,799,145	70,854,700	2,802,833	11,211,332

**Source:** Office of the County Fiscal Officer, Cuyahoga County, Ohio.

Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

The assessed value of real property (including public utility real property) is 35 percent of true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories. General business tangible personal property tax was phased out beginning in collection year 2006. Both types of general business tangible personal property for the following collection years were assessed at 18.75 percent for 2007, 12.5 percent for 2008, 6.25 percent for 2009 and 0.00 percent for 2010. Beginning in 2007, House Bill 66 switched telephone companies from being public utilities to general business taxpayers and began a four year phase out of the tangible personal property tax on local and inter-exchange telephone companies. No tangible personal property taxes were levied or collected in 2009 from general business taxpayers (except telephone companies whose last year to pay tangible personal property tax was 2010).

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by 10 percent, 2 1/2 percent and the homestead exemptions before being billed. Beginning in the 2006 collection year, the 10 percent rollback for commercial/industrial property has been eliminated.

<b>Tangible Personal Property</b>		<b>Total</b>		
<b>Public Utility</b>				
<b>Assessed Value</b>	<b>Estimated Actual Value</b>	<b>Assessed Value</b>	<b>Estimated Actual Value</b>	<b>Weighted Average Tax Rate</b>
\$698,069	\$793,260	\$29,796,665	\$83,932,106	\$3.06387
673,171	764,967	29,826,341	84,059,738	3.04578
654,490	743,739	29,593,695	83,427,181	2.59718
615,400	699,318	31,880,329	100,102,199	2.45452
588,833	669,128	32,460,486	99,221,283	2.45452
842,683	957,594	33,158,045	98,049,288	2.47204
857,331	974,240	30,646,003	88,816,532	2.45647
944,717	1,073,542	30,647,570	88,664,204	N/A
957,362	1,087,911	30,305,032	87,805,041	N/A
943,736	1,072,427	28,545,714	83,138,459	N/A

**Cuyahoga Community College**  
*Property Tax Rates - Direct and Overlapping Governments*  
*(Per \$1,000 of Assessed Value)*  
*Last Six Years <sup>(1)</sup>*

	2012		2011		2010	
	Gross Rate	Effective Rate <sup>(2)</sup>	Gross Rate	Effective Rate <sup>(2)</sup>	Gross Rate	Effective Rate <sup>(2)</sup>
<b>Voted Millage - by Levy</b>						
2002 Operating - Continuing						
Effective Millage Rates						
Residential/Agricultural	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$1.6000	\$1.4222
Commercial/Industrial	0.0000	0.0000	0.0000	0.0000	1.6000	1.4651
Tangible/Public Utility Personal	0.0000	0.0000	0.0000	0.0000	1.6000	1.6000
2006 Operating - Continuing						
Effective Millage Rates						
Residential/Agricultural	\$1.2000	\$1.1765	\$1.2000	\$1.1765	\$1.2000	\$1.1751
Commercial/Industrial	1.2000	1.1158	1.2000	1.1158	1.2000	1.1163
Tangible/Public Utility Personal	1.2000	1.2000	1.2000	1.2000	1.2000	1.2000
2010 Operating - Continuing						
Effective Millage Rates						
Residential/Agricultural	\$1.9000	\$1.9000	\$1.9000	\$1.9000	\$0.0000	\$0.0000
Commercial/Industrial	1.9000	1.8993	1.9000	1.8993	0.0000	0.0000
Tangible/Public Utility Personal	1.9000	1.9000	1.9000	1.9000	0.0000	0.0000
<b>Total Effective Voted Millage by Type of Property</b>						
Residential/Agricultural	\$3.1000	\$3.0765	\$3.1000	\$3.0765	\$2.8000	\$2.5973
Commercial/Industrial	3.1000	3.0151	3.1000	3.0151	2.8000	2.5814
Tangible/Public Utility Personal	3.1000	3.1000	3.1000	3.1000	2.8000	2.8000
<b>Overlapping Rates by Taxing District</b>						
Cuyahoga County	\$13.2200	\$12.7846	\$13.3200	\$12.8412	\$13.3200	\$12.8457
<b>Cities</b>						
Bay Village	\$14.9000	\$14.9000	\$14.9000	\$14.9000	\$14.9000	\$14.9000
Beachwood	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000
Bedford	21.7000	21.7000	21.7000	21.7000	21.7000	21.7000
Bedford Heights	21.9000	21.9000	21.9000	21.9000	13.0000	13.0000
Bentleyville	8.9000	6.9159	8.9000	7.4721	8.9000	7.4705
Berea	17.2000	13.1350	17.2000	13.1343	17.2000	13.1337
Bratenahl	16.0000	15.4864	16.0000	15.9972	15.5000	12.9000
Brecksville	8.2100	8.2100	8.2100	8.2100	8.2100	8.2100
Broadview Heights	9.4000	6.3164	9.4000	6.3153	9.4000	6.3157
Brook Park	4.7500	4.6466	4.7500	4.6459	4.7500	4.6458
Brooklyn	5.9000	5.9000	5.9000	5.9000	5.9000	5.9000
Chagrin Falls	11.2000	11.1847	11.2000	11.1828	11.2000	11.2000
Cleveland	12.7000	12.7000	12.7000	12.7000	12.7000	12.7000
Cleveland Heights	12.9000	12.9000	12.9000	12.9000	12.9000	12.9000
Cuyahoga Heights	4.4000	4.4000	4.4000	4.4000	4.4000	4.4000
East Cleveland	12.7000	12.7000	12.7000	12.7000	12.7000	12.7000
Euclid	13.6000	6.3749	13.6000	6.3560	15.6000	6.8572
Fairview Park	11.8000	11.5770	11.8000	11.5750	11.8000	11.5743
Garfield Heights	24.3000	24.3000	24.7000	24.7000	28.7000	28.7000
Gates Mills	14.4000	12.7636	14.4000	12.7249	14.4000	12.7194
Glenwillow	3.3000	3.3000	3.3000	3.3000	3.3000	3.3000
Highland Hills	20.7000	11.8205	20.7000	11.4924	20.7000	11.4894
Highland Heights	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000
Hunting Valley	5.1000	5.1000	5.1000	5.1000	5.1000	5.1000
Independence	2.2000	2.2000	2.6000	2.6000	2.8000	2.8000
Lakewood	17.4000	17.4000	17.4000	17.4000	17.4000	17.4000

2009		2008		2007	
Gross Rate	Effective Rate <sup>(2)</sup>	Gross Rate	Effective Rate <sup>(2)</sup>	Gross Rate	Effective Rate <sup>(2)</sup>
\$1.6000	\$1.3115	\$1.6000	\$1.3100	\$1.6000	\$1.3095
1.6000	1.4580	1.6000	1.4544	1.6000	1.4599
1.6000	1.6000	1.6000	1.6000	1.6000	1.6000
\$1.2000	\$1.0836	\$1.2000	\$1.0824	\$1.2000	\$1.0820
1.2000	1.1109	1.2000	1.1082	1.2000	1.1123
1.2000	1.2000	1.2000	1.2000	1.2000	1.2000
\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
\$2.8000	\$2.3951	\$2.8000	\$2.3924	\$2.8000	\$2.3915
2.8000	2.5689	2.8000	2.5626	2.8000	2.5722
2.8000	2.8000	2.8000	2.8000	2.8000	2.8000
\$13.3200	\$12.6607	\$13.4200	\$11.8688	\$13.4200	\$11.8688
\$14.9000	\$14.9000	\$14.9000	\$14.9000	\$14.9000	\$14.9000
4.0000	4.0000	4.0000	4.0000	4.0000	4.0000
12.8000	12.8000	12.8000	12.8000	12.8000	12.8000
13.0000	13.0000	13.0000	13.0000	13.0000	13.0000
8.9000	7.4564	8.9000	7.4530	8.9000	7.4528
17.2000	13.0431	16.2000	12.0540	16.2000	12.0669
15.5000	14.1134	14.0000	11.6432	14.0000	10.9449
8.5000	8.5000	8.6000	8.6000	8.6000	8.6000
9.4000	6.2737	9.4000	6.2731	9.4000	6.2725
4.7500	4.6775	4.7500	4.6469	4.8000	4.6753
6.9000	6.9000	6.9000	6.9000	6.9000	6.9000
11.2000	8.8401	15.6000	13.2379	15.6000	13.2416
12.7000	12.7000	12.7000	12.7000	12.7000	12.7000
12.9000	12.9000	12.9000	12.9000	13.0000	13.0000
4.4000	4.4000	4.4000	4.4000	4.4000	4.4000
12.7000	12.7000	12.7000	12.7000	12.7000	12.7000
15.6000	6.5565	15.6000	6.5540	15.6000	6.5522
11.8000	11.5054	11.8000	11.5044	11.8000	11.5041
23.3000	23.3000	21.9000	21.9000	21.9000	21.9000
14.4000	12.1300	14.4000	12.0951	14.4000	12.0862
3.3000	3.3000	3.3000	3.3000	3.3000	3.3000
20.7000	12.8525	20.7000	12.8036	20.7000	12.9625
4.0000	4.0000	4.0000	4.0000	4.0000	4.0000
5.1000	5.1000	5.1000	5.1000	5.1000	5.1000
2.8000	2.8000	2.8000	2.8000	2.8000	2.8000
17.4000	17.4000	17.4000	17.4000	17.4000	17.4000

**Cuyahoga Community College**  
*Property Tax Rates - Direct and Overlapping Governments-continued*  
*(Per \$1,000 of Assessed Value)*  
*Last Six Years <sup>(1)</sup>*

	<b>2012</b>		<b>2011</b>		<b>2010</b>	
	Gross Rate	Effective Rate <sup>(2)</sup>	Gross Rate	Effective Rate <sup>(2)</sup>	Gross Rate	Effective Rate <sup>(2)</sup>
Linndale	\$2.8000	\$2.8000	\$2.8000	\$2.8000	\$2.8000	\$2.8000
Lyndhurst	11.5000	11.5000	11.5000	11.5000	11.5000	11.5000
Maple Heights	15.5000	15.5000	15.5000	15.4926	15.5000	15.5000
Mayfield	7.3000	4.1678	7.3000	4.1656	7.3000	4.1649
Mayfield Heights	10.0000	10.0000	10.0000	10.0000	10.0000	10.0000
Middleburg Heights	5.4500	4.6881	5.4500	4.6878	5.4500	4.6877
Moreland Hills	7.3000	7.3000	7.3000	7.3000	7.3000	7.3000
Newburg Heights	23.1000	22.7248	23.1000	22.6790	19.5000	17.9780
North Olmsted	13.3000	13.3000	13.3000	13.3000	13.3000	13.3000
North Randall	4.8000	4.2230	4.8000	4.2148	4.8000	4.2131
North Royalton	8.2000	5.9175	8.2000	5.9129	8.2000	5.9117
Oakwood	3.8000	3.8000	3.8000	3.8000	3.8000	3.8000
Olmsted Falls	14.4500	11.1585	14.2500	10.9706	15.2000	9.9418
Orange	7.1000	7.1000	7.1000	7.1000	7.1000	7.1000
Parma	7.1000	6.6287	7.1000	6.6274	7.1000	6.6267
Parma Heights	10.0000	10.0000	10.0000	10.0000	10.0000	10.0000
Pepper Pike	9.5000	9.4933	9.5000	9.4989	9.5000	9.5000
Richmond Heights	18.1000	15.5444	18.1000	15.5394	17.0000	14.4382
Rocky River	10.9000	10.9000	10.9000	10.9000	10.9000	10.9000
Seven Hills	9.5000	9.2063	9.2000	8.8225	9.2000	8.8251
Shaker Heights	9.9000	9.9000	9.9000	9.9000	9.9000	9.9000
Solon	3.8000	3.6580	3.9000	3.7565	3.9000	3.7563
South Euclid	13.1000	13.1000	13.1000	13.1000	14.9000	13.2321
Strongsville	9.9000	7.4089	9.9000	7.3637	9.9000	7.3603
University Heights	13.2000	13.2000	13.2000	13.2000	13.2000	13.2000
Valleyview	6.7000	6.7000	6.7000	6.7000	6.7000	6.7000
Walton Hills	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000
Warrensville Heights	9.7000	6.6205	9.7000	5.5887	9.7000	5.5887
Westlake	9.6000	9.6000	9.6000	9.6000	9.6000	9.6000
Woodmere	4.3000	4.3000	4.3000	4.3000	4.3000	4.3000
<b>Townships</b>						
Chagrin Falls	\$0.4000	\$0.4000	\$0.4000	\$0.4000	\$0.4000	\$0.4000
Olmsted	23.5000	13.8235	23.5000	13.8021	21.5000	11.7057
<b>Special Districts</b>						
Chagrin Falls Township Fire District	\$0.8000	\$0.8000	\$0.8000	\$0.8000	\$0.8000	\$0.8000
Cleveland Heights Library	7.8000	5.7108	7.8000	5.6651	7.8000	5.6651
Cleveland Library	6.8000	6.2210	6.8000	6.2177	6.8000	6.2168
Cleveland Metro Parks	1.8500	1.7354	1.8500	1.8106	1.8500	1.7249
Cleveland Cuyahoga Port Authority	0.1300	0.1033	0.1300	0.1029	0.1300	0.1027
Cuyahoga County Library	2.5000	2.5000	2.5000	2.5000	2.5000	2.5000
East Cleveland Library	7.0000	6.4283	7.0000	6.3968	7.0000	6.3814
Euclid Library	4.0000	4.0000	4.0000	4.0000	3.5000	3.4743
Lakewood Library	3.5000	2.3751	3.5000	2.3552	3.5000	2.3537
Rocky River Library	6.1000	5.0526	6.1000	5.0286	6.1000	5.0245
Shaker Heights Library	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000
Westlake Library	2.8000	2.8000	2.8000	2.7737	2.8000	2.8000

2009		2008		2007	
Gross Rate	Effective Rate <sup>(2)</sup>	Gross Rate	Effective Rate <sup>(2)</sup>	Gross Rate	Effective Rate <sup>(2)</sup>
\$2.8000	\$2.8000	\$2.8000	\$2.8000	\$2.8000	\$2.8000
11.5000	11.5000	11.5000	11.5000	11.0000	11.0000
15.5000	15.5000	15.5000	14.7784	15.5000	14.7776
7.3000	4.1547	7.3000	4.1546	7.3000	4.1541
10.0000	10.0000	10.0000	10.0000	10.0000	10.0000
5.4500	4.6686	5.4500	4.6686	5.4500	4.6685
7.3000	7.3000	7.3000	7.3000	7.3000	7.3000
19.5000	16.8366	19.5000	16.8060	19.5000	16.7973
13.2000	13.2000	13.2000	13.2000	13.2000	13.2000
4.8000	4.1723	4.8000	4.1714	4.8000	4.1692
8.2000	5.7698	8.2000	5.7708	8.2000	5.7741
3.8000	3.8000	3.8000	3.8000	3.8000	3.8000
15.7000	10.2462	16.5000	9.5842	16.5000	9.5844
7.1000	7.1000	7.1000	7.1000	7.1000	7.1000
7.1000	6.5166	7.1000	6.5160	5.1000	4.5157
10.2000	10.2000	10.2000	10.2000	10.2000	10.2000
9.5000	9.0676	9.5000	9.0548	9.5000	9.0533
17.0000	14.3041	17.0000	14.3033	14.0000	11.3082
10.9000	10.9000	10.9000	10.9000	10.9000	10.9000
9.2000	8.6128	9.2000	8.6075	9.3000	8.7096
9.9000	9.9000	9.9000	9.9000	9.9000	9.9000
4.1000	3.9417	4.1000	3.9411	4.1000	3.9405
14.9000	13.1066	14.7000	12.9048	14.7000	12.9037
9.9000	7.2089	10.1000	6.1886	10.1000	6.1981
13.2000	13.2000	13.2000	13.2000	13.2000	13.2000
7.1000	5.3339	7.1000	5.3333	7.1000	5.3333
0.3000	0.3000	0.3000	0.3000	0.3000	0.3000
9.7000	5.4808	13.2000	6.5852	13.2000	6.5906
9.6000	9.6000	9.8000	9.8000	9.8000	9.8000
4.3000	4.3000	4.3000	4.3000	4.3000	4.3000
\$0.4000	\$0.4000	\$0.4000	\$0.4000	\$0.4000	\$0.4000
21.5000	11.0654	21.5000	11.0986	21.5000	11.0963
\$0.8000	\$0.8000	\$0.8000	\$0.8000	\$0.8000	\$0.8000
7.8000	5.3894	5.9000	3.4793	5.9000	3.4762
6.8000	6.1703	6.8000	4.9006	6.8000	4.8883
1.8500	1.6698	1.8500	1.6720	1.8500	1.6715
0.1300	0.0947	0.1300	0.0946	0.1300	0.0946
2.5000	2.5000	2.0000	1.8086	2.0000	1.8093
7.0000	6.0101	7.0000	6.0080	4.0000	3.0034
3.5000	3.1234	3.5000	3.1204	3.5000	3.1185
3.5000	2.1997	3.5000	2.1935	3.5000	2.1904
6.1000	4.7476	6.1000	4.7376	6.1000	4.7368
4.0000	4.0000	4.0000	3.1836	4.0000	3.1779
2.8000	2.8000	2.5000	2.1276	2.5000	2.1278

(continued)

**Cuyahoga Community College**  
*Property Tax Rates - Direct and Overlapping Governments-continued*  
*(Per \$1,000 of Assessed Value)*  
*Last Six Years <sup>(1)</sup>*

	2012		2011		2010	
	Gross Rate	Effective Rate <sup>(2)</sup>	Gross Rate	Effective Rate <sup>(2)</sup>	Gross Rate	Effective Rate <sup>(2)</sup>
<b>Joint Vocational Schools</b>						
Cuyahoga Valley JVS	\$2.0000	\$2.0000	\$2.0000	\$2.0000	\$2.0000	\$2.0000
Polaris JVS	2.4000	2.0413	2.4000	2.1821	2.4000	2.0076
<b>Schools</b>						
Bay Village City	\$129.7500	\$67.8734	\$114.9500	\$52.9108	\$108.8500	\$46.7716
Beachwood City	86.4000	41.1621	86.4000	41.0169	83.9000	38.4659
Bedford City	71.3000	37.5823	72.5000	38.6990	72.5000	38.6966
Berea City	75.0000	38.7027	74.9000	38.5574	75.0000	38.6450
Brecksville-Broadview Heights City	77.2000	39.1911	77.2000	39.1176	77.3000	39.1700
Brooklyn City	47.2000	34.3550	47.2000	34.2129	47.0000	35.0838
Chagrin Falls Exempted Village	107.7000	47.5708	107.7000	47.3264	108.6000	48.2245
Cleveland Heights - University Heights	143.7000	71.7220	136.8000	64.3156	136.8000	64.1928
Cleveland Municipal	64.8000	31.6742	64.8000	31.5069	64.8000	31.4601
Cuyahoga Heights Local	27.8000	21.4861	28.8000	22.4628	29.0000	22.6478
East Cleveland City	93.0000	40.1932	93.0000	39.9056	92.5000	39.2650
Euclid City	88.4000	53.3148	89.9000	54.4667	89.9000	54.4663
Fairview Park City	97.6000	56.8256	97.6000	56.7442	97.4000	56.5150
Garfield Heights City	56.8600	42.9977	56.3000	42.1197	56.5000	42.3215
Independence Local	34.9000	32.9393	31.9000	29.8969	32.0000	30.0066
Lakewood City	115.4000	56.6893	115.4000	56.4020	107.9000	48.8809
Maple Heights City	74.2000	49.8997	71.9000	47.4149	71.9000	47.4149
Mayfield City	78.3200	40.1875	74.2000	49.7767	78.3200	40.0985
North Olmsted City	91.4000	52.5975	91.4000	52.5281	83.5000	44.5988
North Royalton City	65.7000	41.0277	65.8000	41.0839	65.5000	41.1462
Olmsted Falls City	101.6000	54.1899	101.7000	54.1712	93.0000	45.4561
Orange City	91.1000	47.0164	86.1000	41.8247	86.0000	41.6958
Parma City	73.0000	49.3839	66.1000	42.4584	66.0000	42.3449
Richmond Heights Local	82.6000	41.5035	82.6000	41.3640	82.6000	41.3343
Rocky River City	84.3500	44.1296	84.3000	43.9489	82.7000	42.3267
Shaker Heights City	180.1300	86.4536	180.1300	85.7364	170.6000	76.1047
Solon City	82.2000	48.3345	82.2000	48.1861	75.5000	41.4665
South Euclid-Lyndhurst City	101.5000	55.4209	101.6000	55.3403	101.6000	55.2645
Strongsville City	80.9800	40.0776	81.1900	40.2545	81.2000	40.3511
Warrensville City	89.0000	50.7837	89.5000	51.1160	90.8000	51.9727
Westlake City	70.1000	36.7691	70.1000	36.6681	66.7000	33.2708

**Source:** Ohio Department of Taxation, Cuyahoga County Fiscal Officer

**Note:** The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented in the Assessed Value Table, generated the property tax revenue billed in that year.

Rates may only be raised by obtaining the approval of a majority of the voters at a public election.

Real property tax rates for voted levies are reduced so that inflationary increases in value do not generate additional revenue.

<sup>(1)</sup> Information prior to 2007 was not available.

<sup>(2)</sup> Based on lower of Residential/Agricultural and Commercial/Industrial effective rates.



2009		2008		2007	
Gross Rate	Effective Rate <sup>(2)</sup>	Gross Rate	Effective Rate <sup>(2)</sup>	Gross Rate	Effective Rate <sup>(2)</sup>
\$2.0000	\$2.0000	\$2.0000	\$2.0000	\$2.0000	\$2.0000
2.4000	2.0000	2.4000	2.0000	2.4000	2.0000
\$108.8500	\$45.8465	\$108.8500	\$45.7500	\$109.6500	\$46.5149
83.9000	36.3519	82.3000	34.7835	82.3000	34.8002
67.6000	30.9966	67.6000	31.0146	67.6000	31.0134
74.9000	35.9563	74.9000	35.9966	74.9000	36.0527
77.1000	37.2338	77.1000	37.1756	77.2000	37.2513
46.4000	32.9276	39.5000	26.0149	39.5000	26.0062
108.6000	47.8160	108.3000	47.4618	100.4000	39.6005
136.7000	60.2978	136.7000	60.1573	129.6000	53.0145
64.8000	29.0766	64.8000	29.0506	64.8000	29.0028
28.9000	22.4516	28.9000	22.4422	28.8000	22.3479
92.1000	35.4764	92.1000	35.4561	92.1000	35.4148
85.2000	46.1446	78.2000	39.1132	78.2000	39.0934
96.1000	51.9219	96.0000	51.7746	95.6000	51.3583
54.6000	40.1189	54.5000	40.0213	54.5000	40.0080
31.4000	29.2735	31.5000	29.3471	31.5000	28.5896
107.2000	45.9650	106.9000	45.5754	106.6000	45.2304
63.4000	37.4302	62.9000	36.1949	62.9000	36.9111
78.3200	38.1502	71.4200	31.2351	71.7000	31.5673
83.5000	41.1735	83.5000	41.1462	77.0000	34.6098
58.8000	33.7000	59.6000	34.5000	59.8000	34.6999
91.9000	41.6942	91.8000	41.6553	89.8000	39.6874
86.0000	40.1499	86.0000	40.0270	86.0000	40.0179
65.1000	38.8681	61.4000	35.1460	64.7000	38.4394
78.6000	33.6185	78.6000	33.5915	78.6000	33.7406
82.7000	40.8212	77.1000	35.1664	77.2000	35.2625
170.6000	71.0032	170.3000	70.4688	170.3000	70.3573
75.3000	39.9335	75.3000	39.8732	75.3000	39.8195
101.5000	50.6368	96.2000	45.2685	96.3000	45.3339
81.2000	38.2267	81.3000	38.3385	74.8000	31.9410
90.1000	49.6729	90.1000	49.6674	90.2000	49.8122
66.5000	31.7454	66.5000	31.7267	66.5000	31.7280

**Cuyahoga Community College**

*Principal Taxpayers*

2011 and Five Years Ago <sup>(1)</sup>

<b>Taxpayer</b>	<b>Tax Year 2011</b>	
	<b>Assessed Value</b>	<b>Percent of Real Property Assessed Value</b>
Cleveland Electric Illuminating Company	\$528,828,980	1.77%
Cleveland Clinic Foundation	408,436,105	1.37
City of Cleveland	127,007,170	0.43
University Hospital Health System	85,220,420	0.29
Key Center Properties, LLC	83,619,320	0.28
East Ohio Gas	82,086,600	0.28
WEA Southpark LLSC	65,745,660	0.22
Progressive Casualty Incorporated	63,628,920	0.21
American Transmission	62,031,340	0.21
Beachwood Place LTD	57,858,580	0.19
<b>Totals</b>	<b>\$1,564,463,095</b>	<b>5.25%</b>
<b>Total Assessed Valuation</b>	<b>\$29,796,665,000</b>	

<b>Taxpayer</b>	<b>Tax Year 2007</b>	
	<b>Assessed Value</b>	<b>Percent of Real Property Assessed Value</b>
Cleveland Electric Illuminating Company	\$439,372,050	1.33%
Cleveland Clinic Foundation	163,527,390	0.49
City of Cleveland	157,217,560	0.47
Ohio Bell Telephone	99,819,190	0.30
American Transmission Systems	65,941,450	0.20
Ford Motor Company	64,403,510	0.20
Case Western Reserve University	59,632,010	0.18
East Ohio Gas	59,563,020	0.18
Beachwood Place LTD	56,898,180	0.17
ISG Steel Products LLC	56,075,650	0.17
<b>Totals</b>	<b>\$1,222,450,010</b>	<b>3.69%</b>
<b>Total Assessed Valuation</b>	<b>\$33,158,045,000</b>	

Source: Office of the County Fiscal Officer, Cuyahoga County, Ohio

Note: The 2011 taxpayers were selected based solely upon review of the 200 taxpayers of real, personal and public utility property with the highest assessed valuation. The 2002 taxpayers were selected based on a review of the 200 taxable parcels of real, personal and public utility property with the highest assessed valuation.

<sup>(1)</sup> Information before 2007 was not available.

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**Cuyahoga Community College**  
*Property Tax Levies and Collections* <sup>(1)</sup>  
*Last Eight Years* <sup>(5)</sup> (Dollars in Thousands)

Collection Year <sup>(2)</sup>	Total Current Levy <sup>(3)</sup>	Current Collections	Percentage of Current Tax Collections to Tax Levy	Delinquent Current	Total Tax Collections <sup>(4)</sup>
2011	\$91,396	\$83,227	91.1%	\$3,571	\$86,798
2010	77,543	71,149	91.8	5,700	76,849
2009	76,441	70,610	92.4	5,335	75,945
2008	75,957	70,502	92.8	4,718	75,220
2007	76,043	70,437	92.6	4,787	75,224
2006	68,678	64,167	93.4	3,889	68,056
2005	68,293	63,874	93.5	3,680	67,554
2004	67,506	63,334	93.8	1,955	65,289

Cuyahoga County, Ohio financial records.

**Note:** <sup>(1)</sup> Includes Homestead/Rollback taxes assessed locally, but distributed through the State. The amounts above represent collections relative to the tax levy, and will not match amounts presented in the financial statements.

<sup>(2)</sup> The 2012 information cannot be presented because all collections have not been made by June 30, 2012.

<sup>(3)</sup> The College's tax levy increased by 0.3 mills during 2011.

<sup>(4)</sup> The County does not maintain delinquency information by tax year.

<sup>(5)</sup> Data prior to 2004 was not available.

<b>Percent of Total Tax Collections to Tax Levy</b>	<b>Accumulated Outstanding Delinquent Taxes</b>	<b>Percentage of Delinquent Taxes to Total Tax Levy</b>
95.0%	\$19,617	21.5%
99.1	15,387	19.8
99.4	11,624	15.2
99.0	9,780	12.9
98.9	9,094	12.0
99.1	7,677	11.2
98.9	6,889	10.1
96.7	6,876	10.2

**Cuyahoga Community College**

*Historic Tuition and Fees*

*Last Ten Fiscal Years*

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<b>Fiscal Year</b>	<b>Tuition and Fees Per Credit Hour</b>	<b>Annual Cost Per Full-time Student <sup>(1)</sup></b>	<b>Increase (Decrease)</b>	
			<b>Dollars</b>	<b>Percent</b>
2012	\$91.22	\$2,736.60	\$199.80	7.88%
2011	84.56	2,536.80	120.60	4.99
2010	80.54	2,416.20	0.00	0.00
2009	80.54	2,416.20	0.00	0.00
2008	80.54	2,416.20	0.00	0.00
2007	80.54	2,416.20	115.20	5.01
2006	76.70	2,301.00	109.50	5.00
2005	73.05	2,191.50	103.50	4.96
2004	69.60	2,088.00	99.00	4.98
2003	66.30	1,989.00		

**Source:** College Records and Student Business Services.

<sup>(1)</sup> Calculated at the full-time 30 credit hour load times the applicable cost per credit hour.

**Cuyahoga Community College**

*Ratio of Debt per Student*

*Last Ten Fiscal Years*

<b>Fiscal Year</b>	<b>Fixed Rate Bonds</b>	<b>Tax Anticipation Notes</b>	<b>Certificates of Participation</b>	<b>Capital Leases</b>	<b>Total Debt</b>	<b>Debt per Student <sup>(1)</sup></b>	<b>Debt per Capita <sup>(2)</sup></b>	<b>Debt as % of Total Estimated Actual Value of Taxable Property</b>
2012	\$134,015,414	\$0	\$8,813,622	\$23,737,849	\$166,566,885	5,328.26	N/A	0.20%
2011	139,091,603	0	9,392,248	25,024,632	173,508,483	5,476.39	136.59	0.21
2010	143,918,977	0	9,955,873	25,724,268	179,599,118	5,922.48	140.30	0.22
2009	149,561,351	0	0	28,557,944	178,119,295	6,838.12	139.62	0.18
2008	27,211,243	20,932,655	0	31,306,018	79,449,916	3,284.82	61.88	0.08
2007	44,526,087	0	0	12,867,122	57,393,209	2,314.62	44.29	0.06
2006	45,555,932	0	0	17,418,669	62,974,601	2,483.42	47.92	0.07
2005	46,560,777	0	0	18,279,370	64,840,147	2,571.59	48.74	0.07
2004	47,540,621	0	0	18,522,373	66,062,994	2,774.82	49.07	0.08
2003	47,850,466	0	0	11,244,763	59,095,229	2,533.67	43.48	0.07

Source: College Financial Audit Reports for years presented.

Notes: N/A - Information not available at date of report. Future data will be added as it becomes available.

<sup>(1)</sup> Calculated based on total debt amount divided by historical enrollment from S-28.

<sup>(2)</sup> Calculated based on total debt amount divided by population from S-25.

**Cuyahoga Community College**

*General Receipt Bond Coverage*

*Last Nine Fiscal Years <sup>(1)</sup>*

Fiscal Year	Gross General Receipts <sup>(2)</sup>	Related Expenses <sup>(3)</sup>	Net General Receipts	Debt Service Requirements <sup>(4)</sup>			Coverage Ratio
				Principal	Interest	Total	
2012	\$65,979,953	\$15,473,186	\$50,506,767	\$6,530,000	\$6,479,270	\$13,009,270	3.9
2011	65,576,926	16,143,086	49,433,840	4,700,000	6,654,351	11,354,351	4.4
2010	64,290,150	14,511,574	49,778,576	5,515,000	6,620,046	12,135,046	4.1
2009	58,187,317	12,966,387	45,220,930	620,000	1,250,688	1,870,688	24.2
2008	53,349,539	11,093,337	42,256,202	1,030,000	1,842,746	2,872,746	14.7
2007	57,143,797	10,377,572	46,766,225	1,029,845	1,872,068	2,901,913	16.1
2006	55,882,044	10,221,296	45,660,748	1,004,845	1,838,425	2,843,270	16.1
2005	51,716,810	9,596,839	42,119,971	979,844	1,862,202	2,842,046	14.8
2004	50,314,537	9,493,481	40,821,056	309,845	1,874,986	2,184,831	18.7

**Source:** College financial records.

**Note:** Repayment of General Receipts Bond debt is secured by the pledge of the General Receipts.

<sup>(1)</sup> Information prior to fiscal year 2004 is not available.

<sup>(2)</sup> General Receipts pledged to the security and payment of the Bonds include all the receipts of the College, except monies raised by taxation (State and local) and State appropriations until and unless their pledge to Bond Services Charges is authorized by law (not anticipated to occur) and is made by a supplemental trust agreement; any grants, gifts, donation and pledges, and receipts therefrom, which under restrictions imposed in the grant or promise or as a condition of the receipt are not available for payment of Bond Service Charges; and any special fee charged pursuant to Section 154,21(d) and of the Revised Code receipts therefrom (that fee, relating to bonds of the State issued by the Ohio Public Facilities Commission, has never been required to be imposed and is not anticipated to be required to be imposed).

<sup>(3)</sup> Related Expenses for Auxiliary Enterprises operations must be netted from General Receipts.

<sup>(4)</sup> The debt service requirements above include the General Receipts Series A, C, and D bonds.



**Cuyahoga Community College**  
*Demographic and Economic Statistics*  
*Last Ten Years*

<b>Year</b>	<b>Population</b>	<b>Total Personal Income (In Thousands)</b>	<b>Personal Income Per Capita</b>	<b>Cuyahoga County Unemployment Rate</b>	<b>Total Assessed Property Value<sup>(1)</sup> (In Thousands)</b>
2011	1,270,294	n/a	n/a	8.0 %	\$29,796,665
2010	1,280,122	55,817,159	\$43,603	9.0	29,826,341
2009	1,275,709	52,803,092	41,391	9.2	29,593,695
2008	1,282,880	53,946,514	42,051	7.1	31,880,329
2007	1,295,958	52,893,000	40,814	6.1	32,460,486
2006	1,314,241	50,637,000	38,529	5.5	33,158,045
2005	1,330,428	48,776,000	36,662	6.1	30,646,003
2004	1,346,194	47,719,783	35,448	6.2	30,647,572
2003	1,359,187	45,655,393	33,590	6.8	30,305,032
2002	1,371,563	45,703,641	33,322	6.7	28,545,714

**Source:** U.S. Census Bureau, Bureau of Economic Analysis, Office of the County Auditor, Cuyahoga County, Ohio.

**Note:** Total personal income not available for 2011.  
 2012 information not available.

<sup>(1)</sup> Based on collection year.

**Cuyahoga Community College**  
*Principal Employers*  
 (Ranked by the Number of Full-Time Equivalent Employees)  
 2012 and Eight Years Ago

<b>2012 <sup>(1)</sup></b>		
<b>Employer</b>	<b>Employees</b>	<b>Percent of Total County Employment</b>
Cleveland Clinic Health System	34,000	5.7%
U.S. Office of Personnel Management	15,095	2.6
University Hospitals Health System	13,726	2.3
Giant Eagle Incorporated	10,311	1.8
Progressive Corporation	8,612	1.5
Cuyahoga County	7,859	1.3
State of Ohio	7,792	1.3
United States Postal Service	7,362	1.2
Group Management Services	7,242	1.2
City of Cleveland	7,089	1.2
<b>Totals</b>	<b>119,088</b>	<b>20.1%</b>
Total Employment within the County	593,400	

<b>2003 <sup>(2)</sup></b>		
<b>Employer</b>	<b>Employees</b>	<b>Percent of Total County Employment</b>
Cleveland Clinic Health System	23,567	3.7%
University Hospitals Health System	14,270	2.3
Cleveland Municipal School District	10,510	1.7
Cuyahoga County	9,376	1.5
City of Cleveland	8,658	1.4
Progressive Corporation	7,557	1.2
Key Corporation	7,381	1.2
Ford Motor Company	6,050	0.9
National City Corporation	5,900	0.9
United States Postal Service	5,548	0.9
<b>Totals</b>	<b>98,817</b>	<b>15.7%</b>
Total Employment within the County	629,600	

**Source:** Crain's Cleveland Business

<sup>(1)</sup> Data is only available through March 31, 2012. Employers listed are exclusively or essentially located in Cuyahoga County.

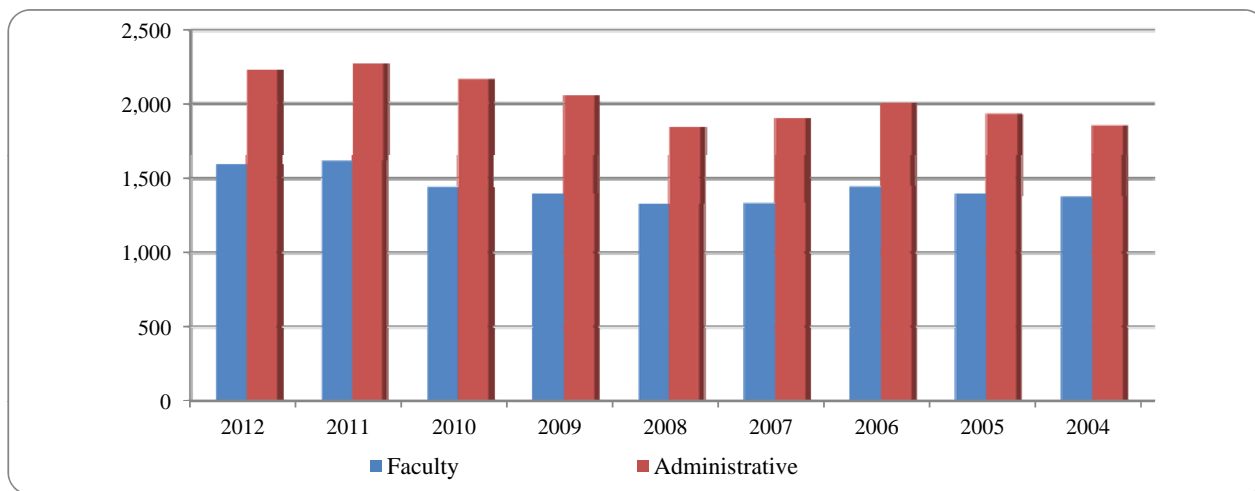
<sup>(2)</sup> Data prior to January 1, 2003 is not available.

**Cuyahoga Community College**

*Employee Statistics*

*Last Nine Fiscal Years <sup>(1)</sup>*

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Faculty									
Part-time	1,197	1,217	1,062	1,007	940	948	1,069	1,017	996
Full-time	393	395	379	386	384	383	373	376	375
Total Faculty	<u>1,590</u>	<u>1,612</u>	<u>1,441</u>	<u>1,393</u>	<u>1,324</u>	<u>1,331</u>	<u>1,442</u>	<u>1,393</u>	<u>1,371</u>
Administrative and Support Staff	2,225	2,268	2,161	2,054	1,836	1,901	2,001	1,929	1,851
Total Employees	<u>3,815</u>	<u>3,880</u>	<u>3,602</u>	<u>3,447</u>	<u>3,160</u>	<u>3,232</u>	<u>3,443</u>	<u>3,322</u>	<u>3,222</u>
Students per Faculty Member	20	20	21	19	18	19	18	18	17
Students per Staff Member	14	14	14	13	13	13	13	13	13



**Source:** College Records - Human Resource Department.

<sup>(1)</sup> Information prior to fiscal year 2004 is not available.

**Cuyahoga Community College**

*Historical Headcount*

*Last Ten Fiscal Years*

<b>Fiscal Year Fall Semester Headcount<sup>(1)</sup></b>					
<b>Major/Program</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
Health Careers	4,182	4,881	4,381	3,649	3,234
Nursing <sup>(2)</sup>	4,706	4,708	3,823	3,298	2,817
Business	5,436	5,329	4,586	4,173	3,685
Engineering	953	1,288	1,729	1,633	1,379
Public Service	2,308	2,318	2,076	2,023	1,634
Applied Industrial Technology/ Associate of Technical Study	740	376	812	381	708
Associate of Arts/ Associate of Science	7,419	6,858	9,349	8,244	8,236
Creative Arts <sup>(3)</sup>	1,528	1,679	0	0	0
Certificate Programs	1,080	1,194	1,406	1,096	878
Other	2,909	3,053	2,163	1,551	1,616
<b>Total</b>	<b>31,261</b>	<b>31,684</b>	<b>30,325</b>	<b>26,048</b>	<b>24,187</b>
<b>Major/Program</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>
Health Careers <sup>(2)</sup>	3,117	3,173	3,118	2,676	5,877
Nursing <sup>(2)</sup>	2,908	3,064	2,857	2,685	0
Business	3,844	4,080	4,341	4,187	4,207
Engineering	1,323	1,182	1,065	754	653
Public Service	1,605	1,736	1,750	1,642	911
Applied Industrial Technology/ Associate of Technical Study	627	153	191	133	19
Associate of Arts/ Associate of Science	8,531	9,014	8,851	8,547	9,183
Creative Arts <sup>(3)</sup>	0	0	0	0	0
Certificate Programs	1,070	1,198	1,049	1,127	322
Other	1,771	1,758	1,992	2,057	2,152
<b>Total</b>	<b>24,796</b>	<b>25,358</b>	<b>25,214</b>	<b>23,808</b>	<b>23,324</b>

**Source:** College Records - Institutional Research.

<sup>(1)</sup> Represents headcount on the 15th day of the fall semester included in the applicable fiscal year.

<sup>(2)</sup> Before 2003, Nursing and Health Careers were combined into one category.

<sup>(3)</sup> Before 2011, Creative Arts was not its own category, and its students were included in several other areas, including Business and Associated of Arts.

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**Cuyahoga Community College**

*Graduation Statistics*

*Last Six Fiscal Years <sup>(1)</sup>*

	2012		2011		2010	
	Count	Percent	Count	Percent	Count	Percent
<b>Ethnicity</b>						
Native American	9	0.36 %	15	0.62 %	8	0.36 %
Black	639	25.63	581	23.83	550	25.08
Asian	54	2.17	82	3.36	64	2.92
Hispanic	74	2.97	77	3.16	59	2.69
White	1,578	63.30	1,572	64.48	1,445	65.89
Other	46	1.85	30	1.23	41	1.87
Unknown	93	3.73	81	3.32	26	1.19
Total	<u>2,493</u>	<u>100.00 %</u>	<u>2,438</u>	<u>100.00 %</u>	<u>2,193</u>	<u>100.00 %</u>
<b>Age</b>						
<20	52	2.09 %	47	1.93 %	31	1.41 %
20-24	689	27.64	735	30.15	603	27.50
25-29	516	20.70	494	20.26	491	22.39
30-34	375	15.04	338	13.86	320	14.59
35-39	249	9.99	261	10.71	225	10.26
40-59	592	23.75	543	22.27	504	22.98
>60	20	0.80	20	0.82	19	0.87
Total	<u>2,493</u>	<u>100.00 %</u>	<u>2,438</u>	<u>100.00 %</u>	<u>2,193</u>	<u>100.00 %</u>
Average Age	32.2		32.2		32.3	
<b>Sex</b>						
Female	1,759	70.56 %	1,758	72.11 %	1,562	71.23 %
Male	734	29.44	680	27.89	631	28.77
Total	<u>2,493</u>	<u>100.00 %</u>	<u>2,438</u>	<u>100.00 %</u>	<u>2,193</u>	<u>100.00 %</u>
<b>Degree Type</b>						
Associate of Arts	658	26.39 %	834	34.21 %	653	29.78 %
Associate of Applied Business	372	14.92	331	13.58	306	13.95
Associate of Applied Science	908	36.42	750	30.76	758	34.56
Associate of Science	117	4.69	106	4.35	135	6.16
Associate of Technical Science	14	0.56	8	0.33	17	0.78
Certificate	151	6.06	141	5.78	128	5.84
Post-Degree Certificate	66	2.65	65	2.67	40	1.82
Short Term Certificate	207	8.30	203	8.32	156	7.11
Total	<u>2,493</u>	<u>100.00 %</u>	<u>2,438</u>	<u>100.00 %</u>	<u>2,193</u>	<u>100.00 %</u>

**Source:** College Records - Institutional Research.

<sup>(1)</sup> Information prior to fiscal year 2007 is not available.

2009		2008		2007	
Count	Percent	Count	Percent	Count	Percent
6	0.33 %	6	0.31 %	4	0.23 %
459	25.40	500	26.03	463	26.46
47	2.60	59	3.07	60	3.43
42	2.32	62	3.23	55	3.14
1,191	65.91	1,240	64.55	1,121	64.06
18	1.00	28	1.46	27	1.54
44	2.43	26	1.35	20	1.14
<u>1,807</u>	<u>100.00 %</u>	<u>1,921</u>	<u>100.00 %</u>	<u>1,750</u>	<u>100.00 %</u>
43	2.38 %	47	2.45 %	45	2.57 %
496	27.45	554	28.84	462	26.40
398	22.03	388	20.20	368	21.03
263	14.55	264	13.74	252	14.40
203	11.23	204	10.62	222	12.69
392	21.69	455	23.69	385	22.00
12	0.66	9	0.47	16	0.91
<u>1,807</u>	<u>100.00 %</u>	<u>1,921</u>	<u>100.00 %</u>	<u>1,750</u>	<u>100.00 %</u>
31.8		31.9		32.1	
1,303	72.11 %	1,388	72.25 %	1,294	73.94 %
504	27.89	533	27.75	456	26.06
<u>1,807</u>	<u>100.00 %</u>	<u>1,921</u>	<u>100.00 %</u>	<u>1,750</u>	<u>100.00 %</u>
534	29.55 %	566	29.46 %	494	28.23 %
289	15.99	316	16.45	263	15.03
639	35.36	717	37.32	694	39.66
92	5.09	83	4.32	102	5.83
21	1.16	4	0.21	10	0.57
122	6.75	157	8.17	145	8.29
36	1.99	38	1.98	34	1.94
74	4.10	40	2.08	8	0.46
<u>1,807</u>	<u>100.00 %</u>	<u>1,921</u>	<u>100.00 %</u>	<u>1,750</u>	<u>100.00 %</u>

**Cuyahoga Community College**

*Capital Asset Information*

*Last Six Fiscal Years <sup>(1)</sup>*

<b>Location</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
<b>District Administration Building</b>						
Total Square Footage	45,819	45,819	45,819	45,819	45,819	45,819
Total Acreage	2.3	2.5	2.5	2.5	2.5	2.5
<b>Eastern Main Campus</b>						
Total Square Footage	607,067	574,447	512,796	512,796	512,796	512,796
Total Acreage	202.8	202.8	202.8	202.8	202.8	96.2
<b>Metropolitan Campus</b>						
Total Square Footage	1,309,902	1,284,748	1,276,958	1,276,958	1,201,998	1,201,998
Total Acreage	51.7	51.7	51.7	51.7	51.7	51.7
<b>Western Campus</b>						
Total Square Footage	685,597	685,597	685,597	685,597	685,597	648,525
Total Acreage	194.3	194.3	227.3	227.3	227.3	194.3
<b>Westshore Campus</b>						
Total Square Footage	77,648	77,648	0.0	0.0	0.0	0.0
Total Acreage	43.8	33.0	0.0	0.0	0.0	0.0
<b>Brunswick University Center</b>						
Total Square Footage	31,888	31,888	0.0	0.0	0.0	0.0
Total Acreage	1.0	1.0	0.0	0.0	0.0	0.0
<b>Institutional Advancement Building</b>						
Total Square Footage	72,350	0.0	0.0	0.0	0.0	0.0
Total Acreage	3.9	0.0	0.0	0.0	0.0	0.0
<b>Corporate College West</b>						
Total Square Footage	104,202	104,202	104,202	104,202	104,202	104,202
Total Acreage	14.3	14.3	14.3	14.3	14.3	14.3
<b>Corporate College East</b>						
Total Square Footage	107,000	107,000	107,000	107,000	107,000	107,000
Total Acreage	18.7	18.7	18.7	18.7	18.7	18.7
Total Square Footage	3,041,473	2,911,349	2,732,372	2,732,372	2,657,412	2,620,340
Total Acreage	532.8	518.2	517.3	517.3	517.3	377.7
<b>Dining</b>						
Dining - Seating Capacity	980	980	952	952	952	952
<b>Number of Vehicles</b>						
Private Passenger	42	40	39	35	32	32
Light Trucks	18	20	19	18	17	17
Medium Trucks	20	21	18	16	16	16
Heavy Trucks	3	3	2	4	2	2
Extra Heavy Trucks	4	4	4	4	4	0
Trailers	10	9	9	8	6	2
School Buses	2	1	0	0	0	0
Fire Trucks	2	2	2	2	2	2
Motorcycles	2	2	2	2	2	3
Total Vehicles	103	102	95	89	81	74
<b>Parking Capacity</b>						
Metro	1,864	1,864	1,660	1,595	1,585	1,585
District <sup>(2)</sup>	0	105	105	106	105	105
Institutional Advancement	334	0	0	0	0	0
East	1,827	1,615	1,615	1,615	1,574	1,574
Brunswick	365	87	0	0	0	0
Westshore	466	466	0	0	0	0
West	3,204	3,262	3,262	3,262	3,215	3,215
Total Parking Capacity	8,060	7,399	6,642	6,578	6,479	6,479

**Source:** College Records.

<sup>(1)</sup> Information prior to fiscal year 2007 is not available.

<sup>(2)</sup> A parking deck is currently being built at the District Administration Building, and there are no available spaces on site during the construction. The parking deck is expected to be completed in December 2012.







**Where futures begin<sup>SM</sup>**

Cuyahoga Community College

700 Carnegie Avenue

Cleveland, OH 44115

[www.tri-c.edu](http://www.tri-c.edu)

**CUYAHOGA COMMUNITY COLLEGE**

**SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2012**

Federal Grantor/Pass Through Grantor/Program Title	Pass-Through Number	Federal CFDA Number or Primary Grant Number	Expenditures
<b>STUDENT FINANCIAL AID CLUSTER (SFA)</b>			
<b>U.S. Department of Education:</b>			
Direct Programs:			
Federal Pell Grant Program		84.063	58,918,141
Federal Supplemental Education Opportunity Grant		84.007	636,539
Federal Perkins Loan Program		84.038	177,945
Federal Work-Study Program		84.033	509,346
Academic Competitiveness Grant (ACG)		84.375	<u>(7,145)</u>
Total Student Financial Aid Cluster			<u>60,234,826</u>
<b>PUBLIC SERVICE</b>			
<b>U.S. Department of Education:</b>			
Direct Programs:			
Trio Cluster:			
Upward Bound Math and Science	P047M070262	84.047	229,353
Upward Bound	P047A030041	84.047A	382,404
Veterans Upward Bound	P047A030440	84.047A	<u>242,238</u>
Total CFDA #84.047			<u>853,995</u>
Student Support Services		84.042	<u>588,647</u>
Educational Talent Search	P042A050455	84.044	<u>558,726</u>
Education Opportunity Center	P066A070262	84.066A	<u>275,005</u>
Total Trio Cluster			<u>1,422,378</u>
Direct Programs:			
Realtime Writers		84.116	<u>18,758</u>
Total CFDA #84.116			<u>18,758</u>

See Notes to Supplemental Schedule of Expenditures of Federal Awards.

(Continued)

**CUYAHOGA COMMUNITY COLLEGE**

**SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2012**

Federal Grantor/Pass Through Grantor/Program Title	Pass-Through Number	Federal CFDA Number or Primary Grant Number	Expenditures
<b>PUBLIC SERVICE</b>			
<b>U.S. Department of Education (continued):</b>			
Direct Programs:			
Student and Faculty Success through Distance Learning	P031A080221-09	84.031	412,534
Pass-Through Programs from Cleveland State University:			
Transfer Connection Program	P031A090152	84.031	<u>246,989</u>
Total CFDA #84.031			<u>659,523</u>
Pass-Through Programs from Ohio Department of Education:			
Adult Basic and Literacy Education	PROJECT #063404-AB-S2-2009	84.002	2,243
Adult Basic and Literacy Education		84.002	<u>1,615,597</u>
Total CFDA #84.002			<u>1,617,840</u>
Pass-Through Program from Ohio Department of Education:			
We Are STEM	None	84.048	6,065
Pass-Through Program from Ohio Board of Regents:			
Educational Opportunity Programs	None	84.048	62,877
Vocational Education—Women in Transition	None	84.048	93,550
Vocational Education—Student Support	None	84.048	56,434
Vocational Education—Access	None	84.048	<u>245,025</u>
Total CFDA #84.048			<u>463,951</u>
Total Public Service			<u>5,036,445</u>
Total U.S. Department of Education			<u>65,271,271</u>
<b>National Institute of Health:</b>			
Direct Program:			
Bridges to Success	2 R25 GM49010	93.859	<u>128,215</u>
Total National Institute of Health			<u>128,215</u>

See Notes to Supplemental Schedule of Expenditures of Federal Awards.

(Continued)

**CUYAHOGA COMMUNITY COLLEGE**

**SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2012**

Federal Grantor/Pass Through Grantor/Program Title	Pass-Through Number	Federal CFDA Number or Primary Grant Number	Expenditures
<b>PUBLIC SERVICE</b>			
<b>U.S. Department of Health and Human Services:</b>			
Direct Programs:			
<b>Midwest HIT Consortium - ARRA</b>		93.721	<b>8,097,106</b>
Pass-Through Program from Ohio Department of Jobs and Family Services			
<b>TANF Summer Youth Employment Program - ARRA</b>		93.714	<b><u>88,681</u></b>
Total U.S. Department of Health and Human Services			<u>8,185,787</u>
<b>National Institute of Health</b>			
Pass-Through Program from Cleveland State University			
Reducing Health Disparities	1P60MD002265-03	93.307	<u>3,957</u>
Total National Institute of Health			<u>3,957</u>
<b>National Science Foundation:</b>			
Pass-Through Program from Kentucky Community and Technical College System:			
Automotive Collaborative	None	47.076	<u>6,184</u>
Total National Science Foundation			<u>6,184</u>
<b>U.S. Department of Commerce:</b>			
Pass-Through Program from Cleveland Housing Network			
Connect Your Community	None	11.557	<u>238,005</u>
Total U.S. Department of Commerce			<u>238,005</u>

See Notes to Supplemental Schedule of Expenditures of Federal Awards.

(Continued)

**CUYAHOGA COMMUNITY COLLEGE**

**SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2012**

Federal Grantor/Pass Through Grantor/Program Title	Pass-Through Number	Federal CFDA Number or Primary Grant Number	Expenditures
<b>PUBLIC SERVICE</b>			
<b>U.S. Department of Labor</b>			
Pass-Through Program from Cuyahoga County, Ohio and City of Cleveland, Ohio:			
Youth Technology Academy (YTA)	CE 0600316-01	17.259	511,072
Total CFDA #17.259			<u>511,072</u>
Direct Program:			
Allieviating Health Care Worker Shortage		17.269	205,308
Pass-Through Program from Cuyahoga Metropolitan Housing Authority			
H-1B Technical Skills		17.268	423,410
Pass-Through Program from BioOhio			
<b>Ohio Bioscience Workforce Training- ARRA</b>		17.275	<b>329,025</b>
Pass-Through Program from Ann Arundel Community College			
Trade Adjustment Assistance Program		17.282	144,393
Total U.S. Department of Labor			<u>1,613,208</u>
<b>National Endowment for the Arts</b>			
Direct Program:			
JazzFest 2012		45.024	20,000
JazzMasters Live		45.024	9,500
Total CFDA #45.024			<u>29,500</u>
Pass-Through Program from Arts Midwest:			
Philadanco		45.025	5,000
Total CFDA #45.025			<u>5,000</u>
Total National Endowment for the Arts			<u>34,500</u>

See Notes to Supplemental Schedule of Expenditures of Federal Awards.

Continued

**CUYAHOGA COMMUNITY COLLEGE**

**SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2012**

Federal Grantor/Pass Through Grantor/Program Title	Pass-Through Number	Federal CFDA Number or Primary Grant Number	Expenditures
<b>PUBLIC SERVICE</b>			
<b>National Aeronautics and Space Administration</b>			
Pass-Through Program from Paragon TEC, Inc.: SEMAA	C-77599-F	43.001	131,687
Pass-Through Program from FIRST: FIRST Robotics Competition	None	43.001	<u>19,365</u>
Total CFDA #43.001			<u>151,052</u>
<b>U.S. Department of Energy</b>			
Pass-Through from Ohio Department of Development: Alternative Energy Workforce Applications Training Smart Grid - ARRA		81.117 81.122	85,971 <u>240,565</u>
Total U.S. Department of Energy			<u>326,536</u>
<b>U.S. Department of Agriculture</b>			
Direct Program: Upward Bound Summer Food Program Outreach Youth Project		10.559 10.902	3,868 <u>230</u>
Total U.S. Department of Agriculture			<u>4,098</u>
<b>U.S. Small Business Services</b>			
Direct Program: Veterans Outreach and Business Development Center		59.000	<u>3,008</u>
Total U.S. Small Business Services			<u>3,008</u>
<b>U.S. Department of Defense</b>			
Direct Program: HBCU Center of Excellence in Education		12.630	<u>4,609</u>
Total U.S. Department of Defense			<u>4,609</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>75,970,430</u>

See Notes to Supplemental Schedule of Expenditures of Federal Awards.

(Concluded)

**CUYAHOGA COMMUNITY COLLEGE**  
**NOTES TO SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

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**1. BASIS OF PRESENTATION**

The accompanying Supplemental Schedule of Expenditures of Federal Awards (the "Schedule") reflects the expenditures of Cuyahoga Community College (the "College") under programs financed by the U.S. Government for the year ended June 30, 2012. The Schedule has been prepared using the accrual basis of accounting.

For purposes of the Schedule, federal awards include the following:

- Direct federal awards
- Pass-through funds received from non-federal organizations made under federally sponsored programs conducted by those organizations.

All programs are presented by federal department. Pass-through programs are also presented by the entity through which the College received the federal award. Catalog of Federal Domestic Assistance ("CFDA") Numbers or Primary Grant Numbers are presented for those programs for which such numbers are available.

**2. FEDERAL LOAN PROGRAMS**

***Federal Perkins Loan Program*** - The outstanding balance under this federal loan program administered by the College is as follows:

	CFDA Number	Outstanding Balance at June 30, 2012
Federal Perkins Loan Program	84.038	<u>\$ 177,945</u>



Board of Trustees  
Cuyahoga Community College  
Cleveland, Ohio

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*

We have audited the financial statements of the business-type activities and the discretely presented component unit of Cuyahoga Community College as of and for the year ended June 30, 2012, which collectively comprise Cuyahoga Community College's basic financial statements and have issued our report thereon dated November 27, 2012. 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.

### **Internal Control Over Financial Reporting**

Management of Cuyahoga Community College is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Cuyahoga Community College's internal control over financial reporting as a basis for designing our auditing procedures 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 Cuyahoga Community College's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Cuyahoga Community College's internal control over financial reporting.

*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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether Cuyahoga Community College's financial statements are free of 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 determination of financial statement amounts. 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*.

This report is intended solely for the information and use of the Board of Trustees and management of Cuyahoga Community College, the U.S. Department of Education, applicable pass-through agencies, and the Auditor of State of Ohio, and is not intended to be and should not be used by anyone other than these specified parties.

*Meloney + Novotny LLC*

Cleveland, Ohio  
November 27, 2012

Board of Trustees  
Cuyahoga Community College  
Cleveland, Ohio

Report on Compliance With Requirements That Could Have a  
Direct and Material Effect on Each Major Program and on Internal  
Control Over Compliance in Accordance With OMB Circular A-133

## Compliance

We have audited Cuyahoga Community College's compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. Cuyahoga Community College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Cuyahoga Community College's management. Our responsibility is to express an opinion on Cuyahoga Community College's compliance based on our audit.

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 OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 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 Cuyahoga Community 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. Our audit does not provide a legal determination on Cuyahoga Community College's compliance with those requirements.

In our opinion, the College complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs identified in the accompanying schedule of findings and questioned costs for the year ended June 30, 2012.

## Internal Control Over Compliance

Management of Cuyahoga Community College is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Cuyahoga Community College's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 Cuyahoga Community 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 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.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be a material weaknesses, as defined above.

### **Schedule of Expenditures of Federal Awards**

We have audited the financial statements of the business-type activities and the discretely presented component unit of Cuyahoga Community College as of and for the year ended June 30, 2012, and have issued our report thereon dated November 27, 2012. Our audit was performed for the purpose of forming our opinion on the financial statements that collectively comprise the College's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material aspects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Board of Trustees and management of Cuyahoga Community College, the U.S. Department of Education, applicable pass-through agencies, and the Auditor of the State of Ohio, and is not intended to be and should not be used by anyone other than these specified parties.

*Meloney + Novotny LLC*

Cleveland, Ohio  
November 27, 2012

**CUYAHOGA COMMUNITY COLLEGE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2012**

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**Section I – Summary of Auditor's Result**

**Financial Statements**

Type of auditor's report issued:		<u>Unqualified</u>	
Internal control over financial reporting:			
Material weakness(es) identified?	_____ yes	_____ <u>X</u> no	
Significant deficiency(ies) identified not considered to be material weaknesses?	_____ yes	_____ <u>X</u> none reported	
Noncompliance material to financial statements noted?	_____ yes	_____ <u>X</u> no	

**Federal Awards**

Internal control over major programs:			
Material weakness(es) identified?	_____ yes	_____ <u>X</u> no	
Significant deficiency(ies) identified not considered to be material weaknesses?	_____ yes	_____ <u>X</u> none reported	

Type of auditor's report issued on compliance for major programs:		<u>Unqualified</u>	
Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of Circular A-133?	_____ yes	_____ <u>X</u> no	

Identification of major programs:

**CFDA Numbers**

**Name of Federal Program or Cluster**

84.063, 84.007, 84.038, 84.033, 84.375	Student Financial Assistance Cluster
93.721	Midwest Community College Health Information Technology Consortium - ARRA
17.268	Cuyahoga Metropolitan Housing Authority H-1B Technical Skills
81.122	Alternative Energy Workforce Application Training Smart Grid - ARRA

**CUYAHOGA COMMUNITY COLLEGE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**For the Year Ended June 30, 2012**

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**Section I – Summary of Auditor's Result (Continued)**

Dollar threshold used to distinguish between  
Type A and Type B programs:

\$472,068

Auditee qualified as a low risk auditee?

  X   yes

       no

**Section II – Financial Statement Findings – No findings were noted.**

**Section III – Federal Award Findings and Questioned Costs**

No findings were noted.

**CUYAHOGA COMMUNITY COLLEGE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**For the Year Ended June 30, 2012**

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**Prior Year Finding:**

**FINDING 11-1**

The college did not timely return approximately 17% of title IV funds.

**FINDING 11-1**

The errors noted in the prior year resulted from significant turnover during a period of the award year. After performing our testing of return of title IV for the school year 2011-2012, it appears that the College has returned the the appropriate title IV funds in a timely manner. No similar exceptions were noted during the testing.

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# Dave Yost • Auditor of State

**CUYAHOGA COMMUNITY COLLEGE**

**CUYAHOGA COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JANUARY 17, 2013**